

Background Information on Inter-American Development Bank Environmental and Social Safeguards Policies and Procedures – 3 June 2011

<i>OPERATIONAL PRINCIPLES:¹ Environmental Assessment</i>	<i>Inter-American Development Bank Policies & Procedures and/or Gap Filling Commitments</i>	<i>World Bank Policies & Procedures on Environmental Assessment</i>
A.ENVIRONMENTAL ASSESSMENT	OP-703 Environment and Safeguards Compliance Policy; Guidelines; Safeguard Screening Form	OP 4.01 Environmental Assessment, BP 4.01 Environmental Assessment, OP 4.01 Annexes A, B, C
Overarching Objective: To help ensure the environmental and social soundness and sustainability of investment projects and to support integration of environmental and social aspects of projects into the decision making process.		
<p>SCREENING</p> <p>1. Use a screening process for each proposed project, as early as possible, to:</p> <p>(a) determine the appropriate extent and type of environmental assessment (EA) so that appropriate studies are undertaken proportional to potential risks;</p>	<p>Directive B.3</p> <p>All Bank-financed operations will be screened and classified according to their potential environmental impacts. Screening will be carried out early in the preparation process. The screening process will consider potential negative environmental impacts whether direct, indirect, regional or cumulative in nature, including environmentally related social and cultural impacts, of the operation and of its associated facilities if relevant.</p> <p>Bank operations will be classified according to their potential impacts so that the appropriate environmental assessment or due diligence requirements are selected for the operation.</p> <p>Directive B.5 Guidelines</p> <p><i>Requirements:</i> As part of the overall preparation and design process of Bank operations, the Bank requires that Category A and B operations be subject to Environmental Assessments (EA), according to the nature and significance of the potential impacts of the operation.</p>	<p>OP, 8: “The Bank undertakes environmental screening of each proposed project to determine the appropriate extent and type of EA. The Bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.” (OP, 8) Categories: A, B, C, or FI (see definitions below).</p> <p>OP, 7: “Depending on the project, a range of instruments can be used to satisfy the Bank’s EA requirement: environmental impact assessment (EIA), regional or sectoral EA, environmental audit, hazard or risk assessment, and environmental management plan (EMP). EA applies one or more of these instruments, or elements of them, as appropriate.”</p>

¹ These “Operational Principles” are excerpted directly from Table A1 in OP 4.00, “Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects” (Source: <http://go.worldbank.org/XFBVTIUDK0>). These Operational Principles are being used in this context to provide an overview of and a framework for analyzing the World Bank’s safeguards relevant for REDD+.

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<p>DIRECT/INDIRECT IMPACTS</p> <p>(b) assess direct, and, as relevant, indirect, cumulative, and associated impacts.</p>	<p>Directive B.3</p> <p>...The screening process will consider potential negative environmental impacts whether direct, indirect, regional or cumulative in nature, including environmentally related social and cultural impacts, of the operation and of its associated facilities if relevant.</p> <p>Directive B.5 Guidelines</p> <p><i>A. The Environmental Impact Assessment: Standards</i></p> <p>The EIA report is required to comply with the requirements of this policy, and will be reviewed by the project team. The requirements of the EIA process, as presented here and complemented in Annex II, provide guidance to fulfill such requirements.</p> <p><i>Annex II</i></p> <ul style="list-style-type: none"> ○ <i>A.1 Scoping:</i> This preliminary assessment by the borrower is used during the early stage of project identification. It requires understanding the proposed project and all its components by referring to technical and other pre-feasibility or feasibility documents, undertaking field surveillance in the area of influence of the project and holding discussions with agencies and organizations linked to the project. ○ <i>A.8 Preparation of the EIA Report: Section 4 - Environmental and Associated Social Conditions:</i> This section includes descriptions of the area of influence (direct and indirect) or study area (which are ideally determined at initial scoping) and the relevant physical, biological and socioeconomic conditions. The information/data presented must be relevant to decision-making regarding project location, design, operation, and mitigation measures for adverse impacts.² 	<p>OP, 2: “EA evaluates a project’s potential environmental risks and impacts in its area of influence...”</p> <p>OP Annex A.5: “Project area of influence: The area likely to be affected by the project, including all its ancillary aspects, such as power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, and construction camps, as well as unplanned developments induced by the project (e.g., spontaneous settlement, logging, or shifting agriculture along access roads). The area of influence may include, for example, (a) the watershed within which the project is located; (b) any affected estuary and coastal zone; (c) off-site areas required for resettlement or compensatory tracts; (d) the airshed (e.g., where airborne pollution such as smoke or dust may enter or leave the area of influence; (e) migratory routes of humans, wildlife, or fish, particularly where they relate to public health, economic activities, or environmental conservation; and (f) areas used for livelihood activities (hunting, fishing, grazing, gathering, agriculture, etc.) or religious or ceremonial purposes of a customary nature.</p> <p>OP ft. nt. 1: “This policy applies to all components of the project, regardless of the source of financing.”</p> <p>OP Annex A.6: “Regional EA pays particular attention to potential cumulative impacts of multiple activities.”</p> <p>OP Annex A.8: “Sectoral EA pays particular attention to potential cumulative impacts of multiple activities.”</p>

² IDB relies on international good practice for criteria to determine the ADI and AII in each project during the scoping phase. These are consistent with the examples and guidance included in the WB OP Annex.

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<p>SECTORAL/ REGIONAL</p> <p>1.c. Use sectoral or regional environmental assessment when appropriate.</p>	<p>Directive B.3</p> <p>Any operation that is likely to cause significant negative environmental and associated social impacts, or have profound implications affecting natural resources, will be classified as <i>Category “A.”</i> These operations will require an environmental assessment (EA), normally an Environmental Impact Assessment (EIA) for investment operations, or other environmental assessments such as a Strategic Environmental Assessment (SEA) for programs and other financial operations that involve plans and policies.</p> <p>Directive B.5</p> <p>The Bank will require compliance with specified standards for ... Strategic Environmental Assessments (SEAs)... as defined in this Policy and detailed in the Guidelines.</p> <p>The SEA has the following objectives: (i) assure that the main environmental risks and opportunities of policies, plans or programs have been properly identified; (ii) engage early on governments and potentially affected parties in the identification and analysis of strategic issues, actions, and development alternatives; (iii) define and agree on a sequence of actions to address systematically and strategically environmental issues and priority actions, summarized in an SEA action plan for adequate monitoring and follow up; and (iv) assure that adequate environmental information is available and collected for the decision-making process. The SEA process should be triggered early in the decision-making process and prior to the implementation of the policies, plans or programs. Recommendations from the SEA process should be incorporated into an operation’s activities.³</p> <p>Directive B.5 Guidelines</p> <p><i>Procedures and Implementation: B. The Strategic Environmental Assessment...</i>In the context of the Bank’s operations, the SEA is often the appropriate tool for the following types of operations: (i) policy-based lending operations (e.g., structural or sectoral adjustment); (ii) sector-wide loans, such as the tourism sector programs; and (iii) regional plans and programs, such as infrastructure development.</p>	<p>OP, 7: “When the project is likely to have sectoral or regional impacts, sectoral or regional EA is required.”</p> <p>OP, 9: Sectoral: “If the Bank is not satisfied that adequate capacity exists for carrying out EA, all Category A subprojects and, as appropriate, Category B subprojects—including any EA reports—are subject to prior review and approval by the Bank.”</p> <p>OP Annex A.6: “Regional EA pays particular attention to potential cumulative impacts of multiple activities.”</p> <p>OP Annex A.8; “Sectoral EA pays particular attention to potential cumulative impacts of multiple activities.”</p>

³ Specific aspects also covered by SESA guidelines.

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<p>IMPACTS</p> <p>2. Assess potential impacts of the proposed project on physical, biological, socio-economic and physical cultural resources, including transboundary and global concerns, and potential impacts on human health and safety.</p>	<p>Directive B.5</p> <p>...The Bank will require compliance with specified standards for Environmental Impact Assessments (EIAs)... and environmental analyses, as defined in this Policy and detailed in the Guidelines. The operation's executing agency or borrower is required to submit all EA products to the Bank for review. The operation's approval by the Bank will consider the quality of the EA process and documentation, among other factors.</p> <p>Directive B.8</p> <p>The environmental assessment process will identify and address, early in the project cycle, Transboundary issues associated with the operation. The environmental assessment process for operations with potentially significant transboundary environmental and associated social impacts, such as operations affecting another country's use of waterways, watersheds, coastal marine resources, biological corridors, regional air sheds and aquifers, will address the following issues: (i) notification to the affected country or countries of the critical transboundary impacts; (ii) implementation of an appropriate framework for consultation of affected parties; and (iii) appropriate environmental mitigation and/or monitoring measures, to the Bank's satisfaction.</p> <p>Directive B.5 Guidelines</p> <p><i>Procedures and Implementation: Requirements:</i> As part of the overall preparation and design process of Bank operations, the Bank requires that Category A and B operations be subject to Environmental Assessments (EA), according to the nature and significance of the potential impacts of the operation.</p> <p><i>The Environmental Impact Assessment:</i> The EIA is undertaken to identify potential significant environmental and social impacts, The EIA considers the entire project cycle, from the design stage to construction, operation and decommissioning, if applicable.</p> <p><i>Annex II</i></p> <p><i>The EA Process and EIA Report:</i> For the purpose of this Policy, the EIA report includes information on the following topics, as appropriate, in relation to specific projects: baseline environmental and social</p>	<p>OP, 3: "EA takes into account the natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement, indigenous peoples, and physical cultural resources); and transboundary and global environmental aspects." "EA considers natural and social aspects in an integrated way."</p> <p>TIMING OP, 3: "EA is initiated as early as possible in project processing...." BP, 7: "EA is an integral part of project preparation."</p>

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	<p>conditions; requirements under host country laws and regulations; applicable international treaties and agreements; sustainable use of natural resources; protection of human health, cultural properties, endangered species and sensitive ecosystems; use of hazardous substances; major hazards; occupational health and safety; socioeconomic impacts; land acquisition and land use; involuntary resettlement; impacts on indigenous peoples and communities; cumulative impacts of existing projects and proposed project; consultation of affected parties in the design, review and implementation of the project; consideration of environmentally and socially preferable alternatives; efficient production, delivery and use of energy; pollution prevention and waste minimization; and pollution controls (liquid effluents and air emissions) and waste management.</p> <p><i>A.8 Preparation of the EIA Report: Section 5 - Environmental Impacts:</i> A prediction of the changes in the environment resulting from project construction and operation is to be considered, and an assessment of the effect on the surrounding physical, biological, and human systems, should be presented.</p> <p>Directive B.3 Guidelines</p> <p><i>Procedures and Implementation: The Safeguard Screening Form (SSF):</i> For all applicable Bank operations, the project team will complete, when necessary in collaboration with an environmental and/or social specialist, the Safeguard Screening Form in order to identify potential environmental and environmentally related socio-cultural impacts and risks of the operation. The Safeguard Screening Form includes a checklist of environmental and social issues to assist the project team in classifying the operation.⁴</p> <p>Directive B.2 Guidelines—See element 3, Legal Framework below.</p>	
LEGAL FRAMEWORK 3. Assess the adequacy of the applicable legal and	<p>Directive B.2</p> <p>The Bank will also require the borrower for that operation to ensure that it is designed and carried out in</p>	<p>OP, 3: EA “also takes into account the variations in project and country conditions; the findings of country environmental studies; national environmental action plans; the country's</p>

⁴ The checklist included in the Safeguard Screening Form (toolkit) requires consideration of impacts on physical, biological, socio-economic and cultural resources, including trans-boundary and global concerns (compliance with MEAs, identification of significant greenhouse gas emissions) and potential impacts on human health and safety, in accordance with the directives of all IDB safeguard policies, including the Environment and Safeguards Compliance Policy itself, as well as the Operational Policy on Indigenous Peoples, the Policy on Involuntary Resettlement, the Disaster Risk Management Policy and the Information Access Policy.

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institutional framework, including applicable international environmental agreements, and confirm that they provide that the cooperating government does not finance project activities that would contravene such international obligations.	<p>compliance with environmental laws and regulations of the country where the operation is being implemented, including national obligations established under ratified Multilateral Environmental Agreements (MEAs).</p> <p>Directive B.2 Guidelines</p> <p>During screening (see Directive B.3), the project team will determine whether the operation potentially triggers relevant ratified MEAs, and if so, verify as part of the Bank’s analysis/due diligence that necessary measures are in place for the proposed Bank operation to comply with the specific applicable ratified national MEA obligations of the respective country. In the context of implementing Policy Directive B.5 (environmental assessment requirements), the project team will review that the Terms of Reference (TOR) for the environmental assessment or the Bank’s analysis or due diligence for the operation include a review of the operation’s compliance with the applicable MEAs.</p>	overall policy framework, national legislation, and institutional capabilities related to the environment and social aspects; and obligations of the country, pertaining to project activities, under relevant international environmental treaties and agreements. The Bank does not finance project activities that would contravene such country obligations, as identified during the EA.”
<p>ALTERNATIVES</p> <p>4. Provide for assessment of feasible investment, technical, and siting alternatives, including the "no action" alternative, potential impacts, feasibility of mitigating these impacts, their capital and recurrent costs, their suitability under local conditions, and their institutional, training and monitoring requirements associated with them.</p>	<p>Directive B.5</p> <p>The EIA process includes, as a minimum: ...examination of alternatives including a no project scenario. The EIA should be supported by economic analysis of project alternatives and, as applicable, by economic cost-benefit assessments of the project’s environmental impacts and/or the associated protection measures.⁵</p> <p>The SEA has the following objectives: ... (ii) engage early on governments and potentially affected parties in the identification and analysis of strategic issues, actions, and development alternatives.</p> <p>Directive B.5 Guidelines</p> <p><i>Annex II:</i></p> <p><i>The EA Process and EIA Report:</i> For the purpose of this Policy, the EIA report includes information on the following topics, as appropriate, in relation to specific projects: ...consideration of environmentally</p>	<p>OP, 8.a: “EA for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the "without project" situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance.”</p> <p>OP Annex B.2.f: “Systematically compares feasible alternatives to the proposed project site, technology, design, and operation--including the "without project" situation--in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. For each of the alternatives, quantifies the environmental impacts to the extent possible, and attaches economic values where feasible. States the basis for selecting the particular project design proposed and justifies</p>

⁵ Directive B.9 also includes specific alternative analysis requirements with respect to impacts on natural and critical habitats.

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	<p>and socially preferable alternatives;....</p> <ul style="list-style-type: none"> ○ <i>A.1 Scoping:</i> 2: ...The TORs include information pertinent for potential parties who may conduct the EA....This would include: ...a brief history of the project, including alternatives considered ○ <i>A.3 Examination of Alternatives:</i> Alternatives analysis in EIA is designed to bring environmental and social considerations into the “upstream” stages of development planning—project identification and earlier—as well as the later stages of site selection, design and implementation. Inclusion of social and environmental considerations at an early stage can reveal alternative options and cost-effective ways of achieving the same project objectives at lower environmental or social cost (measured either by the severity of the impacts or the costs of measures to mitigate them). Incorporating analysis of alternative design into the consultation mode also provides affected communities and other interest groups input into the decisions regarding location, size and technology of the proposed project. ○ <i>A.5 Impact Mitigation:</i> ...Normally, potential impacts are identified early during the initiation and scoping stages of EIA for a project, and measures to avoid or minimize impacts are incorporated into the alternatives being considered. In this respect, some of the most important measures to protect the environment or local communities become integral to the project design. ○ <i>A.6 Economic Analysis:</i> The Bank mandates performing economic analysis to assess the overall economic viability of projects. Category A operations should include an economic analysis, to the extent applicable and practicable, of alternative measures to avoid or mitigate adverse environmental impacts and risks. The economic analysis is undertaken to further evaluate the alternatives identified in the EIA and to incorporate environmental economic information into the final evaluation of the proposed project. The consideration of project alternatives may reveal, for example, approaches with slightly higher direct investment cost but much lower ongoing environmental remediation costs... <p><i>A.8 Preparation of an EIA Report Section 6 - Analysis of Alternatives:</i> This section provides a description of relevant possible alternatives to the project/project design (including the ‘no action’ alternative). These may include alternative location, site layout, technologies, design options, and management systems. The reasons why the various alternatives considered were rejected should be documented. To the extent applicable and feasible, an economic analysis may be used to provide further</p>	<p>recommended emission levels and approaches to pollution prevention and abatement.”</p>

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	<p>understanding of these options.</p> <p><i>IDB considers these points covered by the standard content of the economic and institutional analysis of each alternative and an aspect to be addressed at the technical specification rather than policy level. IDB analysis covers all aspects of economic analysis, management systems and institutional capabilities. See also MEs 3 and 6.</i></p>	
<p>PPAH</p> <p>5. Where applicable to the type of project being supported, normally apply the Pollution Prevention and Abatement Handbook (PPAH). Justify deviations when alternatives to measures set forth in the PPAH are selected.</p>	<p>Directive B.11</p> <p>Bank-financed operations will include as appropriate, measures to prevent, reduce or eliminate pollution emanating from their activities.</p> <p>The Bank will require clients to follow source-specific emission and discharge standards recognized by multilateral development banks. Taking into account local conditions and national legislation and regulations, the environmental assessment report or environmental and social management report will justify the standards selected for the particular operation, consistent with this Directive.</p> <p>Directive B.11 Guidelines</p> <p><i>Emission and Discharge Standards:</i> For numerical standards the Bank requires borrowers to follow source-specific emission and discharge standards recognized by multilateral development banks, such as the <i>Pollution Prevention and Abatement Handbook</i> (PPAH) (section III), ... The environmental assessment for the operation may recommend alternative emission levels to those recognized by multilateral development banks and/or alternative approaches to pollution prevention and abatement for the project. In such case, the environmental assessment or the Bank's ESMR, if applicable, must provide a description of what standards and/or approaches are chosen for the particular operation, project or site. The first order of reference is the PPAH, and if the pollutant is not covered by the PPAH or if the PPAH is not appropriate for a particular case, other standards recognized by MDBs should be used.</p>	<p>OP, 6: "The Pollution Prevention and Abatement Handbook describes pollution prevention and abatement measures and emission levels that are normally acceptable to the Bank. However, taking into account borrower country legislation and local conditions, the EA may recommend alternative emission levels and approaches to pollution prevention and abatement for the project. The EA report must provide full and detailed justification for the levels and approaches chosen for the particular project or site."</p>

