

AFRICAN DEVELOPMENT BANK

**ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCEDURES
FOR AFRICAN DEVELOPMENT BANK'S
PUBLIC SECTOR OPERATIONS**

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LIST OF ABBREVIATIONS

| | |
|-------|--|
| AfDB | African Development Bank |
| CD | Country Department |
| CEP | Country Environmental Profile |
| CLEG | AfDB's Legal Services Department |
| CSO | Civil Society Organisation |
| CSP | Country Strategy Paper |
| EA | Environmental Assessment |
| EAGs | Environmental Assessment Guidelines |
| EIA | Environmental Impact Assessment |
| ESA | Environmental and Social Assessment |
| ESAP | Environmental and Social Assessment Procedures |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| ESS | Environmental and Social Scoping |
| ESSM | Environmental and Social Scoping Memorandum |
| FI | Financial Intermediary |
| IESS | Initial Environmental and Social Screening |
| OESU | Environment and Sustainable Development Unit |
| OM | Operations Manual |
| OPEV | AfDB's Operations Evaluation Department |
| OPs | Operations Complexes (OPVP1 and OPVP2) |
| PAR | Project Appraisal Report |
| PIC | AfDB's Public Information Centre |
| PRSP | Poverty Reduction Strategy Paper |
| RMC | Regional Member Country |
| TOR | Terms of Reference |
| SDPRU | Sustainable Development & Poverty Reduction Unit (previously known as OESU) |
| SESA | Strategic Environmental and Social Assessment |

FOREWORD

The African Development Bank issued its Environmental Assessment Guidelines (EAG) in 1992. The guidelines were used by Bank's Task Managers in implementing Bank's Environmental Policy, which was approved by the Board of Directors in 1990. In addition to providing definitions of environmental categorization and associated level of environmental assessment required in Bank financed projects, the EAG laid out step-by-step the requirements and responsibilities related to environmental assessment at the various stages in the project cycle.

While the procedures have served the Bank well in ensuring environmental sustainability in Bank financed projects in the last decade, the Bank has evolved and has made progress in a number of areas which have necessitated for the EAG to be updated. Most notable was the creation of the Environment and Sustainable Development Unit (OESU) in 1996, reporting to the Vice President Operations, to establish and update policies and procedures on various crosscutting themes (environment, gender, poverty reduction, participation, and population). OESU also had an important role in advising the Country Departments on crosscutting issues related to project lending as well as to ensure the related compliance.

In June 2001, Bank's Board of Directors approved a new organizational structure under which OESU's functions would be performed by the Sustainable Development & Poverty Reduction Unit reporting to a newly created Vice Presidency for Policy, Planning & Research (PPRP). The Operations Complex (OPVP) was split into two complexes – OPVP1 for the region North, East and South; and OPVP2 for the region West and Central.

The revised Environmental and Social Assessment Procedures (ESAP) have therefore been updated to reflect the more integrated approach addressing all crosscutting themes as well as the new organizational structure. The ESAP are innovative, proactive and forerunner in the practices of the Multilateral Development Banks. It is the Bank's sincere hope that the ESAP will help accelerate the goals of promoting sustainable development in Africa region.

GLOSSARY

Categorisation

Process of screening projects in terms of their potential environmental and social adverse and beneficial impacts during the project identification phase, using the Initial Environmental and Social Screening (IESS) Checklist presented in [Annex 7](#) of the ESAP, in order to classify projects in either Category 1, 2, 3 or 4.

Crosscutting Issues

Transversal environmental and social issues that are critical to achieve sustainable development, including poverty reduction, environment, gender, population, health, civil society and stakeholder participation.

Desk Compliance Audit

Audit based on a desk review of environmental and social information provided by the auditee and collected using a project specific audit questionnaire. This audit intends to determine the extent to which project implementation activities comply with the Bank's policies and guidelines on crosscutting issues, the ESMP and environmental and social loan covenants included in the loan agreement.

Emergency Recovery Plan

Instrument to assist a country in quickly responding to an emergency situation that has a significant impact on its economy and population. Emergency Recovery Plans are exempted from the Environmental and Social Assessment Procedures, but actions carried out under these plans should minimise as much as possible environmental and social disturbances during the implementation phase.

Environmental and Social Assessment

Assessment process followed to integrate environmental and social dimensions into the Bank's lending operations. This process relies on various instruments to carry out the assessment such as the Environmental and Social Impact Assessment and the Environmental and Social Management Plan.

Environmental and Social Expertise

Professionals providing specific knowledge or expertise with respect to environmental and/or social issues. Experts may be AfDB staff or contracted individuals or firms when particular expertise is not available within the Bank.

Environmental and Social Impact Assessment

Instrument whose purpose is to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation/enhancement, monitoring, consultative and institutional strengthening measures.

Environmental and Social Management Plan

Instrument that outlines the mitigation/enhancement, monitoring, consultative and institutional strengthening measures to prevent, minimise, mitigate or compensate for adverse environmental impacts and to enhance beneficial impacts. An ESMP shall specify how, when and by whom these measures shall be implemented.

Financial Intermediary

A financial intermediary on-lend Bank's funds to small and medium size enterprises. Among others, it may be a bank, insurance and leasing company or an investment fund. Small organisations which manage a micro-financing portfolio for the Bank are not considered as financial intermediaries.

Full Compliance Audit (or Compliance Audit)

Detailed field audit conducted during project implementation or completion providing systematic environmental and social information to evaluate the extent to which project implementation activities comply with the Bank's policies and guidelines on crosscutting issues, the ESMP and environmental and social loan covenants included in the loan agreement.

Less-organized Segment of Society

Group of people who does not have the necessary means to express their point of view and participate in consultative processes.

Pre-approval Audit

Systematic assessment of past and present environmental and social liabilities associated with a project which is generally carried out during the preparation phase.

Primary Stakeholders

Primary stakeholders are the beneficiaries of a development intervention or those directly affected (positively or negatively) by it. They include local populations (individuals and community-based organizations) in the project/program area – in particular poor and marginalized groups who have traditionally been excluded from participating in development efforts.

Secondary Stakeholders

Secondary stakeholders are those who influence a development intervention or are indirectly affected by it. They include the borrowing government, line ministries and project staff, implementing agencies, local governments, civil society organizations, private sector firms, the Bank and its shareholders and other development agencies.

