



Pacific Region Infrastructure Facility

Pacific Region Infrastructure Facility (PRIF) Coordination Office

Promotion of the Shared Approach for Management of Environmental and Social Risks and Impacts

Explanatory Note: PRIF Development Partners
Environmental and Social Safeguard Policies

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Explanatory Note: PRIF Development Partners Environment and Social Safeguard Policies

Purpose:

This explanatory note provides information about the PRIF's development partners.

This note is intended for national counterparts across Pacific Island Countries or PICs, particularly young safeguard professionals that need guidance and information about PRIF development partners and their environmental and social safeguard policies and requirements.

Asian Development Bank (ADB)

ADB's Safeguard Policy Statement¹ (SPS), drafted in 2009, sets out the policy objectives, scope, triggers, and principles for three key safeguard areas: (i) environmental safeguards, (ii) involuntary resettlement safeguards, and (iii) Indigenous Peoples safeguards. The objectives of ADB's safeguards are to: (i) avoid adverse impacts of projects on the environment and affected people, where possible; (ii) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and (iii) help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks. ADB assumes the responsibility for conducting due diligence and for reviewing, monitoring, and supervising projects throughout the ADB's project cycle in conformity with the principles and requirements embodied in the SPS.

ADB uses a classification system to reflect the significance of a project's potential environmental impacts. A project's category is determined by the category of its most environmentally sensitive component, including direct, indirect, cumulative, and induced impacts in the project's area of influence. Each proposed project is scrutinized as to its type, location, scale, as well as sensitivity and magnitude of its potential environmental impacts. Projects are assigned to one of the following four categories: A, B, C, and FI. The Asian Development Bank (ADB) is currently conducting a comprehensive review and update of the 2009 Safeguard Policy Statement (SPS)². With the changing contexts in countries and regions, the SPS is being updated to remain relevant and robust in responding to evolving development needs.

Australian Department of Foreign Affairs and Trade (ADFAT)

ADFAT's Environmental and Social Safeguard Policy (2019) outlines its approach to managing the environmental and social impacts of its aid investments and is intended to ensure that they do not cause harm including injury or injustice to the people it is intended to assist, or to their wider communities or environment.³ This policy sets out requirements for managing its five safeguards, including when working with partners: i) Environmental protection; ii) Children, vulnerable and disadvantaged groups; iii) Displacement and resettlement; iv) Indigenous peoples, and v) Health and safety. Apart from these five safeguards, DFAT has several other complementary policies and strategies, including gender equality, disability-inclusive development, climate change action, humanitarian assistance, child protection, sexual exploitation abuse, and sexual harassment. These policies set out DFAT's priorities and objectives for these key development issues and ways to ensure the effective design and implementation of investments. The policy also assists compliance with Australian and partner government

¹ [Safeguard Policy Statement | Asian Development Bank \(adb.org\)](#)

² [Safeguard Policy Review | Asian Development Bank \(adb.org\)](#)

³ [Environmental and Social Safeguard Policy | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#)

policies and laws for social and environmental protection; and improves the consistency, transparency, and accountability of decisions. The policy requires early identification of environmental and social risks and impacts during the planning stage of investments and their continued management through the life of investments.

Further, the policy recognizes that developing partner countries may have their own systems and supports efforts to use and strengthen partner country systems, enhance country ownership, and increase the sustainability of development impacts. Likewise, it supports the efforts of development partners to harmonize their safeguards and is closely aligned with the policies of key DFAT bilateral and multilateral partners, including the Asian Development Bank and the World Bank Group. Thus, the key safeguard principles are⁴: Do No Harm; Identify, assess and manage environmental and social impacts; engage effectively with stakeholders; Work effectively with partners; Promote improved environmental and social outcomes. The policy further explicitly states that in the case of large complex infrastructure projects, ESSs of the World Bank or IFC be applied.

European Investment Bank (EIB)

The EIB has an overarching policy (2022) premised on an Environmental and Social Sustainability Framework focused on sustainable and inclusive development⁵. It is committed to a just and fair transition and supporting the transition to economies and communities that are climate and disaster resilient, low carbon, environmentally sound, and more resource efficient. Ensuring that the advancement of human rights remains central to investments, it aims at supporting economic growth that fosters quality employment, promotes inclusion and human dignity, safeguards health and well-being, and provides decent living standards. It addresses climate, environmental and social challenges by applying a human rights-based approach to its activities, with the aim of promoting social inclusion, and reducing inequalities and risks to human health and well-being.

The E&S Policy has a set of 11 Environmental and Social Standards⁶. that establish the requirements the project must meet throughout the EIB project life cycle. Central to the Standards is the use of impact assessment as a forward-looking instrument to analyze in an integrated manner the ECS impacts and risks and to apply the mitigation hierarchy and international good practice.