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<p>PREVENTION/MITIGATION</p> <p>6. Prevent and, where not possible to prevent, at least minimize, or compensate for adverse project impacts and enhance positive impacts through environmental management and planning that includes the proposed mitigation measures, monitoring, institutional capacity development and training measures, an implementation schedule, and cost estimates.</p>	<p><i>B. Safeguarding the Environment: Managing Environmental Impacts and Risks:</i></p> <p>The Bank applies safeguards throughout the project cycle to ensure the environmental sustainability of all Bank-financed operations. In line with sustainable development practices, the Bank takes a general precautionary approach⁶ to environmental impacts. The Bank favors avoiding negative environmental impacts; when impacts are unavoidable, Bank-financed operations require mitigation measures; and for impacts that cannot be fully mitigated, compensation or offsets should be implemented. The Bank will work with borrowers to manage environmental risks effectively and to help develop environmental management capacity, as agreed. Where, in the opinion of the Bank, the environmental risks are deemed to be too great, the Bank would support the proposed investment only once the plan for mitigation of the risks is agreed.</p> <p>Directive B.4</p> <p>In addition to risks posed by environmental impacts, the Bank will identify and manage other risk factors that may affect the environmental sustainability of its operations. These risk factors may include elements such as the governance capacity of executing agencies/borrower and of third parties...Depending on the nature and the severity of the risks, the Bank will engage with the executing agency/borrower and relevant third parties to develop appropriate measures for managing such risks.¹</p> <p>Directive B.5</p> <ul style="list-style-type: none"> ○ ...The operation's executing agency or borrower is required to submit all EA products to the Bank for review. The operation's approval by the Bank will consider the quality of the EA process and documentation, among other factors. ... ○ ...An EIA report must be prepared with its ESMP.... ... ○ For operations requiring an environmental assessment but not subject to an EIA or an SEA, an environmental analysis should be performed including an evaluation of the potential 	<p>OP, 2: "The Bank favors preventive measures over mitigatory or compensatory measures, whenever feasible."</p> <p>OP, 5: The Bank advises the borrower on the Bank's EA requirements. The Bank reviews the findings and recommendations of the EA to determine whether they provide an adequate basis for processing the project for Bank financing."</p> <p>OP, 13: "When the borrower has inadequate legal or technical capacity to carry out key EA-related functions (such as review of EA, environmental monitoring, inspections, or management of mitigatory measures) for a proposed project, the project includes components to strengthen that capacity.</p> <p>OP, 2: "EA ... includes the process of mitigating and managing adverse environmental impacts throughout project implementation."</p> <p>OP, 19: "During project implementation, the borrower reports on (a) compliance with measures agreed with the Bank on the basis of the findings and results of the EA, including implementation of any EMP, as set out in the project documents; (b) the status of mitigatory measures; and (c) the findings of monitoring programs. The Bank bases supervision of the project's environmental aspects on the findings and recommendations of the EA, including measures set out in the legal agreements, any EMP, and other project documents."</p> <p>OP Annex C: The "EMP identifies monitoring objectives and specifies types of monitoring, with linkages to the impacts assessed in the EA report and the mitigation measured described in the EMP."</p>

⁶ OP-703: Definitions: *Precautionary approach* means that where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

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	<p>environmental, social, health and safety impacts and risks associated with the operation, and an indication of the measures foreseen to control these risks and impacts....</p> <ul style="list-style-type: none"> ○ The ESMP must include: a presentation of the key direct and indirect impacts and risks of the proposed operation; the design of the proposed social/environmental measures to avoid, minimize, compensate and/or mitigate the key direct and indirect impacts and risks; the institutional responsibilities to implement these measures, including, where necessary, institutional development, capacity building and training; the schedule and budget allocated for the implementation and management of such measures; the consultation or participation program agreed for the operation; and the framework for the monitoring of social and environmental impacts and risks throughout the execution of the operation, including clearly defined indicators, monitoring schedules, responsibilities and costs. The ESMP should be ready for, and reviewed during, the analysis/due diligence mission. ○ See also content under IMPACTS (element 2) above. <p>Directive B.5 Guidelines</p> <p><i>Environmental and Social Management Plan:</i> ESMPs describe the institutional arrangements, where necessary, and capacity building needed to carry out required mitigation and enhancement measures and put appropriate monitoring programs in place. ...ESMPs will complement and take into account, as appropriate, information generated in the Institutional Capacity Assessment System (ICAS) that is being increasingly used for project preparations....</p> <p>...</p> <p>The draft ESMP is reviewed by the project team and should be agreed upon prior to Bank approval of the operation, and the key provisions of ESMPs are incorporated into the relevant project agreements between the Bank and the borrower. Prior to project approval, the ESMP presented by the team should have all of the necessary requirements and provisions to ensure an appropriate treatment of environmental issues during project execution. ...</p> <p>...Specific mechanisms for corrective action—based on feedback from inspection and monitoring programs—should be included in the ESMP.</p>	

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	<p>Directive B.7</p> <p>The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations. Safeguard requirements, such as those in an ESMP must be incorporated into the project contract documents, its operating or credit regulations, or the project bidding documents, as appropriate, setting out as necessary milestones, timeframes and corresponding budgetary allocations to implement and monitor the plan during the course of the project. Safeguard indicators, as appropriate, should be clearly defined in the logical/results framework, followed up in project monitoring reports and reviewed in mid-term reviews and project completion reports....Whenever ex-post evaluations are conducted, these will evaluate the sustainability outcomes of an operation.</p> <p>Directive B.7 Guidelines</p> <p><i>ESMP Requirements:</i> Whenever mitigation measures are required for an operation, the contract, operation regulations and/ or sector letter will include safeguards provisions that define the commitments agreed upon by the Bank and the borrower that serve as binding obligations during execution....</p> <p><i>Country Office/PRI Project Team:</i> The teams should verify that safeguards included in the loan contract, operating regulations or sector letters are implemented. Supervision may involve different tasks, such as visiting project sites, meeting with the borrower and its representatives, and reviewing environmental monitoring reports.</p> <p><i>Noncompliance:</i> Where environmental or associated social noncompliance issues arise during project implementation, the project team in charge of supervision will work with the borrower and/or executing agency on an action plan consistent with this Policy, to resolve them.</p>	

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<p>PARTICIPATION</p> <p>7. Involve stakeholders, including project-affected groups and local nongovernmental organizations, as early as possible, in the preparation process and ensure that their views and concerns are made known to decision Makers and taken into account Continue consultations throughout project implementation as necessary to address EA-related issues that affect them.</p>	<p>Directive B.6</p> <p>As part of the environmental assessment process, Category “A” and “B” operations will require consultations with affected parties⁷ and consideration of their views. Consultations with other interested⁸ parties may also be undertaken in order to consider a broader range of expertise and perspectives. Category “A” operations will be consulted at least twice during project preparation, during the scoping phase of the environmental assessment or due diligence processes, and during the review of the assessment reports. For Category “B” operations, affected parties must be consulted at least once, preferably during the preparation or review of the ESMP, as agreed with the borrower. For consultation purposes, appropriate information will be provided in location(s), format(s) and language(s) to allow for affected parties to be meaningfully consulted, to form an opinion and to comment on the proposed course of action. EIAs and/or other relevant environmental analyses will be made available to the public consistent with the Bank’s Disclosure of Information Policy (OP-102). During execution, affected parties should be kept informed of those project-related environmental and associated social mitigation measures affecting them, as defined in the ESMP.</p> <p>Directive B. 6 Guidelines</p> <p><i>Consultation Process:</i> The consultation process depends on the nature of the operation being considered for financing. For Category A projects, consultations can be preceded by a <i>stakeholder analysis</i>, an exercise consisting of mapping the social landscape associated with the project that identifies affected and interested parties, their inter-relations and interests regarding the project. The Bank also encourages meeting with experts and representatives of institutions and civil society organizations specializing in a given field or issue, to receive feedback and advice. In the case of consultations related to the preparation of resettlement plans, the borrower should follow the Operational Policy on Involuntary Resettlement (OP-710).⁹</p>	<p>OP, 14: “For all Category A and B projects ... during the EA process, the borrower consults project-affected groups and local non-governmental organizations (NGOs) about the project’s environmental aspects and take their views into account. The borrower initiates such consultations as early as possible. For Category A projects, the borrower consults these groups at least twice: (a) shortly after environmental screening and before the terms of reference for the EA are finalized; and (b) once a draft EA report is prepared. In addition, the borrower consults with such groups throughout project implementation as necessary to address EA-related issues that affect them.”</p>

⁷ Affected parties are individuals, group of individuals or communities who may be directly impacted by a Bank-financed operation. Such impacts may be positive or negative. Affected parties may designate representatives as part of the consultation process. Note: This generally includes local NGOs and CBOs and other CS organizations that represent or are designated to represent affected parties.

⁸ Interested parties are individuals or groups who have expressed support or concern regarding a proposed or existing bank-financed operation. Note: these are understood to be individuals or groups who are not directly or indirectly affected.

⁹ A number of specific consultation requirements apply under OP-710 (Involuntary Resettlement) and OP-765 (Indigenous Peoples) and their respective guidelines.

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	<p><i>Timing of Category A Consultations:</i> The first consultation should preferably occur during the scoping phase of the EA process for the operation. The second consultation should preferably occur when the impact assessment is being reviewed, in order to inform, gather comments, and adjust the assessment and the corresponding environmental and social management plan. Category A operations may benefit from more than two consultations, at the discretion of the borrower, if warranted by the nature, geographical extension of the operation, or other pertinent factors.</p> <p><i>After Bank Approval:</i> For Category A and B operations, the borrower should continue an applicable degree of information disclosure and consultation, on the basis of the agreed Environment and Social Management Plan (ESMP).</p> <p>Directive B.5</p> <p>The ESMP must include: ...the consultation or participation program agreed for the operation; ...</p> <p>Directive B.5 Guidelines</p> <p><i>Environmental and Social Management Plan:</i> ...ESMPs outline responsibilities for public consultation and disclosure, and describe mechanisms for feedback and remedial action. They also indicate the estimated costs of these activities. ... Public consultations may improve the design of mitigation and monitoring measures, and should be considered in the finalization of ESMPs. Affected parties also may be asked to play a role in monitoring the ESMP.</p> <p>Directive A.1 Guidelines</p> <p><i>Programming CEAs.</i> CEAs should be programmed and carried out well in advance of country strategy development to support the initial phases of policy dialogues with governments and to allow relevant consultations with interested parties, which may include representatives of the private sector, NGOs, and donor community.</p> <p>Practice Notes:</p> <p>According to Directive B.6, IDB consultation practices and general terms of reference for consultation allow for, and encourage, broad based participation. Consultation with directly and indirectly affected</p>	

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	<p>parties in contrast, is required.</p> <p>IDB also relies on the scoping and EA processes to identify the most relevant stakeholders and to develop, in consultation with them, “a consultation or participation program” as part of the ESMP.</p> <p>IDB will apply these practices to FCPF operations.</p> <p><i>As highlighted above IDB policies and guidelines require meaningful consultation and due consideration to the views of affected peoples. Additional specific requirements apply to indigenous peoples (See IP Policy , p.10) ¹⁰and in case of involuntary resettlement (See Involuntary Resettlement Guidelines, p. 42).</i></p> <p><i>As for continuity of consultation during project execution, the ESMP is expected to include feedback and remedial mechanisms.</i></p>	
<p>INDEP. EXPERTS</p> <p>8. Use independent expertise in the preparation of EA where appropriate. Use independent advisory panels during preparation and implementation of projects that are highly risky or contentious or that involve serious and multi-dimensional environmental and/or social concerns.</p>	<p>Directive B.5 Guidelines</p> <p><i>Annex II: The EA Process and EIA Report:</i> The EA process is under the responsibility of the borrower, as defined in Directive B.5. The EA process is a tool that requires both technical and management skills to collect, evaluate and present relevant environmental and social information for use in project planning and decision-making. ...The EIA report must indicate to decision-makers, the public and affected parties that its review process was carried out according to good professional practices.</p> <p>Practice Note:</p> <p>According to local laws, integrity guidelines and general good practice, IDB applies expertise requirements and follows accepted practices with respect to conflict of interest with respect to consultants engaged for EA preparation.</p>	<p>OP, 4: “For Category A projects, the borrower retains independent EA experts not affiliated with the project to carry out the EA. For Category A projects that are highly risky or contentious or that involve serious and multidimensional environmental concerns, the borrower should normally also engage an advisory panel of independent, internationally recognized environmental specialists to advise on all aspects of the project relevant to the EA.”</p> <p>OP, ft. nt. 7: “However, the borrower ensures that when individuals or entities are engaged to carry out EA activities, any conflict of interest is avoided. For example, when an independent EA is required, it is not carried out by the</p>

¹⁰ Once the decision to proceed with the processing of a project with potential adverse impacts has been made, the Bank will provide guidance and verify compliance by the project proponent with the following:...

(ii) the implementation of socio-culturally appropriate and duly documented consultation and good faith negotiation processes with the affected indigenous peoples in relation to project design, analyses of alternatives, preparation, due diligence, and execution;...

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	<p>According to its current practices, IDB will use independent expertise in the preparation of EA for FCPF operations where appropriate.</p> <p><u>Advisory panels</u></p> <p>Directive B.3</p> <p>...Category “A” operations are considered high safeguard risk. For some high safeguard risk operations that, in the Bank’s opinion raise complex and sensitive environmental, social, or health and safety concerns, the borrower should normally establish an advisory panel of experts to provide guidance for the design and/or execution of the operation on issues relevant to the EA process, including health and safety.</p>	<p>consultants hired to prepare the engineering design.”</p>
<p>INTEGRATION OF EA</p> <p>9. Provide measures to link the environmental assessment process and findings with studies of economic, financial, institutional, social and technical analyses of a proposed project.</p>	<p>Directive B.5 Guidelines</p> <p><i>Annex II: The EA Process and EIA Report</i></p> <ul style="list-style-type: none"> ○ <i>A.3 Examination of Alternatives:</i> Alternatives analysis in EIA is designed to bring environmental and social considerations into the “upstream” stages of development planning—project identification and earlier—as well as the later stages of site selection, design and implementation. Inclusion of social and environmental considerations at an early stage can reveal alternative options and cost-effective ways of achieving the same project objectives at lower environmental or social cost (measured either by the severity of the impacts or the costs of measures to mitigate them). Incorporating analysis of alternative design into the consultation mode also provides affected communities and other interest groups input into the decisions regarding location, size and technology of the proposed project. ○ <i>A.5 Impact Mitigation:</i> ...Normally, potential impacts are identified early during the initiation and scoping stages of EIA for a project, and measures to avoid or minimize impacts are incorporated into the alternatives being considered. In this respect, some of the most important measures to 	<p>OP, 2: [EA] is integrated closely with the economic, financial, institutional, social, and technical analyses of a proposed project.”</p> <p>OP, ft. nt. 7: “EA is closely integrated with the project’s economic, financial, institutional, social, and technical analyses to ensure that (a) environmental considerations are given adequate weight in project selection, siting, and design decisions, and (b) EA does not delay project processing.”</p>

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	<p>protect the environment or local communities become integral to the project design.</p> <p>ESG Guidance Note No. 2: Environmental and Social Screening and Classification: Selecting Appropriate Instruments, p. 12</p> <p>...</p> <p>The EIA should be supported by economic analysis of project alternatives and, as applicable, by economic cost-benefit assessments of the project's environmental impacts and/or the associated protection measures. Also, due consideration should be given to: analyzing compliance with relevant legal requirements; direct, indirect, regional or cumulative impacts, acquiring and using adequate baseline data as necessary; impact mitigation and management plans; the incorporation of EIA findings into project design; and, measures for adequate follow up, monitoring and supervision during implementation. Bank procedures require the preparation of an environmental and social strategy early in the project cycle so that environmental and social issues can be identified at that stage and integrated in project design, analysis, and execution plans and budgets as appropriate.</p>	
<p>SUBPROJECTS</p> <p>10. Provide for application of the material elements in this Table to subprojects under investment and financial intermediary activities.</p>	<p>Directive B.13</p> <p>...For policy-based loans, the Bank will analyze during the design phase whether specific country policies and/or institutional changes supported by the operation will have significant and direct effects on the country's environment and natural resources. The appropriate sequence of actions and conditions to ensure environmental sustainability will be reflected in the corresponding action plan, as required. For financial intermediation operations (FIs), including global credit loans, the Bank will assess the executing agency's capacity for environmental management. The financial intermediaries will demonstrate that appropriate environmental procedures are in place so that final recipients of IDB financing are required to adopt and implement sound and adequate environmental measures. The borrower and the Bank will agree on implementing an appropriate and feasible Environmental Management System (EMS) tailored to the particular needs of the operation. Environmental review of a representative sample of projects should be performed periodically.</p> <p>Directive B.13 Guidelines</p> <p><i>B. For Financial Intermediary Operations and Global Credit Loans:</i> The Bank's environmental</p>	<p>OP, 9: "For sector investment loans (SILs), during the preparation of each proposed subproject, the project coordinating entity or implementing institution carries out appropriate EA according to country requirements and the requirements of this policy."</p> <p>OP, 10: "For a financial intermediary (FI) operation, the Bank requires that each FI screen proposed subprojects and ensure that sub-borrowers carry out appropriate EA for each subproject. Before approving a subproject, the FI verifies (through its own staff, outside experts, or existing environmental institutions) that the subproject meets the environmental requirements of appropriate national and local authorities and is consistent with this OP and other applicable environmental policies of the Bank."</p> <p>OP, 11: "In appraising a proposed FI operation, the Bank reviews the adequacy of country environmental requirements relevant to the project and the proposed EA arrangements for</p>