Strategic Environmental and Social Assessment

Instrument that assesses environmental and social influences associated with a proposed policy, strategy, plan, or program, particularly those targeting a specific region (regional ESA) or a sector (sector specific ESA).

Vulnerable Group

Group of people characterised by a higher risk and reduced ability to cope with adverse impacts such as vulnerable ethnic minorities, refugees, displaced people, children, elderly, disabled people, etc. Poor and women are normally considered independently.

EXECUTIVE SUMMARY

Since the adoption of the Bank's Environmental Policy and Environmental Assessment Guidelines in 1990 and 1992 respectively, many changes have occurred in the Bank's structure and operations. Some major changes included the creation of the Environmental and Sustainable Development Unit (OESU) in 1996, adoption or review of several policies and new focus on mainstreaming crosscutting issues into Bank's operations. As a result work was undertaken to review and update the current environmental assessment procedural guidelines and harmonize them with policies and practices in other multilateral development banks.

The main purpose of the Environmental and Social Assessment Procedures (ESAP) is to improve decision-making and project results in order to ensure that Bank-financed projects¹, plans and programs are environmentally and socially sustainable as well as in line with Bank's policies and guidelines. The ESAP intend to replace the actual procedures and integrate all crosscutting considerations into the new assessment process.

The ESAP propose to RMCs and Bank staff various instruments for assessing projects. For example, the Procedures introduce Strategic Environmental and Social Assessment as a tool to assess, from the environmental and social point of view, the plans and programs to be financed by the Bank. The ESAP also formalise the use of Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) and Environmental and Social Audits as instruments to enhance project benefits and (in order of priority) to prevent, minimise, mitigate, or compensate for adverse impacts.

The ESAP describe the various steps that shall be followed to mainstream crosscutting issues along the project cycle, from country programming to post-evaluation. The first step consists in developing and updating baseline data on RMCs' environmental and social components, policies, programs and capacities to better integrate environmental and social dimensions into lending priorities during country programming.

At the project identification phase, the screening exercise focuses on the environmental and social dimensions of a project to categorize it in one out of four following categories:

- Category 1 projects are those that are likely to have the most severe environmental and social impacts and require a full ESIA.
- Category 2 projects are likely to have detrimental and site-specific environmental and social impacts that can be minimised by the application of mitigation measures included in an ESMP.
- Category 3 shall not induce any adverse environmental and social impacts and do not need further ESA action.
- Category 4 projects involve investment of Bank's funds through Financial Intermediaries (FIs) in subprojects that may result in adverse environmental or social impacts. Specific requirements for this type of project include an assessment of FI capacities to handle environmental and social considerations.

During project preparation, the scoping exercise shall help to define the scope of the studies to be completed by the Borrower, with the assistance of Operations (OPs) as appropriate. The preparation of studies requires consultations with primary and secondary stakeholders. Once ESA studies are finalised, the review process allows OPs to ensure that Bank's vision,

¹ The ESAP apply to the Bank's public sector operations. Similar procedures were developed and approved for the Bank's private sector operations.

policies and guidelines were adequately taken into account in project design and implementation. In addition, during the appraisal phase, ESIA Summaries shall be reviewed and cleared by Sustainable Development & Poverty Reduction Unit (SDPRU). Finally, the procedures require the public disclosure of summaries in accordance with specified deadlines, 120 days for an ESIA Summary and 30 days for an ESMP Summary.

The project implementation phase involves that the Borrowers ensure the implementation of ESMPs and monitor project impacts and results. OPs shall supervise the Borrowers' work and verify compliance through supervision missions and/or environmental and social audits, whenever necessary. Audits undertaken during the completion phase and post-evaluations also aim to assess environmental and social results.

Along the project cycle phases, the Procedures favor the joined participation of environmental and social expertise in project screening, scoping, field missions and audits. Their involvement is considered particularly important for Category 1 and 4 projects. The responsibilities of the various stakeholders are clearly defined in the ESAP: the Borrowers are responsible for integrating environmental and social considerations into sponsored projects; OPs assist the Borrowers in meeting Bank's requirements; and SDPRU verifies compliance to the procedures, essentially at the entry and approval points, and provides peer-level advice and support for missions, audits and document review upon request.

Finally, sixteen annexes complement the ESAP. These annexes are practical documents that outline how to proceed to implement the main steps under the assessment process.

1 INTRODUCTION

1-A Background

- 1.1 Following the adoption of its Environmental Policy in 1990, the African Development Bank (AfDB) released the Environmental Assessment Guidelines (EAGs) in 1992, containing both technical sector-based guidelines and procedural guidelines describing the environmental review process of Bank-financed public sector projects. Also in 1992, the Central Operations Vice President issued Operational Instructions establishing the procedures for processing Environmental Impact Assessment (EIA) studies.
- 1.2 Since the Operational Instructions were issued, the Bank has continued to improve its environmental assessment work by publishing several sector-specific environmental guidelines and by conducting training and awareness building programs intended for the Bank's operations staff. Following the Bank's major restructuring in 1995, the Environment and Sustainable Development Unit (OESU) was created to house various crosscutting experts. Environmental and gender staff positions were also created in Country Departments (CDs).
- 1.3 Based on the past experience and results in implementing the EAGs, OESU initiated a revision of the current environmental assessment procedures to incorporate the new developments within the Bank, particularly the recently adopted policies focussing on information disclosure, consultations, good governance and crosscutting issues (poverty reduction, gender, population, health, civil society and stakeholder participation). The revision was also undertaken with the intent to harmonise the Bank's procedures with those of other multilateral development banks, particularly the World Bank.
- 1.4 The Environmental and Social Assessment Procedures (ESAP) for Bank's public sector operations presented in this document are therefore intended to replace the procedural guidelines contained in the 1992 EAGs, as well as the 1992 Vice Presidential Operational Instructions. However, it should be noted that the technical guidelines on environmental impact assessment recommended for various sectors in the 1992 EAGs are still valid and their use shall be continued.