1 –Environmental and Social Impacts and Risks	2- Stakeholder Engagement	3- Resource Efficiency and Pollution Prevention
4- Biodiversity & Ecosystems	6- Involuntary Resettlement	8 – Labor Rights
5- Climate Change	7- Indigenous Peoples, Gender, and Vulnerable	
9- Health, Safety, and Security	10- Cultural Heritage	11- Intermediate Finance.

European Union (EU)

The EU addresses global challenges through international partnerships that uphold and promote European values and interests and contribute to peace and prosperity in the world. EU International Partnerships focuses on the following policy areas which set the tone for any investment:

Climate, environment, and energy- encompassing biodiversity, climate change, water, and food systems.

Digital and infrastructure-- Digital Strategy and new digital partnerships, the EU strives to foster a human-centric vision for the digital economy and society across the globe.

⁴ [Environmental and social safeguards | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](https://dfat.gov.au)

⁵ [The EIB Group Environmental and Social Policy](#)

⁶ [EIB Environmental and Social Standards Overview](#)

Gender Equality-- Achieving gender equality and empowering women and girls is vital to building fair, inclusive, prosperous, and peaceful societies everywhere.

Human Development -- Health, education, and a decent standard of living are considered to be the key elements to ensuring human development

Peace and governance-- The EU promotes and protects human rights, democracy, and the rule of law worldwide as it believes that Human rights and democracy are inextricably connected.

Youth – youth participation is central to the EU's values and policies.

Sustainable Growth and jobs- Employment, decent work, and investment are at the core of sustainable growth.

These policy areas find a place in the Cotonou Agreement for Africa Caribbean Pacific (ACP) countries which was extended in 2020 and is soon to expire in 2023. The EU has been working on Post-Cotonou ACP-EU relations for a new Agreement. With a working document for Impact Assessment – ACP renewed partnerships. The new ACP-EU agreement seeks to “*foster inclusive growth, climate action and resilience to natural disasters, peace and security, migration management, democracy, the rule of law, human rights, and much more.*”⁷ As a general principle, the EU attaches high importance to Stakeholder Consultations, details of which are available in the European Commission's Better Regulation Guidelines (2021).⁸

Japan International Cooperation Agency (JICA)

JICA has newly adopted Guidelines for Environmental and Social Considerations" which came to enforce from April 1, 2022.⁹ Human Security, defined as a concept that pursues the right of individuals to live happily and in dignity, free from fear and want, through their protection and empowerment, remains the guiding principle for any development cooperation. Key priorities include: inclusiveness, sustainability, and quality growth with resilience, with due attention to the environment and climate change, reducing disparities and socially vulnerable sections¹⁰. It also provides for ensuring the participation of diverse stakeholders in society, including socially vulnerable local residents such as women, and supports the achievement of gender equality at all stages of development. Meaningful participation of diverse stakeholders, transparency of information, accountability, and efficiency are considered necessary for democratic decision-making, which is crucial for environmental and social considerations to function. Subject to the confidentiality of certain sensitive information, the consideration to encourage information disclosure across the stakeholders. JICA classifies projects into four categories- A B C D and FI-- based on the extent of environmental and social impacts, taking into account the project's characteristics, scale, and site conditions. JICA desires that as regards Involuntary Resettlement and Indigenous Peoples, ESF of the World Bank could be made use of. Especially, Resettlement Action Plan (RAP) should include elements laid out in the Environmental and Social Standard (ESS) 5; and Indigenous People Plan (IPP) includes the elements laid out in the ESS 7 of the World Bank's environmental and social policies.

New Zealand Ministry of Foreign Affairs and Trade (NZMFAT)

New Zealand's policy for International Cooperation for effective sustainable Development (2019) has a primary focus on the Pacific region. The purpose of New Zealand's aid is to develop shared prosperity and stability. Four key principles guide the development work: effectiveness, inclusiveness, resilience and sustainability¹¹. The inclusion agenda is aimed at promoting human rights and equitable participation in the benefits of development

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https://international-partnerships.ec.europa.eu/policies/european-development-policy/acp-eu-partnership_en

⁸ [EU better regulation guidelines swd2021_305_en \(1\).pdf](#)

⁹ [JICA Guidelines for Environmental and Social Considerations \(January 2022\) | Our Work | JICA](#)

¹⁰ [guideline_03.pdf \(jica.go.jp\)](#)

¹¹ [Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf \(mfat.govt.nz\)](#)



and addressing exclusion and inequality created across all social dimensions of identity. Inclusive development especially focuses on: (i) advancing gender equality and women's empowerment, and child and youth well-being; (ii) understanding and responding to the causes of poverty and exclusion; (iii) supporting duty bearers and rights holders to ensure benefits are equitably shared; and (iv) enabling groups potentially impacted by an activity to meaningfully participate in the development process. Resilience includes impacts of climate change, natural disasters and external shocks as well as promoting the protection and enhancement of ecosystems. Sustained benefits is centered on the development/ nurturing of more accountable institutions¹². New Zealand has a full-fledged and exclusive policy on preventing Sexual Exploitation Abuse and Harassment (PSEAH) which outlines the expectations and requirements to manage the risk of sexual exploitation, abuse, and harassment in external assistance projects/ programs.