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	<p>requirements need to be tailored to properly reflect this diversity of risk [of FI operations], ranging from simple requirements and procedures to more sophisticated environmental management systems. As part of the screening process and at the level of the project concept document, the project team should state the potential level of environmental impacts and risks associated with the FI operation and the proposed actions for the Bank's environmental and social strategy (i.e., environmental analysis/due diligence). This analysis should reflect the FI operation, the relevant FI environmental policies and procedures, and the FI or other relevant institutional capacity.</p> <ul style="list-style-type: none"> ○ For FI operations with no or minimal risk, the Bank basically requires that the operation comply with applicable local environmental legislation and FI standard in-country practices related to environmental aspects. .. ○ For FI operations with moderate risk, the Bank should normally require that the FI implements a procedure regarding environmental risk management, and such procedure be commensurate to the impacts and risks of the activities financed. This procedure should consider compliance with local applicable environmental legislation and institutional capacity. ○ For FI operations with significant risk, the Bank should normally require that the FI develop and implement an environmental management system (EMS) that is commensurate with the FI risks and impact. The objective of an EMS is to properly identify, assess, mitigate and monitor the potential environmental impacts and risks associated with projects financed with IDB funds through the FI. An EMS should include a policy and requirements, process, resources, and review and reporting. Relevant obligations should be included in FI project documents and agreements. The Bank will monitor environmental aspects of FI operations as part of the Bank's loan supervision and evaluation, and in a manner consistent with the level of environmental risk. <p><i>IDB requires FIs to apply EA requirements to moderate and high impact/risk subprojects though an ESMS and requires Borrowers in the multiple work programs to do so through operating regulations. The ESMS or regulations often require IDB review high risk activities (category A type projects), or exclude them from eligibility for financing.</i></p>	<p>subprojects, including the mechanisms and responsibilities for environmental screening and review of EA results. For FI operations expected to have Category A subprojects, prior to the Bank's appraisal each identified participating FI provides to the Bank a written assessment of the institutional mechanisms (including, as necessary, identification of measures to strengthen capacity) for its subproject EA work. If the Bank is not satisfied that adequate capacity exists for carrying out EA, all Category A subprojects and, as appropriate, Category B subprojects--including EA reports--are subject to prior review and approval by the Bank.”</p> <p>OP, ft. nt 17: “The requirements for FI operations are derived from the EA process and are consistent with the provisions of para. 6 of this OP. The EA process takes into account the type of finance being considered, the nature and scale of anticipated subprojects, and the environmental requirements of the jurisdiction in which subprojects will be located.”</p>
<p>DISCLOSURE</p> <p>11. Disclose draft EA in a timely manner, before appraisal formally begins, in</p>	<p>Directive B.6</p> <p>...For consultation purposes, appropriate information will be provided in location(s), format(s) and language(s) to allow for affected parties to be meaningfully consulted, to form an opinion and to comment</p>	<p>OP, 15: “For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category A and B projects proposed for IBRD or IDA financing, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable</p>

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<p>an accessible place and in a form and language understandable to key stakeholders.</p>	<p>on the proposed course of action. EIAs and/or other relevant environmental analyses will be made available to the public consistent with the Bank's Disclosure of Information Policy (OP-102).</p> <p>Directive B.6 Guidelines</p> <p><i>Definitions: Information</i> is the first and essential step in communication. The information presented must be appropriate, meaning relevant, understandable to the recipient, precise, and timely....</p> <p><i>Timing of Category A Consultations:</i> The first consultation should preferably occur during the scoping phase of the EA process for the operation. <u>The second consultation should preferably occur when the impact assessment is being reviewed, in order to inform, gather comments, and adjust the assessment and the corresponding environmental and social management plan.</u> Category A operations may benefit from more than two consultations, at the discretion of the borrower, if warranted by the nature, geographical extension of the operation, or other pertinent factors.</p> <p>Directive B.5 Guidelines</p> <p><i>Annex II:</i></p> <p><i>The EA Process and EIA Report: A.2 Consultation and Information Dissemination:</i> The Bank requires public consultation as part of the environmental assessment process for Category A and B projects. The borrower must consult with affected parties to solicit their informed views and opinions. This usually requires, for Category A projects, in the early stages, providing sufficient information about project screening results and at later stages opportunities to review the EIA report.</p> <p>The EIA results are to be made available in a timely manner and in location(s), format(s) and language(s) that allow relevant parties to form an opinion and comment on the proposed course of action. To the extent applicable and practicable, a public consultation plan should be included in the TOR for the EIA that defines participation objectives and methods for accomplishing this task.</p> <p>OP-102 Access to Information Policy</p>	<p>and accessible to the groups being consulted.”</p> <p>OP, 16: “For a Category A project, the borrower provides for the initial consultation a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft EA report is prepared, the borrower provides a summary of the EA's conclusions. In addition, for a Category A project, the borrower makes the draft EA report available at a public place accessible to project-affected groups and local NGOs.”</p> <p>OP, 17: “Any separate Category B report for a project proposed for IDA financing is made available to project-affected groups and local NGOs.”</p> <p>OP, 17: “Public availability in the borrowing country and official receipt by the Bank of Category A reports for projects proposed for IBRD or IDA financing, and of any Category B EA report for projects proposed for IDA funding, are prerequisites to Bank appraisal of these projects.”</p>

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	<p>Establishes that IDB will disclose the following environmental and social documents for all operations where they are applicable:</p> <ul style="list-style-type: none"><input type="checkbox"/> <input type="checkbox"/> Environmental and Social Strategies (ESS)<input type="checkbox"/> <input type="checkbox"/> Environmental Impact Assessments (EIA)<input type="checkbox"/> <input type="checkbox"/> Strategic Environmental Analyses (SEA)<input type="checkbox"/> <input type="checkbox"/> Environmental Analyses (EA)<input type="checkbox"/> <input type="checkbox"/> Environmental and Social Management Reports (ESMR) <p>Notes:</p> <p>See additional references above under PARTICIPATION.</p> <p>There are also specific requirements under OP-710, OP-765 and OP-102. The following from the OP-765 guidelines, illustrates IDB practice with respect to information availability:</p> <p><i>OP-765 Guidelines: Definitions: 3.7 Consultation</i></p> <p>...</p> <p>A socio-culturally appropriate consultation process under the IPP includes the following elements, in a manner commensurate with the nature, significance, and intensity of the potential impacts: ... (j) availability of proper information to the affected groups as to the nature, scope, and impact of the proposed activities with sufficient content, an appropriate and accessible format, and sufficient time to adequately evaluate the project;...</p> <p><i>IDB requires disclosure of draft EAs and discloses key results through the ESMR prior to Baorad consideration of an operation.</i></p>	

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Definition of Key Terms	<p><u>Categories</u></p> <p>Directive B.3</p> <p>...</p> <p>Any operation that is likely to cause significant negative environmental and associated social impacts, or have profound implications affecting natural resources, will be classified as Category “A.” These operations will require an environmental assessment (EA), normally an Environmental Impact Assessment (EIA) for investment operations, or other environmental assessments such as a Strategic Environmental Assessment (SEA) for programs and other financial operations that involve plans and policies.</p> <p>...</p> <p>Operations that are likely to cause mostly local and short-term negative environmental and associated social impacts for which effective mitigation measures are readily available will be classified as Category “B.” These operations will normally require an environmental and/or social analysis, according to, and focusing on, the specific issues identified in the screening process, and an environmental and social management plan (ESMP).</p> <p>...</p> <p>Operations that are likely to cause minimal or no negative environmental and associated social impacts will be classified as Category “C.” These operations do not require an environmental or social analysis beyond the screening and scoping analysis for determining the classification. However, where relevant, these operations will establish safeguard, or monitoring requirements.</p> <p>Directive B.3 Guidelines</p> <p><i>Category A:</i> An operation will be classified as Category “A” when it is likely to cause significant negative environmental and associated social and cultural impacts whether direct, indirect, regional or cumulative. This concept applies also to the operation’s associated facility. Negative impacts are considered significant when: (i) they extend over a large geographic area; (ii) they are permanent or occur for an extended period of time; and (iii) they are of high intensity and/or high magnitude. ...</p> <p>...</p> <p><i>Category B:</i> ... The magnitude/intensity of Category B projects are moderate in terms of direct, indirect, regional and cumulative impacts and standard procedures, know-how, and skills for the design of the mitigation measures are readily available and implementable.</p> <p>...</p>	<p>OP, 8a: “Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.” “A potential impact is considered “sensitive” if it may be irreversible (e.g., lead to loss of a major natural habitat) or raise issues covered by OP 4.10, Indigenous Peoples; OP 4.04, Natural Habitats; OP 4.11, Physical Cultural Resources; or OP 4.12, Involuntary Resettlement.”</p> <p>OP 8b.: “Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project’s potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document).”</p> <p>OP 8.c: “Category C: A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further EA</p>

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	<p><i>Category C:</i> ...For the most part, these are operations that do not involve works or result in physical modification of the environment. Operations that are clearly designed to produce positive environmental outcomes, unless they include physical works, are considered to be Category C operations.</p> <p><u>ESMP</u></p> <p>Directive B.5</p> <p>An EIA report must be prepared with its ESMP....</p> <p>...</p> <p>The ESMP must include: a presentation of the key direct and indirect impacts and risks of the proposed operation; the design of the proposed social/environmental measures to avoid, minimize, compensate and/or mitigate the key direct and indirect impacts and risks; the institutional responsibilities to implement these measures, including, where necessary, institutional development, capacity building and training; the schedule and budget allocated for the implementation and management of such measures; the consultation or participation program agreed for the operation; and the framework for the monitoring of social and environmental impacts and risks throughout the execution of the operation, including clearly defined indicators, monitoring schedules, responsibilities and costs. The ESMP should be ready for, and reviewed during, the analysis/due diligence mission.</p> <p>Directive B.5 Guidelines</p> <p><i>D. Environment and Social Management Plan (ESMP):</i> Environmental and Social Management Plans (ESMPs) are prepared by the borrower as an integral part of an EIA or as a stand-alone document establishing the requirements deriving from the environmental analysis. They describe the mitigation measures and monitoring requirements agreed during the environmental assessment process and provide the framework for their implementation in subsequent stages of the project.</p> <p>Directive B.5 Guidelines, Annex II outlines the content requirements for an EIA.</p>	<p>action is required for a Category C project.”</p> <p>Beyond screening, no further EA action is required for a Category C project.”</p> <p>OP Annex A, 3: “Environmental Management Plan. An instrument that details (a) measures to be taken during the implementation and operation of a project to eliminate or offset adverse environmental impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures. The EMP is an integral part of Category A EAs (irrespective of other instruments used).”</p> <p>[OP 4.01 Annex B outlines content of an Environmental Assessment Report for Category A projects and Annex C outlines the required content of an Environmental Management Plan.]</p>

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<i>OPERATIONAL PRINCIPLES:¹</i> <i>Natural Habitats</i>	<i>Inter-American Development Bank</i> <i>Policies & Procedures and/or Gap Filling Commitments</i>	<i>World Bank Policies & Procedures on Natural Habitats</i>
B. NATURAL HABITATS	OP-703 Environment and Safeguard Compliance Policy, Directive B.9 and its Guidelines. Note all procedural requirements of OP-703 (EA, ESMP consultations, etc.) apply to Directive B.9.	OP/BP 4.04 Natural Habitats, OP 4.04 Annex A Definitions
Overall Objective: To promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions.		
<p>PRECAUTIONARY APPROACH</p> <p>1. Use a precautionary approach to natural resources management to ensure opportunities for environmentally sustainable development. Determine if project benefits substantially outweigh potential environmental costs.</p>	<p>Refer to PREVENTION/MITIGATION above.</p> <p>Directive B.9</p> <p>The Bank will not support operations that, in its opinion, significantly convert or degrade critical natural habitats.... In addition, the Bank will not support operations involving the significant conversion or degradation of natural habitats as defined in this policy, unless: (i) there are no feasible alternatives acceptable to the Bank; (ii) comprehensive analysis demonstrates that overall benefits from the operation substantially outweigh the environmental costs and; (iii) mitigation and compensation measures acceptable to the Bank—including, as appropriate, minimizing habitat loss and establishing and maintaining an ecologically similar protected area that is adequately funded, implemented and monitored. The Bank will not support operations that introduce invasive species.</p> <p>Safeguard Screening Form Checklist</p> <p>Application of the SSF will result in classification in Category A of any project with the potential to significantly converse or degrade critical or other natural habitats.</p>	<p>OP, 1: “The Bank supports, and expects borrowers to apply, a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development.”</p> <p>OP, 5: “The Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs.”</p> <p>BP ,2: Bank classifies projects that have the “potential for significant conversion or degradation of critical or other natural habitats” as Category A.</p>
<p>AVOID SIGNIFICANT CONVERSION</p> <p>2. Avoid significant conversion or degradation of critical natural habitats in land use plans/ strategies, including those habitats that are (a) legally protected, (b) officially proposed for protection, (c) identified by</p>	<p>Directive B.9</p> <p>The Bank will not support operations that, in its opinion, significantly convert or degrade critical natural habitats...</p>	<p>OP 4: “The Bank does not support projects that, in the Bank’s opinion, involve the significant conversion or degradation of critical natural habitats.”</p>

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authoritative sources for their high conservation value, or (d) recognized as protected by traditional local communities.		
<p>VIABLE ALTERNATIVES</p> <p>3. Where projects adversely affect non-critical natural habitats, proceed only if viable alternatives are not available, and if appropriate conservation and mitigation measures, including those required to maintain ecological services they provide, are in place. Include also mitigation measures that minimize habitat loss and establish and maintain an ecologically similar protected area.</p>	<p>Directive B.9</p> <p>...the Bank will not support operations involving the significant conversion or degradation of natural habitats as defined in this policy, unless: (i) there are no feasible alternatives acceptable to the Bank; (ii) comprehensive analysis demonstrates that overall benefits from the operation substantially outweigh the environmental costs and; (iii) mitigation and compensation measures acceptable to the Bank—including, as appropriate, minimizing habitat loss and establishing and maintaining an ecologically similar protected area that is adequately funded, implemented and monitored.</p> <p>Directive B.9 Guidelines</p> <p><i>Mitigation and Compensation Measures.</i> The borrower develops mitigation and compensation measures acceptable to the Bank. This may include minimizing habitat loss and/or to protecting and maintaining an area ecologically similar to the one being significantly converted or degraded. These measures should be proposed/carried out in consultation according to Directive B.6, must be established in the ESMP with specific budget allocations and a monitoring and supervision program designed to ensure the proper execution of these measures. ...</p> <p><i>IDB considers maintenance of ecological services is covered by the requirements highlighted above.</i></p>	<p>OP 5: “The Bank does not support projects involving the significant conversion of natural habitats unless there are no feasible alternatives for the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs.”</p> <p>OP 5: “If the environmental assessment indicates that a project would significantly convert or degrade natural habitats, the project includes mitigation measures acceptable to the Bank. Such mitigation measures include, as appropriate, minimizing habitat loss (e.g., strategic habitat retention and post-development restoration) and establishing and maintaining an ecologically similar protected area. The Bank accepts other forms of mitigation measures only when they are technically justified.”</p> <p>BP , 4: “The costs of conservation of any compensatory natural habitats are included in the project’s financing. Mechanisms to ensure adequate recurrent cost financing are incorporated into the project design.”</p>
<p>PREFERENCE</p> <p>4. Whenever feasible, give preference to siting projects on lands already converted.</p>	<p>Directive B.9</p> <p>...Whenever feasible, Bank-financed operations and activities will be sited on lands already converted....</p> <p>Directive B.9 Guidelines</p>	<p>OP, 5: “Wherever feasible, Bank-financed projects are sited on lands already converted (excluding any lands that in the Bank’s opinion were converted in anticipation of the project).”</p>

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<i>OPERATIONAL PRINCIPLES:¹ Natural Habitats</i>	<i>Inter-American Development Bank Policies & Procedures and/or Gap Filling Commitments</i>	<i>World Bank Policies & Procedures on Natural Habitats</i>
	<p><i>Lands Already Converted:</i> Wherever feasible, the Bank will encourage the projects it finances to be sited in lands already converted. However, there is a risk that land may be converted in anticipation of a Bank-financed project. Where there is unequivocal evidence that land has been voluntarily converted exclusively to comply with such requirement of this Policy, and that such land consisted of a critical natural habitat; then <i>the Bank should not support the project.</i></p>	
<p>STAKEHOLDER ENGAGEMENT</p> <p>5. Consult key stakeholders, including local nongovernmental organizations and local communities, and involve such people in design, implementation, monitoring, and evaluation of projects, including mitigation planning.</p>	<p>Refer to PARTICIPATION (element 7 under Environmental Assessment above).</p> <p>Directive B.9 Guidelines make specific reference to the consultation requirements of Directive B.6. If there are impacts or risks to Indigenous Peoples the additional requirements of OP-765 will also apply.</p> <p>With respect to OP, 6 refer to LEGAL FRAMEWORK (element 3 of Environmental Assessment above).</p> <p>The elements of OP, 9 are routinely covered as part of the environmental assessments for projects financed by IDB that have potential impacts on natural habitats.</p> <p>See, for example, Directive B.5 Guidelines:</p> <p><i>Annex II</i></p> <p><i>The EA Process and EIA Report:</i> For the purpose of this Policy, the EIA report includes information on the following topics, as appropriate, in relation to specific projects: baseline environmental and social conditions;... applicable international treaties and agreements; sustainable use of natural resources; protection of human health, cultural properties, endangered species and sensitive ecosystems; ...socioeconomic impacts; land acquisition and land use; ...impacts on indigenous peoples and communities; cumulative impacts of existing projects and proposed project;...</p>	<p>OP, 6 [INSERTED]: “In deciding whether to support a project with potential adverse impacts on a natural habitat, the Bank takes into account the borrower's ability to implement the appropriate conservation and mitigation measures. If there are potential institutional capacity problems, the project includes components that develop the capacity of national and local institutions for effective environmental planning and management. The mitigation measures specified for the project may be used to enhance the practical field capacity of national and local institutions.”</p> <p>OP, 9 [INSERTED]: “The Bank encourages borrowers to incorporate into their development and environmental strategies analyses of any major natural habitat issues, including identification of important natural habitat sites, the ecological functions they perform, the degree of threat to the sites, and priorities for conservation, and associated recurrent-funding and capacity-building needs.”</p> <p>OP, 10: “The Bank expects the borrowers to take into account the views, roles, and rights of groups, including local nongovernmental organizations and local communities, affected by Bank-financed projects involving natural habitats, and to involve such people in planning, designing, implementing, monitoring, and evaluating such projects.”</p>
USE OF EXPERTS	Directive B.9 Guidelines	OP, 7: “In projects with natural habitat components, project