1-B Objectives of the Procedures

- 1.5 The primary objective of the ESAP is to provide a formal process for the internal and inter-departmental environmental and social review of Bank-financed projects, programs and plans. The procedures highlight the various steps that shall be followed to assess environmental and social risks and benefits along the project cycle.²
- 1.6 In addition, the ESAP aim to ensure the integration of environmental and social dimensions into the public sector project cycle from country programming to post-evaluation. An integrated approach allows to take into account interrelations between environmental and social issues and to favor a multidisciplinary review of key concerns in a timely manner.
- 1.7 Other objective of the procedures is to make Bank's borrowers or Regional Member Countries (RMCs) aware of environmental and social requirements for assessing Bank-

² These procedures will be incorporated in the Operations Manual to ensure that the Bank's environmental and social assessment work is fully integrated within the other project cycle activities.

financed projects, programs and plans, thus enhancing their capacity to achieve sustainable development.

1-C Purpose of the Procedures

- 1.8 The purpose of the ESAP is to improve decision-making and project results in order to ensure that Bank-financed projects and programs are environmentally and socially sustainable as well as in line with Bank's policies and guidelines. The ESAP have therefore been designed with the recognition that environmental and social dimensions shall be assessed early in the project cycle and taken into account in project selection, siting, planning, and design.
- 1.9 The proposed environmental and social assessment process provides ways to improve a project environmentally and socially and thereby enhance its benefits and (in order of priority) prevent, minimise, mitigate, or compensate for adverse impacts. The ESA process shall ensure benefit distribution to poor, women and vulnerable groups.
- 1.10 In addition, the ESA process shall help to avoid incurring costs and delays in the implementation due to unanticipated problems. It also assists in reducing the need for project conditionalities as appropriate measures can be taken in advance, incorporated into project design, or alternatives to the project can be considered.
- 1.11 The ESA process provides a co-ordination mechanism between the Bank and the relevant government agencies. It plays an important role in building the environmental and social management capacity of the project executing agency.

1-D Scope of the Procedures

- 1.12 The ESAP cover all public-sector projects financed directly by the AfDB Group as well as through Financial Intermediaries (FIs). The assessment process presented in these Procedures clearly identifies the environmental and social assessment requirements at each phase of the cycle.
- 1.13 Plans and programs (including structural and sector-specific adjustment loans) also require an environmental and social review of a strategic nature. The following boxes briefly describe strategic assessment approaches that shall be considered to integrate environmental and social concerns in plans and programs more frequently developed by the Bank. [Annex 1](#) provides further information on steps to follow to carry out a Strategic Environmental and Social Assessment (SESA).
- 1.14 Studies are excluded from the Environmental and Social Assessment Procedures when they do not generate environmental or social impacts. Nevertheless, during the preparation of TOR for studies, OPs shall follow the ESAP as appropriate.
- 1.15 For Emergency Recovery Projects, the ESAP are not applicable. However, once such projects have been identified, environmental and social expertise shall be included in the project team to design an Environmental and Social Management Plan (ESMP). Actions shall be undertaken to minimise as much as possible environmental and social disturbances caused by such projects.
- 1.16 In order to comply with the Bank's requirements, environmental and social assessment studies shall address key crosscutting issues that are: poverty reduction, environment, gender, population, health and safety related issues, civil society and stakeholder participation. While the assessment contents depend on the nature and scope of the

project, plan or program, there are certain typical environmental and social components that shall be considered. Those are presented in [Annex 2](#).

Box 1-D.1 Sectoral and Regional ESA

A sectoral or regional ESA shall be carried out to evaluate the likely environmental and social consequences of a proposed sector-wide or region-wide plan or program. The plan or program may be related to a sector such as water and sanitation, energy, transport, etc. or it might be related to a geographical area or region. The main benefit of a sectoral or regional ESA is that it allows for the consideration of more far-ranging and cumulative impacts and broader types of alternatives than provided by a project-specific ESA. Sectoral or regional ESAs can facilitate the preparation of project-specific ESAs at later stages of development.

A sectoral ESA focuses on the design or strengthening of an institutional and regulatory framework for carrying out environmental or social responsibilities. It generally assesses the major impacts of concern in the sector as a whole and prescribes standard approaches to project design and mitigation. In so doing it reduces the scope of work for individual project-specific ESAs. A regional ESA on the other hand examines the cumulative effects of multiple activities in a specified region. The activities may be ongoing, planned or anticipated in the future. Regional ESAs help to define priorities and options.

Refer to [Annex 1](#) for details on the steps involved in carrying out a strategic environmental and social assessment.

Box 1-D.2 Strategic Assessment of Structural and Sectoral Adjustment Loans

The assessment of the environmental and social influences of Structural and Sectoral Adjustment Loans is based on a staged process. In fact, the assessment process follows the economic influence through the realms of policy changes and other actions in order to emerge at the end of the process with an assessment of cumulative environmental and social implications. Such strategic assessment focuses on the potential impacts of planned policy, institutional, and regulatory actions under the considered loan.

Refer to [Annex 1](#) for details on the steps involved in carrying out a strategic environmental and social assessment.

2. CONTEXT

- 2.1 The guiding principle of environmental and social assessment procedures is to ensure that the Bank's projects, programs and plans have been designed to make them environmentally and socially sustainable, involving stakeholder participation and timely public disclosure.
- 2.2 The environmental and social assessment procedures outline a review process that relies on the use of various instruments for its implementation. The instruments most frequently refer to in these procedures are the Environmental and Social Impact Assessment, Environmental and Social Management Plan, Strategic Environmental and Social Assessment and Environmental and Social Compliance Audit. These instruments are defined in the [Glossary](#).
- 2.3 The Bank has developed several policies, strategies and guidelines related to sustainable development that set out prioritised action plans and recommendations on Bank's interventions. Major documents include policies on environment (currently under revision), population, gender (upcoming), health, poverty alleviation (under development), cooperation with civil societies, good governance and information disclosure. These documents are listed in [Annex 3](#).
- 2.4 Moreover, the Bank has issued several sector-specific environmental assessment guidelines, which complement these procedures and provide detailed directives on environmental assessment. These are also listed in [Annex 3](#).
- 2.5 The projects financed by the Bank shall comply with the RMC's environmental and social legislation, policies and guidelines, with local and national requirements on public consultations and disclosure, as well as with international agreements ratified by the borrowing country. In the absence of such legislative framework, projects shall consider provision for components to enhance national capacity in environmental and social management.
- 2.6 Bank-financed projects that may affect several countries (such as international or transboundary projects) shall comply with national laws, policies and guidelines in place in the various affected countries. If countries' requirements differ, the most stringent laws, policies or guidelines shall apply.

