

Guideline for E&S Due diligence (ESDD) for Category A projects prior to sanction/disbursement

The project appraisal for all BANK category A project includes an Environmental Due Diligence (ESDD) that reviews the project information and ensure that that all risks arising from environmental and social impacts are mitigated. The ESDD process covers all sectoral issues outlined in the sectoral issues checklists (available separately from BANK) and involves:

- A desk review of EA information pertaining to the project.
- A site visit and discussions with project officers to complete the information collection and validation

1.1 EA documents required

The documents relevant to the environmental aspects of the project that should to be reviewed by the BANK include:

- Environmental Impact Assessment Report (including all the annexures such as the documentation of the public hearing / consultation meetings and their outcome)
- Project report
- Relevant contract documents showing allocation of responsibilities for addressing environmental and social concerns
- Copies of the application for State/Federal environmental clearance and copies of the clearance received
- Copy of the Consents and permits received from the State regulators.
- Copies of any specific clearances (related to environment) obtained for the project
- Environmental Screening Report (if available or for early involvement projects)
- Environmental Management Plan if separate from the EIA report
- Resettlement & Rehabilitation Action Plan, if available or information regarding land acquired for the project covering extent and ownership (government/private) of land, method of acquisition, land use, number of persons losing land, socio economic status of project affected parties, information on loss of livelihood etc
- Public Consultation/Community Relations plan (if not a part of EIA)

A checklist containing the issues considered by BANK is provided separately. Projects should use this checklist to ensure that the EA documents address all these issues

1.2 Sectoral requirements

The sectoral issues that are normally reviewed by BANK during the Environmental Due Diligence process are provided separately for different sectors.

1.3 Public Consultation

International and domestic experience indicates that a two-way interaction with the interested public is beneficial, and goes a long way in minimizing the social risks associated with a project. Based on this BANK requires projects with major environmental and/or social impacts to have in place a Public consultation program. An outline for a Public consultation program is made available separately.

1.4 Operational Facilities

For all operational facilities, being considered for financing, the project should, in addition to the requirements indicated above provide environmental monitoring reports and submissions made to various state/federal environmental authorities as well as copies of relevant clearances.