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<p>6. Provide for the use of appropriate expertise for the design and implementation of mitigation and monitoring plans.</p>	<p><i>PROCEDURES AND IMPLEMENTATION: A. Critical Natural Habitats and Natural Habitats: Significant Conversion or Degradation:</i> ... The Project Team must verify, in consultation with an environmental specialist if necessary, that the project does not <i>degrade</i> or <i>significantly convert</i> a <i>critical natural habitat</i>.</p> <ul style="list-style-type: none"> ○ <i>Pre-screening Phase:</i> The project team together with the borrower will identify, early in the project preparation phase and with the support of qualified professionals and environmental authorities where necessary, whether or not <i>critical natural habitats</i> might be affected by the operation. <p><i>IDB practice is to require appropriate expertise throughout the analysis of natural habitat impacts and risks, including the development of mitigation measures.</i></p>	<p>preparation, appraisal, and supervision arrangements include appropriate environmental expertise to ensure adequate design and implementation of mitigation measures.”</p> <p>BP, 1: “Early in the preparation of a project proposal for Bank financing, the task team leader (TL) consults with the Regional environmental sector unit (RESU) and, as necessary, with the Environment Department (ENV) and the Legal Vice Presidency (LEG) to identify natural habitat issues likely to arise in the project.”</p>
<p>DISCLOSURE</p> <p>7. Disclose draft mitigation plan in a timely manner, before appraisal formally begins, in an accessible place and in a form and language understandable to key stakeholders.</p>	<p>See PARTICIPATION (element 7 under Environmental Assessment, above).</p> <p>See IDB’s Access to Information Policy (OP-102) as quoted in element 11 DISCLOSURE, under Environmental Assessment, above.</p>	<p>OP 4.01 Environmental Assessment, 15: “For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category A and B projects proposed for IBRD or IDA financing, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.”</p> <p>OP 4.01, 16: “For a Category A project, the borrower provides for the initial consultation a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft EA report is prepared, the borrower provides a summary of the EA's conclusions. In addition, for a Category A project, the borrower makes the draft EA report available at a public place accessible to project-affected groups and local NGOs.”</p> <p>OP 4.01, 17: “Any separate Category B report for a project proposed for IDA financing is made available to project-affected groups and local NGOs. Public availability in the borrowing country and official receipt by the Bank of Category A reports for projects proposed for IBRD or IDA</p>

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		<p>financing, and of any Category B EA report for projects proposed for IDA funding, are prerequisites to Bank appraisal of these projects.”</p> <p>Plus see WB Access to Information policy (referenced in FCPF Guidance on Disclosure of Information.)</p>
Definitions of Key Terms	<p>Directive B.9 Guidelines</p> <p><i>Natural habitats</i> are biophysical environments where (i) the ecosystems' biological communities are formed largely by native plant and animal species; and (ii) human activity has not essentially modified the area's primary ecological functions. Natural habitats may be sites that (i) provide critical ecological services required for sustainable human development (e.g., aquifer recharge areas, areas that sustain fisheries, mangrove or other ecosystems that help to prevent or mitigate natural hazards); (ii) are vital to ensure the functional integrity of ecosystems (e.g., biological corridors, natural springs); and (iii) have high levels of endemism. Natural habitats may occur in tropical humid, dry, and cloud forests temperate and boreal forests; Mediterranean type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; seagrass beds; coral reefs; underwater vents; freshwater lakes and rivers; alpine and sub-alpine environments, including herb fields, grasslands, and <i>páramos</i>; and tropical and temperate grasslands.</p> <p><i>Critical natural habitats</i> are: (i) existing protected areas, areas officially proposed by governments for protection or sites that maintain conditions that are vital for the viability of the aforementioned areas; and (ii) unprotected areas of known high conservation value. Existing protected areas may include reserves that meet the criteria of the IUCN Protected Area Management Categories I through VI; World Heritage Sites, areas protected under the RAMSAR Convention on Wetlands; core areas of World Biosphere Reserves; areas in the UN List of National Parks and Protected Areas. Areas of known high conservation value are sites that, in the Bank’s opinion, may be: (i) highly suitable for biodiversity conservation; (ii) crucial for critically endangered, endangered, vulnerable or near threatened species listed as such in the IUCN Red List of Endangered Species; and (iii) critical for the viability of migratory routes of migratory species.</p>	<p>OP Annex A, 1.a: “Natural habitats are land and water areas where (i) the ecosystems’ bio-logical communities are formed largely by native plant and animal species, and (ii) human activity has not essentially modified the area's primary ecological functions. All natural habitats have important biological, social, economic, and existence value. Important natural habitats may occur in tropical humid, dry, and cloud forests; temperate and boreal forests; Mediterranean-type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; sea grass beds; coral reefs; freshwater lakes and rivers; alpine and sub alpine environments, including herb fields, grasslands, and paramos; and tropical and temperate grasslands.”</p> <p>OP, Annex A 1.b: “Critical natural habitats are: (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas (as determined by the environ-mental assessment process); or (ii) sites identified on supplementary lists prepared by the Bank or an authoritative source determined by the Regional environment sector unit (RESU). Such sites may include areas recognized by traditional local communities (e.g., sacred</p>

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	<p>See also definition of Cultural Sites and Critical Cultural Sites under PHYSICAL AND CULTURAL RESOURCES, below.</p> <p><i>Significant conversion</i> is the elimination or severe diminution of the integrity of a critical or other natural habitat caused by a major, long-term change in land or water use. In both terrestrial and aquatic ecosystems, conversion of natural habitats can occur as the result of severe pollution. Conversion can result directly from the action of a project or through an indirect mechanism (e.g., through induced settlement along a road).</p> <p><i>Degradation</i> is modification of a critical or other natural habitat that substantially reduces the natural habitat's ability to maintain viable populations of its native species.</p>	<p>groves); areas with known high suitability for bio-diversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes.”</p> <p>OP Annex A, 1.c: “Significant conversion is the elimination or severe diminution of the integrity of a critical or other natural habitat caused by a major, long-term change in land or water use. Significant conversion may include, for example, land clearing; replacement of natural vegetation (e.g., by crops or tree plantations); permanent flooding (e.g., by a reservoir); drainage, dredging, filling, or channelization of wetlands; or surface mining. In both terrestrial and aquatic ecosystems, conversion of natural habitats can occur as the result of severe pollution. Conversion can result directly from the action of a project or through an indirect mechanism (e.g., through induced settlement along a road).”</p> <p>OP Annex A, 1.d: Degradation is modification of a critical or other natural habitat that substantially reduces the habitat’s ability to maintain viable populations of its native species.”</p>

<i>OPERATIONAL PRINCIPLES:¹</i> <i>Forests</i>	<i>Inter-American Development Bank</i> <i>Policies & Procedures and/or Gap Filling Commitments</i>	<i>World Bank Policies & Procedures on Forests</i>
C. FORESTS	<p>OP-703 Environment and Safeguard Compliance Policy and its Guidelines, including Directive B.9.</p> <p>OP-723 Forestry Development</p>	OP/BP 4.36 Forests, OP 4.36 Annex A Definitions

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Overarching Objective: To realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests.		
<p>SCREEN FOR IMPACTS</p> <p>1. Screen as early as possible for potential impacts on forest health and quality and on the rights and welfare of the people who depend on them. As appropriate, evaluate the prospects for new markets and marketing arrangements.</p>	<p>OP-703: Directives B.1, B.2, B.3, B., B.6 and B.9</p> <ul style="list-style-type: none"> ○ All requirements of OP-703 (EA, ESMP consultations, etc.) apply to forestry projects. ○ B.9 restrictions apply to any forest areas that fall under the definition of Natural or Critical Natural Habitat. ○ If Indigenous Peoples are potentially affected, the additional requirements of OP-765 also apply. <p>OP-723</p> <ul style="list-style-type: none"> ○ <i>Objectives:</i> ...Support forest conservation measures with the aim of protecting essential natural cycles and the equilibrium of ecosystems including forest soil, water, fauna, flora and microclimates. ... ○ <i>Criteria</i> <p>The following criteria will guide the Bank's assistance for activities in the forest sector:</p> <p>...</p> <ul style="list-style-type: none"> ○ Proposed activities in the forestry sector should be assessed in terms of potential environmental impacts. Loan proposals as well as project and program designs should address potential environmental impacts including where appropriate, an examination of alternatives and proposed activities to mitigate adverse impacts. <p>...</p> <ul style="list-style-type: none"> ○ In forestry projects financed by the Bank it will be ensured that local groups, including indigenous communities, participate directly or indirectly in the economic benefits generated by these projects. Deterioration of the living conditions of these groups 	<p>OP, 13: “In accordance with OP/BP 4.01, Environmental Assessment, the environmental assessment (EA) for an investment project addresses the potential impact of the project on forests and/or the rights and welfare of local communities.”</p> <p>OP, 15: “As appropriate, the design of projects that use forest resources or provide environmental services includes an evaluation of the prospects for the development of new markets and marketing arrangements for non-timber forest products and related forest goods and services, taking into account the full range of goods and environmental services from well-managed forests.”</p>

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	<p style="text-align: center;">should be avoided, respecting their land and other rights, as determined by the national legislation.</p> <p style="text-align: center;">...</p>	
<p>CRITICAL FOREST AREAS</p> <p>2. Do not finance projects that would involve significant conversion or degradation of critical forest areas or related critical natural habitats, or that would contravene applicable international environmental agreements.</p>	<p>Critical Natural habitats aspect covered under Op-703, Directive B.9 (See NATURAL HABITATS above).</p> <p>International Environmental Agreements aspects covered by OP-703, Directive B.2 (See LEGAL FRAMEWORK, above).</p>	<p>OP, 5: “The Bank does not finance projects that, in its opinion, would involve significant conversion or degradation of critical forest areas or related critical natural habitats.”</p> <p>OP, 6: “The Bank does not finance projects that contravene applicable international environmental agreements.”</p>
<p>PLANTATIONS</p> <p>3. Do not finance natural forest harvesting or plantation development that would involve any conversion or degradation of critical forest areas or related critical natural habitats.</p>	<p>Critical Natural Habitats aspect covered under Op-703, Directive B.9 (See NATURAL HABITATS above).</p> <ul style="list-style-type: none"> • Conversion is not allowed, therefore a plantation or commercial harvesting operation that replaces a critical forest or related critical natural habitat would not be eligible for financing; • Critical natural habitats adjacent or downstream from forest plantations would enjoy the same protection from adverse impacts as critical habitats affected by any other type of project and associated impacts. 	<p>OP, 7: “The Bank does not finance plantations that involve any conversion or degradation of critical natural habitats, including adjacent or downstream critical natural habitats.”</p> <p>OP, 8: “The Bank may finance commercial harvesting operations only when the Bank has determined, on the basis of the applicable environmental assessment or other relevant information, that the areas affected by the harvesting are not critical forests or related critical natural habitats.”</p> <p>OP, 7: “When the Bank finances plantations, it gives preference to siting such projects on unforested sites or lands already converted (excluding any lands that have been converted in anticipation of the project). In view of the potential for plantation projects to introduce invasive species and threaten biodiversity, such projects must be designed to prevent and mitigate these potential threats to natural habitats.”</p>

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<p>NON-CRITICAL NATURAL FORESTS</p> <p>4. Support projects that adversely impact non-critical natural forests or related natural habitats only if viable alternatives to the project are not available and only if appropriate conservation and mitigation measures are in place.</p>	<p>Covered by OP-703, Directive B.9. See NATURAL HABITATS, above.</p>	<p>OP, 5: “If a project involves the significant conversion or degradation of natural forests or related natural habitats that the Bank determines are not critical, and the Bank determines that there are no feasible alternatives to the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs, the Bank may finance the project provided that it incorporates appropriate mitigation measures.”</p>
<p>FOREST CERTIFICATION</p> <p>5. Support commercial, industrial-scale forest harvesting only when the operation is certified, under an independent forest certification system, as meeting, or having a time-bound action plan to meet, internationally recognized standards of responsible forest management and use.</p>	<p>Critical Natural Habitat Aspect Covered by OP-703, Directive B.9 (see NATURAL HABITATS, above).</p> <p>Generally, the scope, objectives and criteria of OP-723 combined with the assessment and mitigation requirements of OP-703 and the restrictions of OP-703, Directive B.9 would result in application of verifiable sustainable management requirements for any industrial scale forest harvesting activity. For example:</p> <p>OP-723</p> <p><i>Forest Management, Reforestation, Afforestation and Restoration Programs.</i> The Bank may finance member countries' actions that promote management and conservation of natural and made-forest for the long term production of goods and services.</p> <p><i>Establishment of Forest-Based Industries.</i> In order to contribute to an increase in efficiency and output of forest-based products, including those products that are for export, the Bank may finance activities such as: a) establishment of industries for the utilization of managed forests. ...</p> <p>See also “Criteria” under SCREENING CRITERIA (element 1, Forests) above.</p> <p>Note: While IDB policy does not require formal certification for commercial forest harvesting</p>	<p>OP, 8: “The Bank may finance commercial harvesting operations only when the Bank has determined, on the basis of the applicable environmental assessment or other relevant information, that the areas affected by the harvesting are not critical forests or related critical natural habitats.”</p> <p>OP, 9: “To be eligible for Bank financing, industrial-scale commercial harvesting must also (a) be certified under an independent forest certification system acceptable to the Bank as meeting standards of responsible forest management and use; or (b) where a pre-assessment under such an independent forest certification system determines that the operation does not yet meet the requirements of subparagraph 9(a), adhere to a time-bound phased action plan acceptable to the Bank for achieving certification to such standards.”</p>

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	<p>operations, the requirements of its Forest Policy (OP-723) and Environment and Safeguards Policy (OP-703) as outlined here, would yield materially equivalent results with respect to protection of critical and natural habitats and sustainability. Furthermore, this element of the World Bank’s policy applies only to industrial scale commercial forest harvesting, therefore, consideration may need to be given to whether the FCPF would support industrial scale commercial forest harvesting, and consequently to whether forest certification for this particular type of project is a material element of the Common Approach.</p> <p><i>IDB considers that its policies require verifiable sustainable forest management which is the material element. Formal certification is not the only way to achieve this material outcome, but it is in any case an option under IDB policies.</i></p>	
<p>RESTORATION</p> <p>6. Ensure that forest restoration projects maintain or enhance biodiversity and ecosystem functionality and that all plantation projects are environmentally appropriate, socially beneficial and economically viable.</p>	<p>Covered by OP-703 in general, particularly Directive B.5.</p> <p>OP-723</p> <p>Criteria: ... Proposed activities in the forestry sector should be assessed in terms of potential environmental impacts. Loan proposals as well as project and program designs should address potential environmental impacts including where appropriate, an examination of alternatives and proposed activities to mitigate adverse impacts.</p>	<p>OP, 2: “Where forest restoration and plantation development are necessary to meet these objectives, the Bank assists borrowers with forest restoration activities that maintain or enhance biodiversity and ecosystem functionality. The Bank also assists borrowers with the establishment and sustainable management of environmentally appropriate, socially beneficial, and economically viable forest plantations to help meet growing demands for forest goods and services.”</p>
<p>PREFERENCE</p> <p>7. Give preference to small-scale community-level management approaches where they best reduce poverty in a sustainable manner.</p>	<p>OP-723</p> <p><i>Criteria</i></p> <ul style="list-style-type: none"> ▪ In forestry projects financed by the Bank it will be ensured that local groups, including indigenous communities, participate directly or indirectly in the economic benefits generated by these projects. Deterioration of the living conditions of these groups should be avoided, respecting their land and other rights, as determined by the national legislation. ▪ In forestry projects that are social and community-oriented and that aim at improving living 	<p>OP, 14: “Preference is given to small-scale, community-level management approaches where they best harness the potential of forests to reduce poverty in a sustainable manner.”</p> <p>BP, 4: “... the [Task Team] ensures that the borrower also assesses the feasibility of giving preference to small-scale, community level harvesting approaches to harness the potential of forests to reduce poverty in a sustainable manner.”</p>

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	<p>conditions in rural areas, the participation of the final beneficiaries in project activities is important. The Bank will support and encourage innovative financial mechanisms that are targeted for low-income groups and will stimulate local interest in such projects.</p> <p><i>IDB considers that ensuring that local groups participate in benefits, protecting their livelihoods and encouraging projects targeted at low income groups as highlighted above are reasonably equivalent to the preference stated in the WB policy. If mandated for FCPF projects such preference would be within the scope of IDB policies.</i></p>	
<p>LOCAL COMMUNITIES</p> <p>8. Support commercial harvesting by small-scale landholders, local communities or entities under joint forest management where monitoring with the meaningful participation of local communities demonstrates that these operations achieve a standard of forest management consistent with internationally recognized standards of responsible forest use or that they are adhering to an approved time-bound plan to meet these standards.</p>	<p>Same as under element 7 PREFERENCE, above.</p> <p><i>IDB Notes that this element seems to limit Element 7.</i></p>	<p>OP, 12: “The Bank may finance harvesting operations conducted by small-scale landholders, by local communities under community forest management, or by such entities under joint forest management arrangements, if these operations: (a) have achieved a standard of forest management developed with the meaningful participation of locally affected communities, consistent with the principles and criteria of responsible forest management outlined in paragraph 10; or (b) adhere to a time-bound phased action plan to achieve such a standard. The action plan must be developed with the meaningful participation of locally-affected communities and be acceptable to the Bank. The borrower monitors all such operations with the meaningful participation of locally-affected communities.”</p> <p>Definition of small-scale landholder, OP, ft. nt. 13: "Small-scale" is determined by the national context of a given country and is generally relative to the average size of household forest landholdings. In some situations, small-scale landholders may control less than a hectare of forests; in others they may control 50 hectares or more.</p> <p>Action plan: BP, 5: “If the project involves harvesting operations to be financed by the Bank under OP 4.36, paras. 9(b) or 12(b), the TT ensures that the project incorporates the</p>