3. ASSESSMENT PROCESS

The Environmental and Social Assessment of projects, plans and programs is primarily the responsibility of the Borrower. However, at various stages in the project cycle, OPs and SDPRU have specific responsibilities to assume in order to ensure that Bank's policies and guidelines are adequately applied. Consequently, this section outlines the steps to be followed at each stage of the project cycle to carry out an environmental and social assessment and identifies the entity responsible for the implementation of the required actions. At the end of this section, Figures [1](#) and [2](#) summarize the main steps and associated responsibilities of the Environmental and Social Assessment Procedures.

3-A Country Programming

Assessment Background

- 3.1 Country Programming is an integral part of the ESA process as it provides information and baseline data outlining government's environmental and social constraints, strategies and programs which enables the Bank to integrate environmental and social dimensions in lending priorities.
- 3.2 Country Strategy Papers (CSP) developed by OPs and containing comprehensive background information on RMCs shall address environmental and social dimensions and focus on issues of concern in lending priorities. To that end, the inclusion of environmental and social expertise is strongly recommended in country strategy programming missions. [Annex 4](#) presents generic environmental and social contents for CSP.
- 3.3 The Country Environmental Profiles and Country Social Profiles are also important background documents for ESA as they help to identify environmental and social priorities, constraints and key actors.
- 3.4 During the ESA process, Poverty Reduction Strategy Papers (PRSP) shall also be considered, as well as other available country profiles on crosscutting issues such as gender or population.

3-B Project Identification

Screening

- 3.5 The major ESA task under project identification is the screening of projects to determine to which environmental and social category a project shall be assigned. The categorization is based on the Project Brief prepared by OPs, on the basis of baseline information provided by the Borrower.
- 3.6 The Project Brief shall include contextual information and data on key environmental and social aspects of the project. [Annex 5](#) specifies the contents of the Project Brief sections that shall address environmental and social issues and assist in determining project category.
- 3.7 Projects shall be assigned to one of following four categories:
 - Category 1 projects require a full Environmental and Social Impact Assessment (ESIA), including the preparation of an Environmental and Social Management Plan (ESMP). These projects are likely to induce important adverse environmental and/or social impacts that are irreversible, or to significantly affect environmental or

social components considered sensitive by the Bank or the borrowing country. The ESIA examines the project's potential beneficial and adverse impacts, compares them with those of feasible alternatives (including the "without project" scenario), and recommends any measures needed to prevent, minimise, mitigate or compensate for adverse impacts and to enhance environmental and social project benefits.

- Category 2 projects require the development of an Environmental and Social Management Plan (ESMP). These projects are likely to have detrimental and site-specific environmental and/or social impacts that are less adverse than those of Category 1 projects and that can be minimized by the application of mitigation measures or the incorporation of internationally recognised design criteria and standards.
 - Category 3 projects require no impact assessment. These projects shall involve no adverse physical intervention in the environment and induce no adverse environmental or social impact. Beyond categorisation, no further ESA action is required for this category of project.³
 - Category 4 projects involve investment of Bank's funds through Financial Intermediaries (FIs) in subprojects that may result in adverse environmental and/or social impacts. FIs include among others banks, insurance and leasing companies, and investment funds that on-lend Bank's funds to small and medium size enterprises (refer to the [Glossary](#)). FI responsibilities under the ESAP are outlined in [Annex 6](#).
- 3.8 The initial responsibility to determine the project category lies with the OPs whose environmental and social expertise shall be called upon to propose a project category according to the Initial Environmental and Social Screening (IESS) Checklist presented in [Annex 7](#).
- 3.9 Environmental and social expertise within SDPRU shall review the proposed project category. SDPRU may request for additional information from OPs to reach a decision on the project category. SDPRU clears the project category and enters it into the Project Brief.
- 3.10 OPs may request SDPRU to reassess a project category along the project cycle, if the initial project components evolve or following new environmental or social findings. Any changes to the previous environmental categorization shall be documented and justified in the Project Brief.

3-C Project Preparation

***Scoping
ESA studies preparation
Pre-approval Auditing***

- 3.11 OPs notifies the Borrower of the project category and specifies ESA requirements in relation to this category.
- 3.12 For Categories 1 and 2 projects, it is recommended that environmental and social expertise within OPs carry out an Environmental and Social Scoping (ESS), prior to

³ Nonetheless, some specific studies on critical social issues may need to be carried out to properly design a Category 3 project, such as gender analyses or institutional analyses.

the launching of the project preparation mission. The main purpose of the ESS is to identify the environmental and social dimensions that shall be considered during the ESA process and to determine the extent of the ESA studies required. The main elements of ESS shall be included in Project Briefs. SDPRU shall provide assistance upon request.

- 3.13 OPs shall record the findings and results of the Environmental and Social Scoping in the Environmental and Social Scoping Memorandum (ESSM), whose format and contents are presented in [Annex 8](#).
- 3.14 OPs shall also specify audit requirements in the ESSM. Depending on the nature and scope of the project, OPs may recommend a Pre-approval Audit or a Compliance Audit to be undertaken during project implementation or completion. The purpose and process related to environmental and social auditing are summarized in [Annex 9](#).
- 3.15 OPs is responsible for ensuring that all ESA studies prepared by the Borrower or partner institutions (United Nations agencies, bilateral agencies, etc.) comply with the Bank's requirements. To that end, OPs provides to the Borrower or partner institutions relevant background documents as well as the Environmental and Social Scoping Memorandum (ESSM) completed during the scoping exercise.
- 3.16 OPs shall undertake a Pre-approval Audit with SDPRU assistance if the scoping exercise indicated a need for evaluating past and present environmental and social liabilities associated with the project.
- 3.17 For Category 1 projects, the Borrower prepares the Terms of Reference (TOR) of the ESIA with OPs assistance if necessary. Depending on the Borrower's technical and financial capacities, OPs may decide to prepare the TOR. Generic contents of TOR for ESIA are presented in [Annex 10](#).
- 3.18 ESIA TOR preparation shall involve consultations with concerned government agencies, key local civil society organizations (CSOs) as well as representatives of affected groups, as appropriate.
- 3.19 OPs shall review ESIA TOR. To this end, OPs shall consult with project team responsible for feasibility study and preparation to ensure adequacy and comprehensiveness. If found desirable, an environmental and/or social specialist shall conduct a field visit. OPs may request SDPRU assistance if necessary.
- 3.20 The preparation of an ESIA Report is the Borrower's responsibility. The Borrower shall retain independent environmental and social specialists to carry out the ESIA. The assessment work shall be completed in accordance with the Bank's policies and guidelines (see [Annex 3](#)), country regulations and guidelines⁴ and agreed TOR.
- 3.21 The Borrower shall consult primary and secondary stakeholders during ESIA preparation. The draft ESIA report accompanied by a non-technical executive summary shall be publicly released for consultation. Consultation findings shall be integrated and taken into account in the final ESIA Report (see [section 5](#) of ESAP).
- 3.22 The Borrower shall follow ESIA progress particularly when consultants are involved, conduct site visits if necessary, comment and approve the ESIA Report with the assistance of OPs if necessary, before Project Appraisal and Bank review. Typical