United States Department of State (US)

The environmental and social agenda of the US is as laid out in the Joint Strategic Plan (JSP) (2022-26) drawn with the United States Agency for International Development (USAID). The JSP supports the policy positions set forth by the US Government and how the Department of State and USAID will implement US foreign policy and development assistance. As the US government's lead international development, health, and humanitarian assistance agency, USAID seeks to save lives, reduce poverty, strengthen democracy, and improve economic conditions across the world. USAID plans its development and assistance programs in coordination with the Department of State and collaborates with other US government departments and agencies, Congress, multilateral and bilateral organizations, private companies, academic institutions, faith-based groups, and non-governmental organizations (NGOs)¹³. Key policy areas include: (i) cyber issues; (ii) economic prosperity; (iii) energy; (iv) global health including Covid Management; (v) global women issues; (vi) human rights and democracy; and (vii) science, technology, and innovation.¹⁴ USAID is committed to development that is inclusive of disadvantaged groups and to human rights. These commitments are expressed in part via a set of social policies, strategies, and visions for Agency programming.¹⁵ As USAID strives to protect the environment and the people, the Office of Environmental and Social Risk Management (ESRM) works to avoid adverse environmental and social impacts of projects supported by USAID as well as ensure that project management is transparent and accountable to their stakeholders. ESRM's work prevents or mitigates harm and makes projects more time- and cost-effective. ESRM's work includes: improving the environmental and social aspects of an intervention; and strengthening environmental and social safeguard policies.

The World Bank Group (WBG)

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions¹⁶ share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. Of the five, three are important for PRIF activities – International Bank for Reconstruction and Development (IBRD); International Development Association (IDA); and International Finance Corporation (IFC). IDA is the concessional lending arm of IBRD and is collectively known as the World Bank as they share the same leadership and staff. IFC is the private sector arm.

IFC's Sustainability Framework premised on a risk management approach, comprises a Policy Statement and Performance Standards (8 in number) on Environmental and Social Sustainability as well as Access to Information Policy¹⁷. The Policy on Environmental and Social Sustainability describes IFC's commitments, roles, and responsibilities related to environmental and social sustainability. IFC's Access to Information Policy reflects IFC's

¹² [ICESD Development Principles Overview \(mfat.govt.nz\)](https://www.mfat.govt.nz/en/development-cooperation/development-principles/development-principles-overview)

¹³ [Joint Strategic Plan FY 2022 - 2026 \(state.gov\)](https://www.state.gov/jsp)

¹⁴ [Policy Issues - United States Department of State](https://www.state.gov/policy-issues)

¹⁵ [Social Vision, Strategies & Policies | Laws, Regulations and Policies | Environmental Procedures | U.S. Agency for International Development \(usaid.gov\)](https://www.usaid.gov/our-work/our-vision/our-vision)

¹⁶ [Who We Are \(worldbank.org\)](https://www.worldbank.org/who-we-are)

¹⁷ [PS_English_2012_Full-Documents.pdf \(ifc.org\)](https://www.ifc.org/ps-english-2012-full-document)

commitment to transparency and good governance in its operations and outlines the Corporation’s institutional disclosure obligations regarding its investment and advisory services. The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities¹⁸. IFC’s Standards came into practice in 2012. This served as a base for the World Bank (WB) to transform its E&S policy from a Safeguards approach to that of ESF/ ESSs in 2017-18. The same is discussed below as it is of recent origin and a trendsetter.

The WB’s ESF comprises: (i) a vision for Sustainable Development; (ii) E&S Policy for investment project financing; and (iii) Environmental and Social Standards (ESS) (10 in number).¹⁹

1. Assessment and Management of Risks and Impacts	2. Labor and Working Conditions	3. Resource Efficiency and Pollution Prevention and Management
4. Community Health and Safety	5. Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement	6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
7. Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities.	8. Cultural Heritage 9. Financial Intermediaries	10. Stakeholder Engagement and Information Disclosure

The Standards are expected to support project management in: (i) achieving good international practices relating to sustainability; (ii) enhancing non-discrimination, transparency, participation, accountability, and governance; and (iii) enhancing sustainable development outcomes. The Standards also enable establish objectives and requirements to avoid, minimize, reduce and mitigate risks and impacts, and where significant residual impacts remain, to compensate for or offset such impacts. The Bank classifies projects based on nature and extent of risks into: (i) High; (ii) Substantial; (iii) Moderate; and (iv) Low. The Bank agrees with the borrower on an Environmental and Social Commitment Plan (ESCP) which sets out the material measures and actions required for the project to meet ESSs over a specified time frame and corresponding to the project cycle. The actions include setting up and ensuring the functioning, of a Grievance System.

¹⁸ [Performance Standards \(ifc.org\)](http://ifc.org)

¹⁹ [Environmental and Social Framework \(ESF\) \(worldbank.org\)](http://worldbank.org)