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		time-bound action plan, as well as the associated performance benchmarks and the timeframe required to achieve appropriate forest management standards pursuant to OP 4.36, paras. 9-12. The TT includes the time-bound action plan (and the associated performance benchmarks) in the Project Appraisal Document, which is made available to the public in accordance with the World Bank's disclosure policy.”
<p>FOREST CERTIFICATION</p> <p>9. Use forest certification systems that require: (a) compliance with relevant laws; (b) recognition of, and respect for, legal or customary land tenure and use rights as well as the rights of Indigenous Peoples and workers; (c) measures to enhance sound community relations; (d) conservation of biological diversity and ecological functions; (e) measures to maintain or enhance environmentally sound multiple benefits from the forest; (f) prevention or minimization of environmental impacts; (g) effective forest management planning; (h) active monitoring and assessment of relevant forest management</p>	<p>See comments on element 5, Forest Certification, above.</p> <p>OP-723</p> <p><i>Criteria</i></p> <p>Development projects that affect forest areas should be consistent with national development priorities, statutes and regulations.</p> <p>OP-703, Directive B.2 covers customary and workers rights.</p> <p>OP-765 covers indigenous rights.</p> <p>OP-703 Directive B.9 covers natural habitat and critical natural habitat aspects.</p>	<p>OP, 10: “To be acceptable to the Bank, a forest certification system must require:</p> <ul style="list-style-type: none"> a) compliance with relevant laws b) recognition of and respect for any legally documented or customary land tenure and use rights as well as rights of indigenous peoples and workers c) measures to maintain or enhance sound and effective community relations d) conservation of biological diversity and ecological functions e) measures to maintain or enhance environmentally sound multiple benefits accruing from the forest f) prevention or minimization of the adverse environmental impacts from forest use g) effective forest management planning h) active monitoring and assessment of relevant forest management areas i) the maintenance of critical forest areas and other critical natural habitats affected by the operation. <p>OP, 11: “In addition ..., a forest certification system must be independent, cost-effective, and based on objective and measurable performance standards that are defined at the</p>

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<i>OPERATIONAL PRINCIPLES:¹</i> <i>Forests</i>	<i>Inter-American Development Bank</i> <i>Policies & Procedures and/or Gap Filling Commitments</i>	<i>World Bank Policies & Procedures on Forests</i>
<p>areas; and (i) independent, cost effective, third-party assessment of forest management performance against measurable performance standards defined at the national level and compatible with internationally accepted principles and criteria of sustainable forest management through decision making procedures that are fair, transparent, independent, designed to avoid conflict of interest and involve the meaningful participation of key stakeholders, including the private sector, Indigenous Peoples, and local communities.</p>		<p>national level and are compatible with internationally accepted principles and criteria of sustainable forest management. The system must require independent, third-party assessment of forest management performance. In addition, the system's standards must be developed with the meaningful participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society, including the private sector. The decision-making procedures of the certification system must be fair, transparent, independent, and designed to avoid conflicts of interest.”</p>
<p>DISCLOSURE</p> <p>10. Disclose any time-bound action plans in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<p>Covered by OP-703, Directives B.5 and B.6, and OP-102.</p> <p>See element 7, PARTICIPATION and element 11, DISCLOSURE under Environmental Assessment, above.</p>	<p>Not in OP/BP 4.36 Forests. Covered by disclosure requirements of environmental assessment (OP 4.01)</p>

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Definition of Key Terms	<p>Covered by the definition of Critical Natural Habitats above:</p> <p>Directive B.9 (OP-703) Guidelines:</p> <p><i>Definitions: Natural Habitats:</i> ...Natural habitats may occur in tropical humid, dry, and cloud forests temperate and boreal forests; ...</p>	<p>OP 4.36 Forests-- Annex A: “Critical forest areas are the forest areas that qualify as critical natural habitats under OP 4.04. Critical forest areas are the subset of natural forest lands that cover: (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of The World Conservation Union (IUCN) classifications¹), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas (as determined by the environmental assessment process); or (ii) sites identified on supplementary lists prepared by the Bank or an authoritative source determined by the Regional environment sector unit. Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for biodiversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes.”</p>

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D. INVOLUNTARY RESETTLEMENT	OP-710 Involuntary Resettlement ¹¹ and its Principles and Guidelines ¹²	OP/BP 4.12 Involuntary Resettlement, OP 4.12 Annex A Involuntary Resettlement Instruments
Overarching Objective: To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.		
<p>ASSESS ALTERNATIVES</p> <p>1. Assess all viable alternative project designs to avoid, where feasible, or minimize involuntary resettlement.</p>	<p><i>III. Principles:...1.</i> Every effort will be made to avoid or minimize the need for involuntary resettlement. A thorough analysis of project alternatives must be carried out in order to identify solutions that are economically and technically feasible while eliminating or minimizing the need for involuntary resettlement.</p>	<p>OP 2.a: “Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.”</p>
<p>SOCIAL IMPACT ASSESSMENT</p> <p>2. Through census and socio-economic surveys of the affected population, identify, assess, and address the potential economic and social impacts of the project that are caused by involuntary taking of land (e.g., relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, whether or not the affected person must move to another location) or</p>	<p><i>III. Principles:...2.</i> When displacement is unavoidable, a resettlement plan must be prepared to ensure that the affected people receive fair and adequate compensation and rehabilitation. Compensation and rehabilitation are deemed fair and adequate when they can ensure that, within the shortest possible period of time, the resettled and host populations will: achieve a minimum standard of living and access to land, natural resources, and services (such as potable water, sanitation, community infrastructure, land titling) at least equivalent to pre-resettlement levels;...</p> <p><i>IV. Special Considerations</i></p> <p><i>Impoverishment Risk Analysis.</i> When the baseline information indicates that a significant number of the persons to be resettled belong to marginal or low-income groups, special consideration will be given to the risks of impoverishment to which they may be exposed as a result of resettlement. Impoverishment can occur through any of the following six means:</p> <ul style="list-style-type: none"> ○ loss of housing, land, access to common property or other rights to real property due to lack of clear title, economic pressure or other factors; ○ loss of employment; ○ loss of access to means of production; 	<p>OP 3: “This policy covers direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by (a) the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) lost of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.”</p> <p>OP 14: “Upon identification of the need for involuntary resettlement in a project, the borrower carries out a census to identify the persons who will be affected by the project (see the Annex A, para. 6(a)), to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. The borrower also develops a</p>

¹¹ OP-710 applies to all Bank funded operations, in the public or private sector, whether Bank financing is directly channeled (as in investment loans) or administered by intermediaries (as in multiple works, time-slice or multi-sector credit programs)

¹² The procedural aspects of the guidelines have not been updated to reflect changes in the Bank’s project cycle, but the requirements are being adapted in practice to maintain the intended procedural outcomes.

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<p>involuntary restriction of access to legally designated parks and protected areas.</p>	<ul style="list-style-type: none"> ○ food insecurity, increased morbidity and mortality; ○ disarticulation of social networks; and ○ loss of access to education. <p><i>V. Criteria for Design and Appraisal of the Resettlement Plan:...</i> <i>1. Baseline Information.</i> Accurate baseline information must be compiled as early as possible. It will include information on the number of people to be resettled, and on their socioeconomic and cultural characteristics, including disaggregation by gender. In addition, the data will provide an important basis for the definition of eligibility criteria, and compensation and rehabilitation requirements.</p> <p>Guidelines</p> <p><i>Objectives and Principles, p.2</i></p> <p><i>Compensate the Loss of Customary Rights:</i> ...Resettlement plans should complement existing legal provisions, and should specifically address the needs of those people who have no legal protection. Various groups, such as indigenous peoples and small holders, have informal customary rights to land, forests, fishing grounds and other natural resources. Where access to these resources is lost or diminished the affected groups should be provided with adequate land or other alternatives to make good their losses....</p> <p><i>Indicative Outline for a Model Resettlement Plan, p.30:</i></p> <p><i>3.b Entitlements for Project Affected Persons:</i> Definition of the population affected by the project and entitled to compensation (this would include those who lose land, access to natural resources etc., as well as those who will lose house sites). The eligibility criteria should be specific, clearly defined and should state the bases for deciding eligibility, such as length of tenancy or physical location in the affected site. The cutoff dates for assessment of losses and definition of qualifying households should be defined. The selection criteria should be clearly delineated.</p>	<p>procedure, satisfactory to the Bank, for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance.”</p>

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<p>ADDRESS IMPACTS</p> <p>3. Identify and address impacts also if they result from other activities that are (a) directly and significantly related to the proposed project, (b) necessary to achieve its objectives, and (c) carried out or planned to be carried out contemporaneously with the project.</p>	<p><i>I. Definition and Scope:</i> This policy covers any involuntary physical displacement¹³ of people caused by a Bank project. It applies to all Bank funded operations, in the public or private sector, whether Bank financing is directly channeled (as in investment loans) or administered by intermediaries (as in multiple works, time-slice or multisector credit programs). It excludes colonization schemes, as well as the settlement of refugees or victims of natural disasters.</p> <p><i>II. Objective:</i> The objective of the policy is to minimize the disruption of the livelihood of people living in the project's area of influence</p> <p>Guidelines</p> <p><i>Glossary, p ii</i></p> <p>Project Area-Areas in and adjacent to the construction areas and other areas to be modified by the project (e.g., impoundment of reservoirs, irrigation command areas, rights of way for urban infrastructure projects).</p> <p>Project Impacts -The direct and indirect physical and socioeconomic impacts caused by the project within the project area.</p> <p>Covered by the application of all safeguard policies to associated facilities per Directive B.4 of OP-703:</p> <p>In addition to risks posed by environmental impacts, the Bank will identify and manage other risk factors that may affect the environmental sustainability of its operations.</p> <p>Directive B.4 Guidelines:</p> <p><i>Associated facilities not financed by the Bank</i> may result in environmental or social risks for a project (see discussion in the guidelines Directive B3).</p>	<p>OP 4: “This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project.”</p>

¹³Physical displacement includes residential as well as livelihood related uses, including loss of physical access to resources.

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	<p>Directive B.3</p> <p>The screening process will consider potential negative environmental impacts whether direct, indirect, regional or cumulative in nature, including environmentally related social and cultural impacts, of the operation and of its associated facilities if relevant.</p> <p>Directive B.3 Guidelines</p> <p>As defined in the Policy, associated facilities refer to new or additional works and/or infrastructure, irrespective of the source of financing, essential for a Bank-financed project to function, such as:...</p>	
<p>STAKEHOLDER CONSULTATION</p> <p>4. Consult project-affected persons, host communities and local nongovernmental organizations, as appropriate. Provide them opportunities to participate in the planning, implementation, and monitoring of the resettlement program, especially in the process of developing and implementing the procedures for determining eligibility for compensation benefits and development assistance (as documented in a resettlement plan), and for establishing appropriate and accessible</p>	<p><i>V. Criteria for Design and Appraisal of the Resettlement Plan: Community Participation.</i> The resettlement plan will include the results of consultations carried out in a timely and socio-culturally appropriate manner with a representative cross-section of the displaced and host communities. Consultations will take place during the design phase and will continue throughout the execution and monitoring of the plan, directly or through representative institutions and community organizations. Care will be taken to identify the most vulnerable subgroups and to ensure that their interests are adequately represented in this process.</p> <p><i>Baseline Information.</i> ...In addition, the data will provide an important basis for the definition of eligibility criteria, and compensation and rehabilitation requirements.</p> <p><i>3. Compensation and Rehabilitation Package...</i> The design of compensation packages, as well as the community consultation and decision making mechanisms included in the resettlement program, will take into account the characteristics of the resettled population as identified in the disaggregated baseline data with respect to gender, ethnicity, age, and any other factors pointing to special needs and/or vulnerability.</p> <p><i>6. Timeliness:</i> [Resettlement plan required to stipulate eligibility criteria.]</p>	<p>OP 2.b: “Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.”</p> <p>OP, 13.a: “Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.”</p> <p>OP 14: “The borrower also develops a procedure, satisfactory to the Bank, for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.”</p> <p>OP 8: “To achieve the objectives of this policy, particular attention is paid to the needs of vulnerable groups among</p>

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<p>grievance mechanisms. Pay particular attention to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.</p>	<p><i>IV. Special Considerations</i> <i>Impoverishment Risk Analysis.</i> When the baseline information indicates that a significant number of the persons to be resettled belong to marginal or low-income groups, special consideration will be given to the risks of impoverishment to which they may be exposed as a result of resettlement. Impoverishment can occur through any of the following six means:</p> <ul style="list-style-type: none"> ○ loss of housing, land, access to common property or other rights to real property due to lack of clear title, economic pressure or other factors; ○ loss of employment; ○ loss of access to means of production; ○ food insecurity, increased morbidity and mortality; ○ disarticulation of social networks; and ○ loss of access to education. <p>A detailed analysis will be carried out at the earliest opportunity, covering gender, ethnicity, income and other socioeconomic factors, in order to determine the risks and design preventive measures to minimize them. In this context, cash compensation will only be offered as an option if the social and economic conditions of the affected population, the institutional setting and housing market, or the complementary services included in the resettlement plan, are such as to ensure that it can be invested in a manner that will restore the affected population’s standard of living.</p> <p><i>4. Indigenous Communities.</i> Those indigenous and other low-income ethnic minority communities whose identity is based on the territory they have traditionally occupied are particularly vulnerable to the disruptive and impoverishing effects of resettlement. They often lack formal property rights to the areas on which they depend for their subsistence, and find themselves at a disadvantage in pressing their claims for compensation and rehabilitation. The Bank will, therefore, only support operations that involve the displacement of indigenous communities or other low-income ethnic minority communities in rural areas, if the Bank can ascertain that: the resettlement component will result in direct benefits to the affected community relative to their prior situation; customary rights will be fully recognized and fairly compensated; compensation options will include land-based resettlement; and the people affected have given their informed consent to the resettlement and compensation measures.</p> <p><i>III. Principles: ...2. When displacement is unavoidable, a resettlement plan must be prepared to ensure that the affected people receive fair and adequate compensation and rehabilitation.</i> Compensation and</p>	<p>those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.”</p> <p>OP 9: “Bank experience has shown that resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them (see Annex A, para. 11).”</p> <p>OP 18. “The borrower is responsible for preparing, implementing, and monitoring a resettlement plan, a resettlement policy framework, or a process framework (the “resettlement instruments”), as appropriate, that conform to this policy. The resettlement instrument presents a strategy for achieving the objectives of the policy and covers all aspects of the proposed resettlement. Borrower commitment to, and capacity for, undertaking successful resettlement is a key determinant of Bank involvement in a project.”</p> <p>OP Annex A, 17 [INSERTED]: Resettlement Plan to include “[a]ffordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the</p>

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	<p>rehabilitation are deemed fair and adequate when they can ensure that, within the shortest possible period of time, the resettled and host populations will: achieve a minimum standard of living and access to land, natural resources, and services (such as potable water, sanitation, community infrastructure, land titling) at least equivalent to pre-resettlement levels; recover all losses caused by transitional hardships; experience as little disruption as possible to their social networks, opportunities for employment or production, and access to natural resources and public facilities; and have access to opportunities for social and economic development.</p> <p>Guidelines</p> <p><i>Indicative Outline for a Model Resettlement Plan, p. 30</i></p> <p><i>3.b Entitlements for Project Affected Persons:</i> Definition of the population affected by the project and entitled to compensation (this would include those who lose land, access to natural resources etc., as well as those who will lose house sites). The eligibility criteria should be specific, clearly defined and should state the bases for deciding eligibility, such as length of tenancy or physical location in the affected site. The cutoff dates for assessment of losses and definition of qualifying households should be defined. The selection criteria should be clearly delineated.</p> <p><i>V. Criteria for Design and Appraisal of the Resettlement Plan:</i> <i>Community Participation.</i></p> <p><i>6. Timeliness.</i> ...The final [resettlement] plan must contain:</p> <p>...</p> <ul style="list-style-type: none"> ○ a mechanism for the settlement of disputes regarding land, compensation and any other aspects of the plan. 	<p>availability of judicial recourse and community and traditional dispute settlement mechanisms.”</p>
<p>INFORM DISPLACED PERSONS OF THEIR RIGHTS</p> <p>5. Inform displaced persons of their rights, consult them on</p>	<p><i>III. Principles: ...2. When displacement is unavoidable, a resettlement plan must be prepared to ensure that the affected people receive fair and adequate compensation and rehabilitation.</i> Compensation and rehabilitation are deemed fair and adequate when they can ensure that, within the shortest possible period of time, the resettled and host populations will: achieve a minimum standard of living and access to land, natural resources, and services (such as potable water, sanitation, community infrastructure, land</p>	<p>OP 6. “To address the impacts covered under para. 3 (a) of this policy, the borrower prepares a resettlement plan or a resettlement policy framework (see paras. 25-30) that covers the following: (a) The resettlement plan or resettlement policy framework includes measures to ensure</p>