⁴ When Bank's and Country's requirements differ, the most stringent guidelines should apply.

contents of an ESIA Report are provided in [Annex 10](#) along with TOR generic contents.

- 3.23 For Category 2 projects, the Borrower prepares the TOR of the ESMP with OPs assistance if necessary. Depending on the Borrower's technical and financial capabilities, OPs may decide to prepare the TOR. The TOR shall be based on the findings and results of the scoping exercise recorded in the ESSM.
- 3.24 The development of the ESMP is the Borrower's responsibility, with OPs assistance if necessary. Depending on the Borrower's technical and financial capacities, OPs may decide to prepare the required ESMP.
- 3.25 The ESMP's scope and level of details shall be proportional to the number and complexity of the measures required to ensure the project's environmental and social sustainability. Generic contents of an ESMP is provided in [Annex 11](#).
- 3.26 The Borrower shall follow ESMP preparation particularly when consultants are involved, conduct site visits if necessary, comment and approve the ESMP, with the assistance of OPs if necessary, before Project Appraisal and Bank review.
- 3.27 In those cases where ESA studies have been completed prior to Bank involvement in the project, OPs shall review existing ESA studies and propose Terms of Reference for additional studies if significant environmental or social issues were left out or not properly addressed.
- 3.28 For Category 4 projects involving Financial Intermediaries, OPs shall conduct environmental and social due diligence on the potential partner(s) and the proposed pipeline of operations. Issues to be considered include FI's environmental and social performance; its environmental and social policies, procedures and capabilities; the nature of the loans and investments to be supported with the use of Bank funds; and the need for technical co-operation and capacity building to facilitate the adoption of environmental and social procedures satisfactory to the Bank.
- 3.29 All FIs shall provide OPs with a written assessment of the institutional mechanisms (including, as necessary, identification of measures to strengthen capacity) proposed to carry out ESA work related to subprojects. OPs verifies that the FI is capable of and committed to meeting Bank requirements. If the FI is judged incapable, OPs may recommend training and/or capacity building for the benefit of FI staff. In such a case, FIs shall adhere, at a minimum, to OPs recommendations and these shall be incorporated into agreements negotiated with FIs.
- 3.30 Inclusion of environmental and social expertise in project preparation mission is highly recommended for Category 1 and strongly recommended for Category 2 projects.
- 3.31 The Project Brief, including project category, shall be updated by OPs to integrate new information collected during project preparation.
- 3.32 According to the Borrower's technical and financial capacities, OPs may request financing from bilateral funds, Technical Assistance Funds or Project Preparation Facility for ESA studies.

3-D Project Appraisal***ESA studies review
ESA studies approval***

- 3.33 The Bank shall initiate the review of the ESA studies as soon as the Borrower has approved them. At the latest, the Bank shall have reviewed the ESA studies prior to the launching of project appraisal mission.
- 3.34 For Category 1 projects, OPs review ESIA Report on the basis of TOR and ensure that stakeholder participation findings are included. OPs provide comments to the Borrower who then finalises the ESIA Report and prepares the ESMP according to the generic ESMP contents presented in [Annex 11](#).
- 3.35 OPs shall review the final ESIA Report and the ESMP, with SDPRU assistance if necessary. OPs prepare the ESIA Summary as outlined in [Annex 12](#). SDPRU reviews and clears the ESIA Summary.
- 3.36 OPs submit the cleared ESIA Summary to the Secretary General for circulation to the Board of Directors according to delay requirements which are at least 120 days prior to project Board presentation. Simultaneously, SDPRU releases the ESIA Summary to the public through the PIC (refer to [section 6](#) of ESAP).
- 3.37 For Category 2 projects, OPs review the ESMP on the basis of the generic ESMP contents provided in [Annex 11](#) and undertake a site visit if necessary. OPs provide comments to the Borrower who then finalises the ESMP.
- 3.38 OPs shall review the final ESMP and prepare the ESMP Summary as outlined in [Annex 13](#). OPs shall present the ESMP Summary as an annex to the Project Appraisal Report that will be reviewed by SDPRU through the internal Bank review process. OPs submit the ESMP Summary to SDPRU for release to the public through the PIC at least 30 days prior to Board presentation (refer to [section 6](#) of ESAP).
- 3.39 The inclusion of environmental and social expertise in appraisal mission is highly recommended for Category 1 and strongly recommended for Category 2 projects.
- 3.40 The incorporation of environmental and social information in the Project Appraisal Report (PAR) is OPs responsibility. [Annex 14](#) outlines how to integrate environmental and social findings of ESIA and ESMP in the PAR.
- 3.41 SDPRU shall contribute to the review and refinement of the environmental and social information included in the PAR through its participation in the established internal Bank review process.

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| 3-E Loan Negotiations, Board Presentation and Loan Signature | <i>Environmental and Social Loan Conditions</i> |
|---|--|

- 3.42 Based on the outcomes of the ESA studies, OPs prepare loan conditions and covenants to cover any outstanding environmental and social concerns that need follow-up during project implementation.
- 3.43 For Category 1 projects, the inclusion of conditions and/or covenants in loan documents shall ensure an effective compliance with the Bank's environmental and social policies (e.g. submission of resettlement plans, creation of monitoring units, stakeholder consultations, etc.).
- 3.44 The Legal Services Department (CLEG) provides assistance to OPs in drafting the clauses related to environmental and social loan conditions and covenants.
- 3.45 For Categories 1 and 2 projects, OPs shall ensure that the ESMP is incorporated in the loan agreements.