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<p>options, and provide them with technically and economically feasible resettlement alternatives and needed assistance, including (a) prompt compensation at full replacement cost for loss of assets attributable to the project; (b) if there is relocation, assistance during relocation, and residential housing, or housing sites, or agricultural sites of equivalent productive potential, as required; (c) transitional support and development assistance, such as land preparation, credit facilities, training or job opportunities as required, in addition to compensation measures; (d) cash compensation for land when the impact of land acquisition on livelihoods is minor; and (e) provision of civic infrastructure and community services as required.</p>	<p>titling) at least equivalent to pre-resettlement levels; recover all losses caused by transitional hardships; experience as little disruption as possible to their social networks, opportunities for employment or production, and access to natural resources and public facilities; and have access to opportunities for social and economic development.</p> <p><i>V. Criteria for Design and Appraisal of the Resettlement Plan: Community Participation.</i></p> <p><i>6. Timeliness.</i> A preliminary resettlement plan must be prepared as part of the Environmental and Social Impact Assessment (EIA). It must undergo a process of meaningful consultation with the affected population, and must be available as part of the EIA, prior to the analysis mission. It must include sufficient information to be evaluated along with other project components. At a minimum, it must include:</p> <ul style="list-style-type: none"> ○ evidence that appropriate measures have been taken to prevent new settlements in the area subject to resettlement; ○ a tentative cut-off date for compensation eligibility; ○ an estimate of the number of people to be resettled based on sufficiently reliable data; ○ a definition of the various options to be made available under the compensation and rehabilitation package; ○ an estimate of the number of people that will be eligible for each option; ○ a preliminary budget and schedule of execution; ○ a diagnosis of the viability of the regulatory and institutional framework, identifying issues to be resolved; and ○ evidence of consultation with the affected populations. <p>....</p> <p>A final resettlement plan will be presented for approval to Bank Management, as a supplement to the ESIR, prior to distribution of the operation documents for consideration by the Board of Executive Directors. The final plan must contain:</p> <ul style="list-style-type: none"> ○ the definition of the final package of compensation and rehabilitation options; ○ the eligibility criteria for each option; ○ a reasonably accurate estimate of the number of people that will receive each option or combination; 	<p>that the displaced persons are (i) informed about their options and rights pertaining to resettlement; (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project. (b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are (i) provided assistance (such as moving allowances) during relocation; and (ii) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site. (c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are (i) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and (ii) provided with development assistance in addition to compensation measures described in paragraph 6(a) (iii), such as land preparation, credit facilities, training, or job opportunities.”</p> <p>OP 12: “Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction [ft. nt. 17: generally less than 20% of total productive area] of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based.</p>

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	<ul style="list-style-type: none"> ○ institutional arrangements and/or an execution mechanism that provides for the implementation of applicable local laws and regulations dealing with expropriation, rights to property, and the management of resettlement activities in a timely manner, assigns clear responsibilities for the execution of all elements of the resettlement plan, and provides for proper coordination with other project components; ○ the final budget funded within the overall project budget; ○ a calendar for execution of activities required to provide the goods and services that comprise the compensation and rehabilitation package, linked to landmarks of the overall project so that relocation sites (or other services) are made available in a timely manner; ○ provisions for consultation and involvement of local entities (public or private) that can contribute to execution and assume responsibility for the operation and maintenance of programs and infrastructure; ○ provisions for monitoring and evaluation, including funding, from the beginning of the execution period through the target date for achievement of full rehabilitation of the resettled communities; ○ provision for participatory supervisory arrangements, which combined with monitoring, can be used as a warning system to identify and correct problems during execution; and ○ a mechanism for the settlement of disputes regarding land, compensation and any other aspects of the plan. <p>Guidelines</p> <p><i>Objectives and Principles, p.2</i></p> <p><i>Provide Compensation at Replacement Cost:</i> Displaced people must not be made to subsidize the main project through unfair compensation, and should receive full replacement value for their assets...</p> <p><i>Definitions, p. 21</i></p> <p>Replacement cost is the standard that helps achieve the livelihood restoration goals of the Involuntary Resettlement Policy. See, for example, Guidelines, Definitions (p.21): As far as possible standardized</p>	<p>Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.”</p> <p>OP 13.b: “In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).”</p>

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	<p>measures should be used to assess the value of affected assets, particularly land and housing. These should be well publicized so as to make the compensation procedure as transparent as possible. Compensation should be based on a realistic assessment of cost replacement value...</p> <p><i>Indicative Outline for a Model Resettlement Plan, p. 30:</i></p> <p><i>3.b Entitlements for Project Affected Persons:</i> Definition of the population affected by the project and entitled to compensation (this would include those who lose land, access to natural resources etc., as well as those who will lose house sites). The eligibility criteria should be specific, clearly defined and should state the bases for deciding eligibility, such as length of tenancy or physical location in the affected site. The cutoff dates for assessment of losses and definition of qualifying households should be defined. The selection criteria should be clearly delineated.</p> <p>Guidelines: <i>III. The Resettlement Plan: Consultation and Community Participation.</i> Where possible, the affected population should be involved in the design of the resettlement plan. Community participation helps ensure that compensation measures, relocation sites, economic rehabilitation projects and service provision reflect the needs and expectations of the people affected. It can also facilitate greater transparency and fair play in compensation procedures, and encourage greater community involvement in the operation and maintenance of service infrastructure and in the execution of economic development programs.</p> <p>Guidelines, p. 41: Preliminary Resettlement Plan required to include: “a strategy for the dissemination of information the project executing agency and for consultation with the affected communities, local organizations and relevant experts.”</p> <p>On participation see IR Guidelines, pp. 1, 10, 12, 13, 18-20</p>	
<p>PREFERENCE</p> <p>6. Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based.</p>	<p><i>IV. Special Considerations</i></p> <p><i>4. Indigenous Communities.</i> Those indigenous and other low-income ethnic minority communities whose identity is based on the territory they have traditionally occupied are particularly vulnerable to the disruptive and impoverishing effects of resettlement. They often lack formal property rights to the areas on which they depend for their subsistence, and find themselves at a disadvantage in pressing their</p>	<p>OP 11: ““Preference should be given to land-based resettlement strategies for displaced persons who livelihoods are land-based. ... Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least as equivalent to the advantages</p>

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	<p>claims for compensation and rehabilitation. The Bank will, therefore, only support operations that involve the displacement of indigenous communities or other low-income ethnic minority communities in rural areas, if the Bank can ascertain that: the resettlement component will result in direct benefits to the affected community relative to their prior situation; customary rights will be fully recognized and fairly compensated; compensation options will include land-based resettlement; and the people affected have given their informed consent to the resettlement and compensation measures.</p> <p>See Impoverishment Analysis above (under element 4, STAKEHOLDER CONSULTATION, above).</p> <p>See also Involuntary Resettlement Policy Background paper, p.24:</p> <p>In areas of traditional rural settlement, on the other hand, the poor often have a limited range of skills and may be less able or willing to take advantage of new economic opportunities outside the agricultural sector. Basic needs are largely met through subsistence agriculture and the exploitation of forests, pasture lands and rivers, over which the population has some generally accepted rights of usufruct, and the economy is often based on a complex network of kinship and social ties, which may be difficult to replicate in a new setting. Customary rights to land and natural resources are a major issue in traditional rural settings and, as there is often no developed market for agricultural land, it may be necessary to provide land to replace the land that is lost, rather than offering cash as compensation.</p>	<p>of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.”</p>
<p>RESETTLEMENT ASSISTANCE</p> <p>7. For those without formal legal rights to lands or claims to such land that could be recognized under the laws of the country, provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods.</p>	<p><i>V. Criteria for Design and Appraisal of the Resettlement Plan: Community Participation.</i></p> <p><i>3. Compensation and Rehabilitation Package.</i> Compensation and rehabilitation options must provide a fair replacement value for assets lost, and the necessary means to restore subsistence and income, to reconstruct the social networks that support production, services and mutual assistance, and to compensate for transitional hardships (such as crop losses, moving costs, interruption or loss of employment, lost income, among others). These measures must be taken in a timely manner to ensure that transitional hardships are not unnecessarily prolonged and do not result in irreparable harm. The options that are offered should be appropriate for the people affected, and should reflect their capabilities and realistic aspirations. The compensation and rehabilitation package must take adequate account of intangible assets, especially nonmonetary social and cultural assets and, particularly in the case of rural populations, of customary rights to land and natural resources. Housing and service</p>	<p>OP 15: “Criteria for Eligibility. Displaced persons may be classified in one of the following three groups: (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets—provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan (see Annex A, para. 7(f)); and (c) those who have no recognizable legal right or claim to the land they are occupying.”</p>

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	<p>options, when included, will be appropriate for the social and cultural context and will, at the very least, meet minimum standards of shelter and access to basic services, regardless of conditions prior to resettlement. The design of compensation packages, as well as the community consultation and decision making mechanisms included in the resettlement program, will take into account the characteristics of the resettled population as identified in the disaggregated baseline data with respect to gender, ethnicity, age, and any other factors pointing to special needs and/or vulnerability....</p> <p><i>7. Legal and Institutional Framework.</i> The resettlement plan must identify the legal and institutional context within which the compensation and rehabilitation measures have to be implemented. The first step in designing the compensation and rehabilitation package is to determine the entitlements of affected persons under applicable laws and regulations, to identify any services or social benefits to which they might have access, and to ensure that sufficient resources are available. The next step is to assess what additional measures are needed, if any, to restore the livelihoods of the affected population to the pre-resettlement standard, and to design mechanisms capable of delivering the goods or services that are needed, including effective and expeditious procedures for the resolution of disputes. This allows the compensation and rehabilitation package to work within the constraints of local laws and institutions, complementing them only as required, with project specific measures. This may lead to the identification of gaps in the local institutional and regulatory frameworks that need not be incorporated into the resettlement plan, but which can eventually be addressed through institutional strengthening or other components if the borrower and the Bank so agree.</p>	<p>OP 16: “Persons covered under para. 15(a) and (b) are provided compensation for the land they lose, and other assistance in accordance with para. 6. Persons covered under para. 15(c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank.”</p>
<p>DISCLOSURE</p> <p>8. Disclose draft resettlement plans, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key</p>	<p>See element 5, INFORM DISPLACED PERSONS OF THEIR RIGHTS, above.</p> <p>See also, element 11, DISCLOSURE, under Environmental Assessment above.</p>	<p>OP 22: “As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate basis for project appraisal, the Bank makes it available to the public through its InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower</p>

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stakeholders.		disclose it again in the same manner.” OP 4.12 Annex A describes elements of resettlement instruments.
<p>SUBPROJECTS</p> <p>9. Apply the material elements described in the involuntary resettlement section of this Table, as applicable and relevant, to subprojects or sub-strategies requiring land acquisition.</p>	<p><i>IV. Special Considerations</i></p> <p><i>5. Global and Sector Loans.</i> In certain types of Bank operations, where the universe of physical infrastructure investments is not specifically identified prior to project approval, it is not possible to include the preparation of the resettlement plan (s) in the preparation of the project itself. Nevertheless, it is necessary to include in these operations, provisions designed to ensure that any resettlement eventually required is carried out in accordance with Bank policies and guidelines, as follows:</p> <p><i>i. Global Loans.</i> When a global operation (such as global credit, multiple works, time-slice, social investment funds, municipal development) provides funding through intermediary agencies for subprojects that are not identified <i>ex-ante</i>, it is not possible to prepare resettlement plans ahead of time. Likely resettlement impacts will be identified through the analysis of a sample of projects and through generic considerations regarding the types of projects expected to be financed, and will be addressed in accordance with the involuntary resettlement guidelines. When resettlement is identified as a potential impact, an analysis of the local legal and institutional framework will be carried out so that appropriate execution mechanisms can be identified and developed. The operational regulations will include procedures to identify any projects that might entail resettlement, and to apply requirements that comply with the Bank’s policy and guidelines with respect to involuntary resettlement.</p> <p><i>ii. Sector Loans.</i> Some sector loans are designed to promote growth and investment in sectors that require building infrastructure that is likely to cause involuntary resettlement (such as transportation, electricity generation, water and sewage, among others). In those cases identified above where sector loans include initiatives to strengthen institutional capacity and reform the regulatory framework, adequate provisions for sound resettlement practices will be promoted.</p>	<p>OP 26: “26. For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this policy (see Annex A, paras. 23-25).”</p> <p>OP 27: “For financial intermediary operations that may involve involuntary resettlement, the Bank requires that the financial intermediary (FI) screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the Bank requires that before appraisal the borrower or the FI submit to the Bank a resettlement policy framework conforming to this policy (see Annex A, paras. 23-25). In addition, the framework includes an assessment of the institutional capacity and procedures of each of the FIs that will be responsible for subproject financing.”</p> <p>OP 28: “For other Bank-assisted project with multiple subprojects that may involve involuntary resettlement, the Bank requires that a draft resettlement plan conforming to this policy be submitted to the Bank before appraisal of the project unless, because of the nature and design of the project or of a specific subproject or subprojects (a) the zone of impact of subprojects cannot be determined, or (b) the zone of impact is known but precise sitting alignments cannot be determined. In such cases, the borrower submits</p>

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		<p>a resettlement policy framework consistent with this policy prior to appraisal (see Annex A, paras. 23-25). For other subprojects that do not fall within the above criteria, a resettlement plan conforming to this policy is required prior to appraisal.”</p> <p>OP 29: “For each subproject included in a project described in paras. 26, 27, or 28 that may involve resettlement, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the subproject is accepted for Bank financing.”</p>
<p>ACCESS TO PARKS & RESTRICTED AREAS</p> <p>10. Design, document, and disclose before appraisal of projects involving involuntary restriction of access to legally designated parks and protected areas, a participatory process for: (a) preparing and implementing project components; (b) establishing eligibility criteria; (c) agreeing on mitigation measures that help improve or restore livelihoods in a manner that maintains the sustainability of the park or protected area; (d) resolving</p>	<p>See point 5 above. Resettlement Plan disclosed as part of EA package under OP-703, Directive B.6 and Bank ESG procedures.</p> <p>IDB practice, which includes consideration of loss of access to natural resources as part of conditions of livelihood and as provided in OP-710 Guidelines, will apply to FCPF activities.</p> <p>Guidelines</p> <p><i>I. Objectives and Principles, p.2</i></p> <p><i>Compensate the loss of Customary Rights.</i> The absence of legal titles to land and other resources should not be a bar to compensation, even though in many countries the existing legal provisions for expropriation and indemnification only apply to those people who have full property rights to land and housing. Resettlement plans should complement existing legal provisions, and should specifically address the needs of those people who have no legal protection. Various groups, such as indigenous peoples and small holders, have informal customary rights to land, forests, fishing grounds and other natural resources. Where access to these resources is lost or diminished the affected groups should be provided with adequate land or other alternatives to make good their losses...</p> <p><i>III. The Resettlement Plan: Definitions, pp19-20</i></p>	<p>OP 7: “In projects involving involuntary restriction of access to legally designated parks and protected areas (see para. 3(b)), the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the displaced persons during the design and implementation of the project. In such cases, the borrower prepares a process framework acceptable to the Bank, describing the participatory process by which (a) specific components of the project will be prepared and implemented; (b) the criteria for eligibility of displaced persons will be determined; (c) measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and (d) potential conflicts involving displaced persons will be resolved. The process framework also includes a description of the arrangements for implementing and monitoring the process.”</p>

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<p>conflicts; and (e) monitoring implementation.</p>	<p>The definition of project affected persons discriminate the different categories of people that are affected. They include those who lose land and/or housing, those whose livelihoods are directly or indirectly affected, those who lose access to common resources, and those whose access to services is affected as a result of the loss of schools, health centers, road access and so on.</p> <p><i>Glossary, p. ii</i></p> <p>Affected Population --People who are directly affected by project related activities through the loss of employment, housing, land or other assets.</p>	
<p>IMPLEMENT PLANS</p> <p>11. Implement all relevant resettlement plans before project completion and provide resettlement entitlements before displacement or restriction of access. For projects involving restrictions of access, impose the restrictions in accordance with the timetable in the plan of actions.</p>	<p><i>III. Principles: ...2. When displacement is unavoidable, a resettlement plan must be prepared to ensure that the affected people receive fair and adequate compensation and rehabilitation.</i> Compensation and rehabilitation are deemed fair and adequate when they can ensure that, within the shortest possible period of time, the resettled and host populations will: achieve a minimum standard of living and access to land, natural resources, and services (such as potable water, sanitation, community infrastructure, land titling) at least equivalent to pre-resettlement levels; recover all losses caused by transitional hardships; experience as little disruption as possible to their social networks, opportunities for employment or production, and access to natural resources and public facilities; and have access to opportunities for social and economic development.</p> <p>Guidelines</p> <p><i>Indicative Outline for a Model Resettlement Plan, p. 30:</i></p> <p><i>3.b Entitlements for Project Affected Persons:</i> Definition of the population affected by the project and entitled to compensation (this would include those who lose land, access to natural resources etc., as well as those who will lose house sites). The eligibility criteria should be specific, clearly defined and should state the bases for deciding eligibility, such as length of tenancy or physical location in the affected site. The cutoff dates for assessment of losses and definition of qualifying households should be defined. The selection criteria should be clearly delineated.</p>	<p>OP 10: "...ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place. For impacts covered in para. 3(a) of this policy, these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons. For impacts covered in para. 3(b) of this policy [access restrictions], the measures to assist the displaced persons are implemented in accordance with the plan of action as part of the project (see para. 30)."</p>