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| 3-F Project Implementation and Supervision | <i>Monitoring Reporting Compliance Auditing</i> |
|---|--|

- 3.46 It is under the Borrower's responsibility to implement Environmental and Social Management Plans, including compliance with indicators identified in project implementation documents, the Bank's policies and guidelines, as well as environmental and social covenants included in the loan documents.
- 3.47 [Annex 15](#) provides guidelines on the environmental and social surveillance and monitoring activities that shall be undertaken by the Borrower.
- 3.48 The Borrower reports to OPs on the implementation of the Environmental and Social Management Plan (ESMP) in the regular quarterly reports submitted to the Bank. Results achieved shall be clearly identified.
- 3.49 Whenever non-compliance to agreed requirements or unexpected impacts are noted, OPs shall request that the Borrower review the ESMP (Categories 1 and 2) in collaboration with relevant stakeholders, as appropriate. OPs shall clear the proposed changes.
- 3.50 Inclusion of environmental and social expertise in the launching mission and supervision missions led by OPs is highly recommended for Category 1 and strongly recommended for Category 2 projects, especially for mid-term review. OPs shall ensure consultations with affected groups during the launching mission and supervision missions.
- 3.51 For selected Category 1, 2 and 4 projects, OPs may carry out a desk or full Compliance Audit. OPs may request SDPRU assistance to complete these audits (refer to [Annex 9](#)).

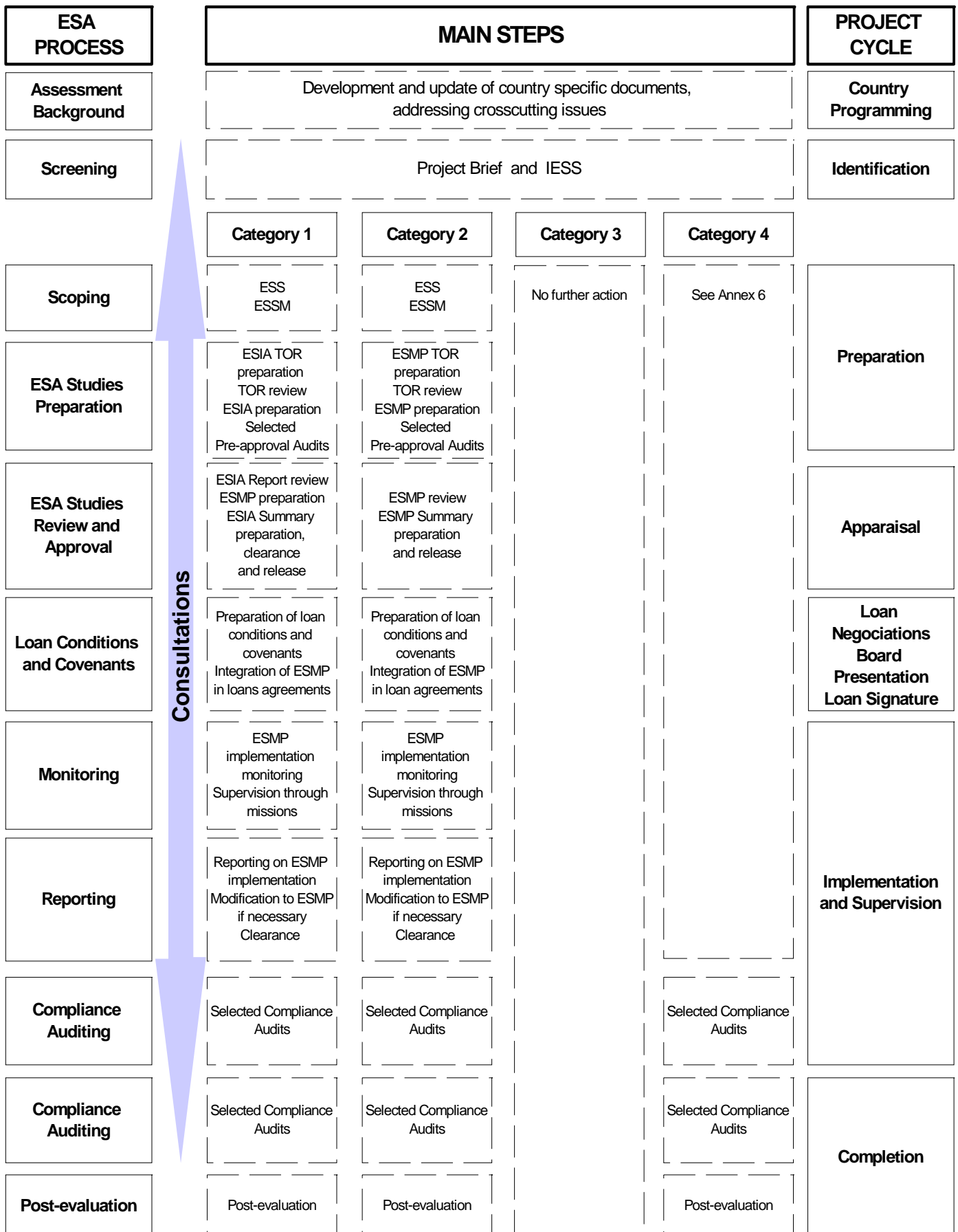
3-G Project Completion***Compliance Auditing
Post-evaluation***

- 3.52 Project completion procedural steps are OPs responsibility. Inclusion of environmental and social expertise in the project completion team is highly recommended for Category 1 and strongly recommended for Category 2 and 4 projects.
- 3.53 For selected Category 1, 2 and 4 projects, OPs may carry out a desk or full Compliance Audit. OPs may request SDPRU assistance to complete these audits (refer to [Annex 9](#)).
- 3.54 Project post-evaluation is the responsibility of Operations Evaluation Department (OPEV). Inclusion of environmental and social expertise during project post-evaluation is highly recommended for Category 1 and strongly recommended for Category 2 and 4 projects.

FIGURE 1: ESAP ACTIVITIES AND RESPONSIBLE ORGANIZATIONS

| ACTIVITIES | PROJECT CYCLE | RESPONSIBILITIES |
|--|----------------------|-------------------------------|
| 1. Country Programming | | |
| Develop and update CSP, integrating environmental and social priorities | | <i>OPs</i> |
| Develop and update country profiles on key crosscutting issues | | <i>SDPRU</i> |
| 2. Project Identification | | |
| Provide baseline information for the IESS | | <i>Borrower</i> |
| Prepare Project Brief and conduct IESS | | <i>OPs</i> |
| Clear project category and include it in Project Brief | | <i>SDPRU</i> |
| Review project category if necessary | | <i>OPs and SDPRU</i> |
| 3. Project Preparation | | |
| Notify Borrower of project Category and ESA requirements | | <i>OPs</i> |
| Carry out an ESS and prepare the ESSM | | <i>OPs</i> |
| Undertake Pre-approval Audit, as appropriate | | <i>OPs</i> |
| Prepare TOR for ESA studies | | <i>Borrower and/or OPs</i> |
| Review TOR for ESA studies | | <i>OPs</i> |
| Carry out the ESIA along with feasibility studies and public consultations | | <i>Borrower</i> |
| Prepare an ESMP for Category 2 project | | <i>Borrower or OPs</i> |
| Approve ESA studies | | <i>Borrower</i> |
| Assess FI environmental and social performance and capacities | | <i>OPs</i> |
| Request bilateral funding if necessary | | <i>OPs</i> |
| 4. Project Appraisal | | |
| Review and comment ESIA Report (Category 1) | | <i>OPs</i> |
| Review and comment ESMP (Category 2) | | <i>OPs</i> |
| Finalise ESIA and prepare ESMP (Category 1) | | <i>Borrower</i> |
| Finalise ESMP (Category 2) | | <i>Borrower or OPs</i> |
| Review final ESIA Report and ESMP (Cat. 1 and 2) | | <i>OPs</i> |
| Prepare ESIA Summary (Cat. 1) and ESMP Summary (Cat. 2) | | <i>OPs</i> |
| Clear ESIA Summary (Cat. 1) | | <i>SDPRU</i> |
| Integrate environmental and social information in PAR | | <i>OPS</i> |
| Release ESIA Summary and ESMP Summary through PIC | | <i>SDPRU, assisted by OPs</i> |
| 5. Negotiations, Board Presentation and Loan Signature | | |
| Prepare loan conditions and covenants | | <i>OPs and CLEG</i> |
| Incorporate ESMP in loan agreements | | <i>OPs</i> |
| Review amendments to loan conditions and covenants | | <i>OPs</i> |
| 6. Project Implementation and Supervision | | |
| Monitor ESMP implementation & carry out ongoing consultations | | <i>Borrower</i> |
| Report quarterly on implementation results | | <i>Borrower</i> |
| Supervise ESMP implementation, including consultations | | <i>OPs</i> |
| For selected Cat. 1 and 4, carry out a full Compliance Audit | | <i>OPs</i> |
| For selected Cat. 2, carry out a desk Compliance Audit | | <i>OPs</i> |
| Review ESMP in case of non-compliance | | <i>Borrower</i> |
| Clear proposed changes to ESMP | | <i>OPs</i> |
| 7. Project Completion | | |
| Prepare project completion report | | <i>OPs</i> |
| For selected Cat. 1 and 4, carry out a full Compliance Audit | | <i>OPs</i> |
| For selected Cat. 2, carry out a desk Compliance Audit | | <i>OPs</i> |
| Carry out project post-evaluation | | <i>OPEV</i> |

FIGURE 2: MAIN STEPS ALONG THE ESA PROCESS AND PROJECT CYCLE



4. RESPONSIBILITIES

4-A The Borrower

The Borrower is responsible for integrating environmental and social considerations into sponsored projects according to the Bank's requirements. It is essential that the Borrower assumes such responsibility to ensure that the ESAP lead to environmentally and socially sustainable projects. In fact, unless the Borrower is directly involved and committed to implement the measures identified during the assessment process, the project's outcomes and results may not reflect, nor allow to achieve the Bank's sustainable development objective.

Box 4.A The Borrower's Responsibilities

- ❑ Provide baseline environmental and social information to facilitate the screening process;
- ❑ Prepare TOR for ESA studies with appropriate consultations, unless OPs decide to do so;
- ❑ Retain independent environmental and social expertise to prepare ESIA for Category 1 projects;
- ❑ Conduct meaningful consultations and ensure follow-up during ESIA preparation;
- ❑ Prepare an ESMP for Category 2 projects, unless OPs decide to do so;
- ❑ Consult on Category 2 projects as requested by OPs;
- ❑ Approve ESA studies (ESIA Report and ESMP) prior to Project Appraisal and Bank review;
- ❑ Finalise ESIA Report and prepare ESMP according to Bank's comments (Category 1);
- ❑ Finalise ESMP according to Bank's comments (Category 2);
- ❑ Ensure compliance to ESMP during project activities (construction and operations);
- ❑ Continue to consult with relevant stakeholders throughout project implementation;
- ❑ Monitor environmental and social impacts of project activities;
- ❑ Report to OPs on ESMP implementation and ongoing consultations;
- ❑ Propose changes to ESMP whenever non-compliance to agreed requirements or unexpected impacts are noted.

4-B Operations Complexes

Within the Bank the application of ESAP major steps lies with the OPs, as operations departments are responsible for project preparation and implementation. The OPs have the authority and the mandate to design, propose to the Board and implement projects that respond to the Bank's vision. To that end, the OPs can rely on the ESA process which shall be integrated in the normal activities carried out along the project cycle. In fact, the OPs shall be considered the owners of the ESA process within the Bank.

Box 4.B OPs' Responsibilities

- ❑ Develop and update the CSP as assessment background documents;
- ❑ Integrate relevant environmental and social information in Project Brief;
- ❑ Propose a project category to SDPRU;
- ❑ Carry out Environmental and Social Scoping and complete an Environmental and Social Scoping Memorandum (ESSM);

Box 4.B OPs' Responsibilities (continued)

- ❑ Prepare or assist the Borrower in preparing TOR for ESA studies;
- ❑ Request bilateral funding for ESA studies as necessary;
- ❑ Encourage participation of environmental and social expertise in missions for Category 1 projects and, when appropriate, for Category 2 projects;
- ❑ Assess FI environmental and social performance and capacities for Category 4 projects;
- ❑ Prepare or assist the Borrower in preparing an ESMP for Category 2 projects;
- ❑ Review and comment ESA studies prior to the appraisal mission;
- ❑ Review final ESIA Report (Category 1) and ESMP (Category 1 and 2);
- ❑ Prepare the ESIA Summary (Category 1) and ESMP Summary (Category 2);
- ❑ Integrate environmental and social information into Project Appraisal Reports as well as the ESMP Summary as an annex to the PAR;
- ❑ Address inquiries and document communications between the Bank and the public;
- ❑ Prepare environmental and social loan conditions and covenants;
- ❑ For Category 1 and 2 projects, ensure that ESMP is incorporated in loan agreements;
- ❑ Supervise the implementation of the ESMP and clear changes to ESMP if necessary;
- ❑ Consult with primary and secondary stakeholders during supervision;
- ❑ Carry out selected pre-approval or compliance audits for Category 1, 2 and 4 projects.