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	<p>Transition planning is addressed as a component of the resettlement plan. See for example: Guidelines</p> <p><i>III. The Resettlement Plan, p. 27</i></p> <p><i>Timetable.</i> The timetable should take account of social and economic calendars. If possible relocation should be timed to avoid interruption of the school year. In rural areas resettlement should be planned in the context of the agricultural cycle.</p> <p><i>III. The Resettlement Plan, p.33</i></p> <p>(Outline of Resettlement plan calling for Timeline coordination with socio-economic imperatives.)</p>	
<p>ASSESS PLAN SUCCESS</p> <p>12. Assess whether the objectives of the resettlement instrument have been achieved, upon completion of the project, taking account of the baseline conditions and the results of resettlement monitoring.</p>	<p><i>V. Criteria for Design and Appraisal of the Resettlement Plan: Community Participation.</i></p> <p><i>7. Monitoring and Evaluation.</i> The resettlement component of an operation must be fully and specifically covered in the reports on the progress of the overall project, and included in the logical framework of the operation. The monitoring activities will focus on compliance with the resettlement plan in terms of the social and economic conditions achieved or maintained in the resettled and host communities. The plan and the loan agreement will specify the monitoring and evaluation requirements and their timing. Whenever possible, qualitative and quantitative indicators will be included as benchmarks to evaluate those conditions at critical time intervals related to the progress of overall project execution. The final evaluation will be scheduled at a target date estimated for completion of the plan, defined as the date on which it is expected that the living standards the plan was designed to provide are achieved. In the case of global loans, the operational regulations will require Bank approval of the resettlement plan before a commitment is made to finance any subproject requiring resettlement. In all cases, independent supervision and multidisciplinary evaluation will be provided to the extent required by the complexity of the respective resettlement plan.</p>	<p>OP 24: “The borrower is responsible for adequate monitoring and evaluation of the activities set forth in the resettlement instrument. The Bank regularly supervises resettlement implementation to determine compliance with the resettlement instrument. Upon completion of the project, the borrower undertakes an assessment to determine whether the objectives of the resettlement instrument have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the borrower should propose follow-up measures that may serve as the basis for continued Bank supervision, as the Bank deems appropriate (see also BP 4.12, para. 16).”</p>

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Definitions of Key Terms	<p>All definitions are consistent with good practice and IDB practice, as illustrated below:</p> <ul style="list-style-type: none"> • All persons who lose homes or other physical assets or resources, include those related to livelihood and subsistence activities are considered displaced. Other affected persons may also be eligible for certain benefits under a Resettlement Plan. (See OP-710 generally and Guidelines, p.9 (Risk Analysis). • If the option to remain in the affected areas is not available, the resettlement is considered involuntary. See Background paper, p.24 and OP-710, Definition and Scope, p.1: “This policy covers any involuntary physical displacement of people caused by a Bank project.... It excludes colonization schemes, as well as the settlement of refugees or victims of natural disasters. • Restriction of access is covered under loss/restoration of livelihood (e.g., as in Guidelines (p.8 -Risk Assessment: “<i>Loss of access to common resources</i>, such as pasture land, forests and fisheries, may seriously affect the subsistence base and/ or income of certain groups, particularly indigenous peoples and traditional small farmers. Large public or private land holdings may also be used by indigenous peoples or small farmers for hunting, fishing or gathering forest products.” <p>Replacement cost is the standard that helps achieve the livelihood restoration goals of the Involuntary Resettlement Policy. See, for example, Guidelines, III. The Resettlement Plan: Definitions (p.21): As far as possible standardized measures should be used to assess the value of affected assets, particularly land and housing. These should be well publicized so as to make the compensation procedure as transparent as possible. Compensation should be based on a realistic assessment of cost replacement value. Undervaluation can result in impoverishment of the affected households, excessive overvaluation can also create major problems, attracting people to the affected area in the hope of receiving compensation, or speculation to artificially increase the value of the land or houses to be compensated. Where large numbers of people are affected, regular independent monitoring should be used to provide an accurate and updated assessment of the cost replacement values of land and housing. The impact of inflation should be taken into account, as should the price rises that result from the increased demand and the availability of compensation money. Independent monitoring is also advisable in those cases where the compensation package includes a land-for-land option. ...Where the existing legal provisions of the country, state or municipality fail to ensure that affected</p>	<p>OP ft. nt. 3: “The term “displaced persons” refers to persons who are affected in any of the ways described in para. 3 of this OP.”</p> <p>OP ft. nt. 7: “For purposes of this policy, “involuntary” means actions that may be taken without the displaced person’s informed consent or power of choice.”</p> <p>OP ft. nt. 8: “‘Land’ includes anything growing on or permanently affixed to land, such as buildings and crops. This policy does not apply to regulations of natural resources on a national or regional level to promote their sustainability, such as watershed management, groundwater management, fisheries management, etc. The policy also does not apply to disputes between private parties in land titling projects, although it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse social impacts, especially those affecting poor and vulnerable groups.”</p> <p>OP ft. nt. 9: “For the purposes of this policy, involuntary restriction of access covers restrictions on the use of resources imposed on people living outside the park or protected area, or on those who continue living inside the park or protected area during and after project implementation. In cases where new parks and protected areas are created as part of the project, persons who lose shelter, land, or other assets are covered under para. 3(a). Persons who lose shelter in existing parks and protected areas are also covered under para. 3(a).”</p> <p>OP ft. nt. 11: “‘Replacement cost’ is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of</p>

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	households are adequately compensated, additional resources should be made available through the economic rehabilitation or housing programs to ensure that the overall objective of the resettlement plan, of improving or at least restoring the former standard of living is fully achieved.	structures and assets should not be taken into account (for a detailed definition of replacement cost, see Annex A, footnote 1). For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. Such additional assistance is distinct from resettlement assistance to be provided under other clauses of para. 6.”

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E. INDIGENOUS PEOPLES	OP-765 Operational Policy on Indigenous Peoples and its Guidelines	INSERT WB OP/BP REFERENCE
Overarching Objective: To design and implement projects in a way that fosters full respect for Indigenous Peoples’ dignity, human rights, and cultural uniqueness and so that they: (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process.		
<p>SCREENING</p> <p>1. Screen early to determine whether Indigenous Peoples are present in, or have collective attachment to, the project area. Indigenous Peoples are identified as possessing the following characteristics in varying degrees: self-identification and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral territories and to the natural resources in these habitats and territories; presence of distinct customary cultural, economic, social or political institutions; and indigenous language.</p>	<p>OP-765</p> <p><i>I. Definitions</i></p> <p>For the purposes of this policy, the term <i>indigenous peoples</i>¹ refers to those who meet the following three criteria: (i) they are descendants from populations inhabiting Latin America and the Caribbean at the time of the conquest or colonization; (ii) irrespective of their legal status or current residence, they retain some or all of their own social, economic, political, linguistic and cultural institutions and practices; and (iii) they recognize themselves as belonging to indigenous or pre-colonial cultures or peoples.¹⁴</p> <p><i>V. Implementation</i></p> <p>Taking into account the perspectives of indigenous peoples, the Bank will systematically perform a technical review of all operations submitted for its consideration in the programming and identification stages in order to determine whether indigenous peoples might be affected by the operation and identify potential impacts and benefits, be they direct, indirect, cumulative or regional. Depending on the nature, scope, and intensity of the impacts and benefits identified, the Bank will determine the level of analysis needed to address indigenous issues, including socio-cultural analyses and consultation and good faith negotiation processes. This review will be performed by the responsible Bank</p>	<p>OP 4: “For purposes of this policy, the term “Indigenous Peoples” is used in a generic sense to refer to a distinct, vulnerable, social and cultural group⁶ possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language, often different from the official language of the country or region. A group that has lost ‘collective attachment to geographically distinct habitats or ancestral territories in the project area’ (paragraph 4 (b)) because of forced severance remains eligible for coverage under this policy. Ascertaining whether a particular group is considered as “Indigenous Peoples” for the purpose of this policy may require a technical judgment (see paragraph 8).”</p> <p>OP 6: “A project proposed for Bank financing that affects Indigenous Peoples requires: (a) screening by the Bank to identify whether Indigenous Peoples are present in, or have collective attachment to, the</p>

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	<p>division. If the project so warrants, the review will rely on experts in indigenous issues and, whenever possible, on inputs from the indigenous peoples who might be affected by the project.</p>	<p>project area (see paragraph 8);”</p> <p>OP 8: “Early in project preparation, the Bank undertakes a screening to determine whether Indigenous Peoples (see paragraph 4) are present in, or have collective attachment to, the project area. In conducting this screening, the Bank seeks the technical judgment of qualified social scientists with expertise on the social and cultural groups in the project area. The Bank also consults the Indigenous Peoples concerned and the borrower. The Bank may follow the borrower’s framework for identification of Indigenous Peoples during project screening, when that framework is consistent with this policy.</p>
<p>CONSULTATION</p> <p>2. Undertake free, prior and informed consultation with affected Indigenous Peoples to ascertain their broad community support for projects affecting them and to solicit their participation: (a) in designing, implementing, and monitoring measures to avoid adverse impacts, or, when avoidance is not feasible, to minimize, mitigate, or compensate for such effects; and (b) in tailoring benefits in a culturally appropriate manner.</p>	<p><i>V. Implementation</i></p> <p>Taking into account the perspectives of indigenous peoples, the Bank will systematically perform a technical review of all operations submitted for its consideration in the programming and identification stages in order to determine whether indigenous peoples might be affected by the operation and identify potential impacts and benefits, be they direct, indirect, cumulative or regional. Depending on the nature, scope, and intensity of the impacts and benefits identified, the Bank will determine the level of analysis needed to address indigenous issues, including socio-cultural analyses and consultation and good faith negotiation processes. This review will be performed by the responsible Bank division. If the project so warrants, the review will rely on experts in indigenous issues and, whenever possible, on inputs from the indigenous peoples who might be affected by the project. The findings of this review will be incorporated into the Project Concept Document.</p> <p>Once the decision to proceed with the processing of a project with potential adverse impacts has been made, the Bank will provide guidance and verify compliance by the project proponent with the following three requirements. This will be done to the Bank’s satisfaction and as early as possible in the project cycle: (i) the preparation of socio-cultural evaluations as inputs for the loan document, analysis mission, and the project</p>	<p>OP 1: “For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Such Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples’ communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and intergenerationally inclusive.”</p> <p>OP 6: “A project proposed for Bank financing that affects Indigenous Peoples requires: ... (c) a process of free, prior, and informed consultation with the affected Indigenous Peoples’ communities at each stage of the project, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project (see paragraphs 10 and 11);”</p> <p>OP 10: “Consultation and Participation. Where the project affects Indigenous Peoples, the borrower engages in free, prior, and informed</p>

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	<p>environmental and social review process; (ii) the implementation of socio-culturally appropriate and duly documented consultation and good faith negotiation processes¹⁴ with the affected indigenous peoples in relation to project design, analyses of alternatives, preparation, due diligence, and execution;¹⁵</p> <p>In addition to the requirements described in the preceding paragraph, in the case of projects with particularly significant adverse impacts on indigenous peoples or groups, the Bank will require that the project proponent provide, no later than by the date of consideration of the operation by the Board of Executive Directors, evidence duly verified by the Bank and to the Bank’s satisfaction of the agreements reached with the affected peoples, as stipulated in section (c) of the paragraph on adverse impacts in section IV of this policy.</p> <p><i>IV. Policy Directives: Safeguard in Bank Operations: Adverse impacts:</i></p> <p>...</p> <ul style="list-style-type: none"> (a) The Bank will require and verify that the project proponent conduct an evaluation to determine the seriousness of potential adverse impacts on physical and food security, lands, territories, resources, society, rights, the traditional economy, way of life and identity or cultural integrity of indigenous peoples, and to identify the indigenous peoples affected and their legitimate representatives and internal decision-making procedures. This evaluation will include preliminary consultations with potentially affected indigenous peoples. (b) When potential adverse impacts are identified, the Bank will require and verify that the project proponent incorporate the design and implementation of the measures necessary to minimize or prevent such adverse impacts, including consultation and good faith negotiation processes consistent with the legitimate decision-making mechanisms of affected indigenous peoples or groups, mitigation measures, monitoring, and fair compensation. (c) For cases of particularly significant potential adverse impacts that carry a high degree of risk to the physical, territorial or cultural integrity of the affected indigenous peoples or groups, the Bank will further require and verify that the 	<p>consultation with them. To ensure such consultation, the borrower: (a) establishes an appropriate gender and intergenerationally inclusive framework that provides opportunities for consultation at each stage of project preparation and implementation among the borrower, the affected Indigenous Peoples’ communities, the Indigenous Peoples Organizations (IPOs) if any, and other local civil society organizations (CSOs) identified by the affected Indigenous Peoples’ communities; (b) uses consultation methods appropriate to the social and cultural values of the affected Indigenous Peoples’ communities and their local conditions and, in designing these methods, gives special attention to the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits; and (c) provides the affected Indigenous Peoples’ communities with all relevant information about the project (including an assessment of potential adverse effects of the project on the affected Indigenous Peoples’ communities) in a culturally appropriate manner at each stage of project preparation and implementation.”</p> <p>OP 11: “In deciding whether to proceed with the project, the borrower ascertains, on the basis of the social assessment (see paragraph 9) and the free, prior, and informed consultation (see paragraph 10), whether the affected Indigenous Peoples’ communities provide their broad support to the project. [Borrower prepares detailed report] The Bank reviews the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples’ communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and outcome of the free, prior, and informed consultation with the affected Indigenous Peoples’ communities as a basis for ascertaining whether there is such support. The Bank does not proceed further with project processing if it is unable to ascertain that such support exists.”</p> <p>OP 20 [INSERTED]: “Because physical relocation of Indigenous Peoples is particularly complex and may have significant adverse impacts on their identity, culture, and customary livelihoods, the Bank</p>

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	<p>project proponent demonstrate that it has, through a good faith negotiation process, obtained agreements regarding the operation and measures to address the adverse impacts as necessary to support, in the Bank’s judgment, the socio-cultural viability of the operation.</p>	<p>requires the borrower to explore alternative project designs to avoid physical relocation of Indigenous Peoples. In exceptional circumstances, when it is not feasible to avoid relocation, the borrower will not carry out such relocation without obtaining broad support for it from the affected Indigenous Peoples’ communities as part of the free, prior, and informed consultation process. In such cases, the borrower prepares a resettlement plan in accordance with the requirements of OP 4.12, Involuntary Resettlement, that is compatible with the Indigenous Peoples’ cultural preferences, and includes a land-based resettlement strategy. As part of the resettlement plan, the borrower documents the results of the consultation process. Where possible, the resettlement plan should allow the affected Indigenous Peoples to return to the lands and territories they traditionally owned, or customarily used or occupied, if the reasons for their relocation cease to exist.”</p>
<p>SCSOCIAL IMPACT ASSESSMENT</p> <p>3. Undertake social assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options preferred by the affected Indigenous Peoples in the provision of benefits and design of mitigation measures. Identify social and economic benefits for Indigenous Peoples that are culturally appropriate, and gender and</p>	<p><i>IV. Policy Directives: Promoting Development with Identity</i></p> <p><i>Mainstreaming specifically indigenous issues in development agendas through independent operations.</i> The Bank will seek to support the initiatives of governments and indigenous peoples designed to promote indigenous social, economic, political, and organizational development through socio-culturally appropriate activities and operations and innovative mechanisms. The Bank will conduct participatory diagnostic studies and promote the inclusion of the corresponding conclusions and recommendations into the design of projects, programs, and technical cooperation operations. To be considered by the Bank, these operations specifically targeting indigenous beneficiaries must have the respective country’s support or non-objection and be based on socio-culturally appropriate processes of consultation with the indigenous peoples concerned. The consultations will be carried out in a manner appropriate to the circumstances, with a view to reaching agreement or obtaining consent.</p> <p><i>Mainstreaming indigenous specificity in projects with a general approach.</i> For activities and operations not specifically targeting indigenous peoples but of potential benefit to</p>	<p>OP 6: “A project proposed for Bank financing that affects Indigenous Peoples requires: ... (b) a social assessment by the borrower (see paragraph 9 and Annex A); ...”</p> <p>OP 9: “Analysis. If, based on the screening, the Bank concludes that Indigenous Peoples are present in, or have collective attachment to, the project area, the borrower undertakes a social assessment to evaluate the project’s potential positive and adverse effects on the Indigenous Peoples, and to examine project alternatives where adverse effects may be significant. The breadth, depth, and type of analysis in the social assessment are proportional to the nature and scale of the proposed project’s potential effects on the Indigenous Peoples, whether such effects are positive or adverse (see Annex A for details). To carry out the social assessment, the borrower engages social scientists whose qualifications, experience, and terms of reference are acceptable to the Bank.”</p>

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inter-generationally inclusive and develop measures to avoid, minimize and/or mitigate adverse impacts on Indigenous Peoples.	<p>them, the Bank will promote and support the implementation, by borrowing member countries or project proponents,10 of the appropriate adjustments to address the needs and development opportunities of indigenous peoples. This includes technically feasible complementary measures to: (i) identify and target indigenous peoples that could potentially benefit; (ii) implement socio-culturally appropriate and effective consultation processes with these peoples; (iii) respect the traditional knowledge, cultural heritage, natural assets, social capital, and the systems specific to indigenous peoples with respect to social, economic, linguistic, spiritual and legal11 systems; (iv) adapt services and other activities to facilitate access to them by indigenous beneficiaries, including equitable treatment and, whenever feasible, adequate procedures and criteria, and programs for capacity-building and compensation of exclusion factors; and (v) design complementary measures and activities through a process of good faith negotiation with affected indigenous communities.</p> <p><i>IV. Policy Directives: Safeguards in Bank Operations</i></p> <p><i>Adverse impacts.</i> The Bank will conduct its operations in a way that prevents or mitigates direct or indirect adverse impacts on indigenous peoples or their individual or collective rights or assets. For this purpose, the Bank will adopt the technical criteria and procedures and implement the mechanisms necessary to identify, assess and prevent or mitigate said impacts. To this end, in a manner commensurate with the nature and intensity of each project’s potential adverse impacts, the Bank will apply the following specific safeguards, in accordance with the procedures outlined in the paragraph on operational measures that appears in section V of this policy:</p> <p>(a) The Bank will require and verify that the project proponent conduct an evaluation to determine the seriousness of potential adverse impacts on physical and food security, lands, territories, resources, society, rights, the traditional economy, way of life and identity or cultural integrity of indigenous peoples, and to identify the indigenous peoples affected and their legitimate representatives and internal decision-making procedures. This evaluation will include preliminary consultations with potentially affected indigenous peoples.</p>	