4-C Sustainable Development and Poverty Reduction Unit

SDPRU has also specific responsibilities to assume under the ESAP to ensure that Bank's public sector operations comply with the Bank's vision, policies and guidelines, particularly those related to crosscutting issues. A first role is to assist OPs in fulfilling the requirements under the ESAP. This assistance shall include lending environmental and social expertise for missions and audits and providing peer-level advice on ESA studies. SDPRU has also a clearance role for project categorization and the ESIA Summary. Finally, SDPRU shall ensure compliance to the ESAP through the implementation of an environmental and social project tracking system.

Box 4.C SDPRU's Responsibilities

- ❑ Develop and update assessment background documents on crosscutting issues;
- ❑ Assist OPs in the policy dialogue on environmental and social issues with Regional Member Countries, particularly during country programming;
- ❑ Provide technical advice and assistance to OPs on environmental and social matters throughout the different phases of the project cycle;
- ❑ Clear the project category proposed by OPs and enter it into the Project Brief;
- ❑ Support OPs for missions requiring environmental and social expertise at any phase of the project cycle, upon request;
- ❑ Review and comment ESA studies for Category 1 and 2 projects, upon OPs request;
- ❑ Clear ESIA Summary (Category 1);
- ❑ After clearance, make ESIA Summary (Category 1) available to the public through PIC;
- ❑ Disclose the ESMP Summary through PIC, with OPs assistance.
- ❑ Support OPs to carry out pre-approval or compliance audits, upon request;
- ❑ Ensure compliance to ESAP through the implementation of an environmental and social tracking system.
- ❑ Assist OPs with necessary training and capacity building to implement Bank's new crosscutting policies and procedures.

5. PUBLIC CONSULTATIONS

- 5.1 During the ESA process for Category 1 projects, the Borrower is required to conduct meaningful consultations with relevant stakeholders, including potential beneficiaries, affected groups, Civil Society Organisations (CSOs) and local authorities, about the project's environmental and social aspects and take their views into account. These consultations shall take place according to the country's legal requirements, if they exist, but should at least meet the minimal requirements described hereafter.
- 5.2 The Borrower initiates consultations as early as possible during the project preparation phase. For meaningful consultations, the Borrower provides relevant information in a timely manner and in a form and language accessible to the groups being consulted.
- 5.3 The Borrower may consult a sample of primary and secondary stakeholders of the project to prepare ESIA Terms of Reference, as appropriate. These consultations aim to gather information on the stakeholders' perceptions of the project and to solicit their views on the project's environmental and social impacts to better define the contents of the ESA studies.
- 5.4 The Borrower shall consult relevant primary and secondary stakeholders during the preparation of the ESIA Report to discuss with them the proposed project's objectives and activities, to assess potential environmental and social impacts and to solicit recommendations on project improvements. The Borrower subsequently provides a non-technical executive summary of the draft ESIA Report for additional consultations.
- 5.5 Following the public consultations on the draft ESIA Report, the Borrower supplements the ESIA Report by adding details of the public consultation process and findings. If necessary, the Borrower takes into account the concerns raised by the various stakeholders and identifies measures to incorporate these concerns into project design and implementation.
- 5.6 The Borrower continues to consult with relevant stakeholders throughout project implementation (construction and operation), as necessary, to address ESA related issues affecting stakeholders. The Bank requires the Borrower to report on ongoing consultations as part of the normal quarterly reports submitted to the Bank.
- 5.7 OPs shall consult with affected groups during supervision missions, as appropriate.
- 5.8 In those cases where a Category 1 ESIA has been completed prior to Bank involvement in the project, OPs may request the Borrower to carry out additional public consultations and to prepare a disclosure plan, as deemed necessary.
- 5.9 For Category 2 projects, OPs may determine that some special issues such as small-scale resettlement may require the Borrower to consult with potentially affected stakeholders early in the project cycle. The Borrower shall then proceed with the consultations and report findings to OPs.
- 5.10 For Category 4 projects, the FI shall ensure that sub-borrowers undertake appropriate consultations for subprojects, when required.
- 5.11 [Annex 16](#) proposes a consultation checklist to assist the Borrower and OPs in undertaking meaningful consultations under the ESA process.

6. PUBLIC DISCLOSURE

- 6.1 Public disclosure requirements for environmental assessment studies are specified in Section 5-B of AfDB's *Disclosure of Information Policy*.
- 6.2 Before OPs proceed to the appraisal mission for a project requiring an environmental and social assessment (ESA), available ESA studies shall be released in the borrowing country project area at some public place accessible to potential beneficiaries, affected groups and local CSOs.
- 6.3 The Borrower shall give public notification and make the draft ESIA Report available at a public place readily accessible to project stakeholders as soon as the document is ready. The report shall be accompanied by the response prepared to previous public consultations. In addition, a non-technical executive summary shall be proactively disseminated to local stakeholders in local language, as appropriate.
- 6.4 For Category 1 projects, the ESIA Summary is submitted to the Secretary General for Board circulation 120 days prior to project presentation and posted simultaneously on the Bank's Public Information Centre (PIC), in French and English.
- 6.5 For Category 2 projects the ESMP Summary is released to the public through the PIC at least 30 days prior to Board Presentation.
- 6.6 OPs shall address any public inquiry related to the information released by the Bank, with SDPRU assistance. The communications between the Bank and the public shall be documented and kept on file by OPs.
- 6.7 For Category 4 projects, the FI shall ensure that the executive summary of ESIA Report is made available in the borrowing country project area at a public place readily accessible to potential beneficiaries, affected groups and local CSOs.