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	<p style="text-align: center;">...</p> <p>See also. Element 2, CONSULTATION, above: Once the decision to proceed...</p> <p>Guidelines</p> <p><i>2.18 Determination of the analysis methodology.</i> Based on the preliminary evaluation, the project team will select the socio-cultural evaluation and consultation (negotiation and agreement, as appropriate) methodologies that fulfill the policy’s process and quality requirements, based on the nature of the project, the scope, intensity, and complexity of the impacts, and the circumstances of the indigenous peoples affected. For PRI operations or public sector projects presented to the Bank in advanced stages of preparation, the preliminary evaluation for development of the PCD consists of reviewing the potential impacts on indigenous peoples of the project <i>prepared</i> and presented by the proponent. If the proposed project has potential adverse impacts, the team will review the quality of the studies and consultation processes to verify that the project fulfills the policy’s requirements and to determine the need to conduct complementary studies, consultations, or negotiations during the analysis or due diligence stage. Likewise, if applicable, the project team identifies possible opportunities to include potential benefits for indigenous peoples and incorporates them into the ESS.</p>	
<p>ACCESS TO PARKS & PROTECTED AREAS</p> <p>4. Where restriction of access of Indigenous Peoples to parks and protected areas is not avoidable, ensure that the affected Indigenous Peoples’ communities participate in the design, implementation, monitoring and evaluation of</p>	<p><i>IV. Policy Directives: Safeguards in Bank Operations</i></p> <p><i>Territories, land, and natural resources.</i> Operations that directly or indirectly affect the legal status, possession, or management of territories, lands, or natural resources traditionally occupied or used by indigenous peoples will include specific safeguards, consistent with the applicable legal framework regarding ecosystem and land protection. One of those safeguards is respect for the rights recognized in accordance with the applicable legal norms. In projects for natural resource extraction and management and protected areas management, safeguards include: (i) prior consultation mechanisms to preserve the physical, cultural, and economic integrity of the affected peoples and the sustainability of the protected areas and natural resources; (ii) mechanisms for the</p>	<p>OP 21: “In many countries, the lands set aside as legally designated parks and protected areas may overlap with lands and territories that Indigenous Peoples traditionally owned, or customarily used or occupied. The Bank recognizes the significance of these rights of ownership, occupation, or usage, as well as the need for long-term sustainable management of critical ecosystems. Therefore, involuntary restrictions on Indigenous Peoples’ access to legally designated parks and protected areas, in particular access to their sacred sites, should be avoided. In exceptional circumstances, where it is not feasible to avoid restricting access, the borrower prepares, with the free, prior, and informed consultation of the affected Indigenous Peoples’ communities,</p>

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<p>management plans for such parks and protected areas and share equitably in benefits from the parks and protected areas.</p>	<p>participation of indigenous peoples in the utilization, administration and conservation of these resources; (iii) fair compensation for any damage these peoples might suffer as a result of the project; and (iv) whenever possible, participation in project benefits. Where legal or administrative protection is insufficient to ensure that the project will not directly or indirectly cause the deterioration of the physical integrity or legal status of the affected lands, territories or resources, the project will include the pertinent restrictions or corrective or compensatory measures.</p> <p>Practice Note</p> <ul style="list-style-type: none"> • Access restrictions would be treated as potentially significant impacts under OP-765 triggering the assessment and consultation requirements outlined in elements 2 (CONSULTATION) and 3 (IMPACT ASSESSMENT), above. 	<p>a process framework in accordance with the provisions of OP 4.12. The process framework provides guidelines for preparation, during project implementation, of an individual parks and protected areas' management plan, and ensures that the Indigenous Peoples participate in the design, implementation, monitoring, and evaluation of the management plan, and share equitably in the benefits of the parks and protected areas. The management plan should give priority to collaborative arrangements that enable the Indigenous Peoples, as the custodians of the resources, to continue to use them in an ecologically sustainable manner.”</p>
<p>ACTION PLAN</p> <p>5. Put in place an action plan for the legal recognition of customary rights to lands and territories, when the projects involves: (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples traditionally owned, or customarily used or occupied; or (b) the acquisition of such lands.</p>	<p><i>IV. Policy Directives: Safeguards in Bank Operations</i></p> <p><i>Territories, land, and natural resources.</i> Operations that directly or indirectly affect the legal status, possession, or management of territories, lands, or natural resources traditionally occupied or used by indigenous peoples will include specific safeguards, consistent with the applicable legal framework regarding ecosystem and land protection. ...In projects for natural resource extraction and management and protected areas management, safeguards include: (i) prior consultation mechanisms to preserve the physical, cultural, and economic integrity of the affected peoples and the sustainability of the protected areas and natural resources; ...Where legal or administrative protection is insufficient to ensure that the project will not directly or indirectly cause the deterioration of the physical integrity or legal status of the affected lands, territories or resources, the project will include the pertinent restrictions or corrective or compensatory measures.</p> <p><i>Indigenous rights.</i> The Bank will take into account respect for the rights of indigenous peoples and individuals as established in the applicable legal norms according to their</p>	<p>OP 17: “If the project involves (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied (such as land titling projects), or (b) the acquisition of such lands, the IPP sets forth an action plan for the legal recognition of such ownership, occupation, or usage. Normally, the action plan is carried out before project implementation; in some cases, however, the action plan may need to be carried out concurrently with the project itself. Such legal recognition may take the following forms: (a) full legal recognition of existing customary land tenure systems of Indigenous Peoples; or (b) conversion of customary usage rights to communal and/or individual ownership rights. If neither option is possible under domestic law, the IPP includes measures for legal recognition of perpetual or long-term renewable custodial or use rights.”</p>

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	<p>relevance to Bank operations.</p> <p>Consultation and Assessment Requirements: Potential adverse impacts on legally recognized rights to lands and territories would also trigger the assessment and consultation requirements outlined in elements 2 (CONSULTATION) and 3 (IMPACT ASSESSMENT), above, which include:</p> <p><i>IV. Policy Directives: Safeguards in Bank Operations: Adverse impacts.</i></p> <p>....</p> <p>c. For cases of particularly significant potential adverse impacts that carry a high degree of risk to the physical, territorial or cultural integrity of the affected indigenous peoples or groups, the Bank will further require and verify that the project proponent demonstrate that it has, through a good faith negotiation process, obtained agreements regarding the operation and measures to address the adverse impacts as necessary to support, in the Bank’s judgment, the socio-cultural viability of the operation.</p> <p>Guidelines</p> <p>3.27 Socio-cultural feasibility. A project is considered to be socioculturally feasible under the IPP when:</p> <p>a. It does not cause any direct or indirect impacts that cannot be mitigated or cause the deterioration or disintegration of the fundamental socio-cultural structures of an indigenous group with respect to: (i) physical integrity (threats to life or reproductive capacity, ancestral territories due to displacement, violence, contamination, epidemiological factors, or loss of control or access to adequate and acceptable means of subsistence); (ii) social integrity (disintegration of support networks, separation of families or other subgroups that form the basic social fabric); (iii) cultural integrity, including spiritual (threats through acculturation processes, migrations, loss of access or quality of areas and resources); and (iv) economic integrity (disturbed access to natural resources, means of production, means of</p>	

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	<p>subsistence that sustain food security, cultural uses of lands, and the traditional economy, including complementarity systems).</p> <p>b. Complies with applicable rules of law.</p> <p>c. Does not cause the impoverishment or deterioration of living conditions for the indigenous communities affected and, where possible, generates a positive net flow of benefits towards those communities.</p> <p>d. Has an adequate level of support from the indigenous community affected.</p> <p>Note: Together these provisions establish that IDB operations need to ensure that no negative effect on the legal status, rights, possession or management of lands and territories by IP will occur as a result of the operation. In case of disputes over rights whose clarification is a contingency for project viability, OP-765 provides in note 7 that: “the Bank will not assume the role of arbiter or intermediary between the interested parties, but will require evidence of a satisfactory resolution before proceeding with the corresponding activity.</p> <p>Also note OP-710 requirements for any resettlement of indigenous peoples as detailed in element 6, PREFERENCE, under Involuntary Resettlement, above.</p>	
<p>COMMERCIAL DEVELOPMENT</p> <p>6. Do not undertake commercial development of cultural resources or knowledge of Indigenous Peoples without obtaining their prior agreement to such development.</p>	<p><i>IV. Policy Directives: Safeguards in Bank Operations</i></p> <p><i>Indigenous culture, identity, language, and traditional knowledge.</i> In recognition of the special socio-cultural and linguistic characteristics of indigenous peoples, Bank operations will include such measures as are necessary to protect these assets from potential adverse impacts. In relevant projects, a consultation and good faith negotiation process will be used to identify the potential risks and impacts and to design and implement socio-culturally appropriate measures. In case of commercial development of indigenous cultural and knowledge resources, the Bank will require prior agreement by</p>	<p>OP 18: [INSERTED] “If the project involves the commercial development of natural resources (such as minerals, hydrocarbon resources, forests, water, or hunting/fishing grounds) on lands or territories that Indigenous Peoples traditionally owned, or customarily used or occupied, the borrower ensures that as part of the free, prior, and informed consultation process the affected communities are informed of (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential</p>

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	<p>the affected peoples that includes safeguards for intellectual property and traditional knowledge, as well as provisions for their equitable participation in the benefits derived from such commercial development.</p> <p>Commercial development of natural resources of indigenous peoples would trigger the assessment and consultation requirements outlined in elements 2 (CONSULTATION) and 3 (IMPACT ASSESSMENT), above, and the requirement for agreement as follows:</p> <p><i>IV. Policy Directives: Safeguards in Bank Operations: Adverse impacts.</i></p> <p>....</p> <p>c. For cases of particularly significant potential adverse impacts that carry a high degree of risk to the physical, territorial or cultural integrity of the affected indigenous peoples or groups, the Bank will further require and verify that the project proponent demonstrate that it has, through a good faith negotiation process, obtained agreements regarding the operation and measures to address the adverse impacts as necessary to support, in the Bank’s judgment, the socio-cultural viability of the operation.</p> <p>IDB considers that through required good faith negotiations and agreement process outlined in Op-765 (see element 2, CONSULTATION) above, indigenous peoples themselves will define the socio-culturally appropriate benefits the project must provide in order to achieve socio-cultural viability as defined in OP-765 guidelines par. 3.27 as quoted in element 5, ACTION PLAN, above.</p> <p>Also note OP-710 requirements for any resettlement of indigenous peoples as detailed in element 6, PREFERENCE, under Involuntary Resettlement, above.</p>	<p>effects of such development on the Indigenous Peoples’ livelihoods, environments, and use of such resources. The borrower includes in the IPP arrangements to enable the Indigenous Peoples to share equitably in the benefits to be derived from such commercial development; at a minimum, the IPP arrangements must ensure that the Indigenous Peoples receive, in a culturally appropriate manner, benefits, compensation, and rights to due process at least equivalent to that to which any landowner with full legal title to the land would be entitled in the case of commercial development on their land.”</p> <p>OP 19: “If the project involves the commercial development of Indigenous Peoples’ cultural resources and knowledge (for example, pharmacological or artistic), the borrower ensures that as part of the free, prior, and informed consultation process, the affected communities are informed of (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on Indigenous Peoples’ livelihoods, environments, and use of such resources. Commercial development of the cultural resources and knowledge of these Indigenous Peoples is conditional upon their prior agreement to such development. The IPP reflects the nature and content of such agreements and includes arrangements to enable Indigenous Peoples to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development.”</p>
<p>IP PLAN</p> <p>7. Prepare an Indigenous Peoples Plan that is based on the social assessment and draws on indigenous knowledge, in consultation</p>	<p><i>V. Implementation</i></p> <p>The Bank will adopt the necessary measures to implement or verify the implementation of the safeguards established in this policy and to identify opportunities to actively include the development with identity of indigenous peoples in general development plans and in the Bank’s project portfolio. These measures will be described in detail in specific guidelines regarding procedural</p>	<p>OP 12: “Indigenous Peoples Plan. On the basis of the social assessment and in consultation with the affected Indigenous Peoples’ communities, the borrower prepares an Indigenous Peoples Plan (IPP) that sets out the measures through which the borrower will ensure that (a) Indigenous Peoples affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on Indigenous Peoples are identified, those adverse effects are avoided, minimized,</p>

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<p>with the affected Indigenous Peoples' communities and using qualified professionals. Normally, this plan would include a framework for continued consultation with the affected communities during project implementation; specify measures to ensure that Indigenous Peoples receive culturally appropriate benefits, and identify measures to avoid, minimize, mitigate or compensate for any adverse effects; and include grievance procedures, monitoring and evaluation arrangements, and the budget for implementing the planned measures.</p>	<p>and technical matters approved for this purpose in accordance with section VI on coordination and internalization of indigenous issues,...</p> <p>Planning regarding IPP issues is expected to be addressed as part of project assessment (See also OP-703, Directive B.5).</p> <p>Positive aspects are included as components or addressed in specific operations, as follows:</p> <p><i>IV. Policy Directives: Promoting Development with Identity</i></p> <p><i>Mainstreaming specifically indigenous issues in development agendas through independent operations.</i> The Bank will seek to support the initiatives of governments and indigenous peoples designed to promote indigenous social, economic, political, and organizational development through socio-culturally appropriate activities and operations and innovative mechanisms. The Bank will conduct participatory diagnostic studies and promote the inclusion of the corresponding conclusions and recommendations into the design of projects, programs, and technical cooperation operations. To be considered by the Bank, these operations specifically targeting indigenous beneficiaries must have the respective country's support or non-objection and be based on socio-culturally appropriate processes of consultation with the indigenous peoples concerned. The consultations will be carried out in a manner appropriate to the circumstances, with a view to reaching agreement or obtaining consent.</p> <p><i>Mainstreaming indigenous specificity in projects with a general approach.</i> For activities and operations not specifically targeting indigenous peoples but of potential benefit to them, the Bank will promote and support the implementation, by borrowing member countries or project proponents,¹⁰ of the appropriate adjustments to address the needs and development opportunities of indigenous peoples. This includes technically feasible complementary measures to: (i) identify and target indigenous peoples that could potentially benefit; (ii) implement socio-culturally appropriate and effective consultation processes with these peoples; (iii) respect the traditional knowledge, cultural heritage,</p>	<p>mitigated, or compensated for (see Annex B for details). The IPP is prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed. The borrower integrates the IPP into the project design. ...”</p> <p>OP 13: “Indigenous Peoples Planning Framework. Some projects involve the preparation and implementation of annual investment programs or multiple subprojects. In such cases, and when the Bank’s screening indicates that Indigenous Peoples are likely to be present in, or have collective attachment to, the project area, but their presence or collective attachment cannot be determined until the programs or subprojects are identified, the borrower prepares an Indigenous Peoples Planning Framework (IPPF). The IPPF provides for the screening and review of these programs or subprojects in a manner consistent with this policy (see Annex C for details). The borrower integrates the IPPF into the project design.”</p> <p>OP 14: “Preparation of Program and Subproject IPPs. If the screening of an individual program or subproject identified in the IPPF indicates that Indigenous Peoples are present in, or have collective attachment to, the area of the program or subproject, the borrower ensures that, before the individual program or subproject is implemented, a social assessment is carried out and an IPP is prepared in accordance with the requirements of this policy. The borrower provides each IPP to the Bank for review before the respective program or subproject is considered eligible for Bank financing.”</p> <p>OP 16: [INSERTED] “Indigenous Peoples are closely tied to land, forests, water, wildlife, and other natural resources, and therefore special considerations apply if the project affects such ties. In this situation, when carrying out the social assessment and preparing the IPP/IPPF, the borrower pays particular attention to: (a) the customary rights of the Indigenous Peoples, both individual and collective, pertaining to lands or territories that they traditionally owned, or customarily used or occupied,</p>

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	<p>natural assets, social capital, and the systems specific to indigenous peoples with respect to social, economic, linguistic, spiritual and legal¹¹ systems; (iv) adapt services and other activities to facilitate access to them by indigenous beneficiaries, including equitable treatment and, whenever feasible, adequate procedures and criteria, and programs for capacity-building and compensation of exclusion factors; and (v) design complementary measures and activities through a process of good faith negotiation with affected indigenous communities.</p> <p>Safeguard aspects are included in a mitigation framework as required by OP-765</p> <p><i>V. Implementation</i></p> <p>..., the Bank will provide guidance and verify compliance by the project proponent with the following three requirements...: (iii) the incorporation into the project of enforceable measures for mitigation, restoration, and compensation reflected in the content of the loan document and of project contractual documents¹⁶ and detailed in plans for indigenous protection, compensation, and development or in other instruments in a timely manner.</p> <p>The content of mitigation plans is the described in more detail in the OP-765 guidelines as illustrated below:</p> <p>Guidelines</p> <p><i>2.41 Quality requirements.</i> The processes of socio-cultural evaluation and consultation, as well as good faith negotiations and agreements (where applicable) provided for in the IPP will include the following considerations:</p> <p>a. Technical quality. The socio-cultural evaluation processes must involve the participation of the indigenous peoples affected. Likewise, the results of the evaluations must be subject to consultation processes and serve as input for the final stages of the good faith negotiations, as well as report the content of the agreements</p>	<p>and where access to natural resources is vital to the sustainability of their cultures and livelihoods; (b) the need to protect such lands and resources against illegal intrusion or encroachment; (c) the cultural and spiritual values that the Indigenous Peoples attribute to such lands and resources; and (d) Indigenous Peoples’ natural resources management practices and the long-term sustainability of such practices.”</p>

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	<p>reached or required. To that end, iterative consultation processes are required that comply with the ESS. For projects with potential negative impacts (either moderate or significant), these consultation processes include a minimum of two consultation/negotiation stages that are not necessarily formal. The first is an early stage to identify the impacts and individuals or groups affected, and to establish the decision-making mechanisms and consultation methodology. The second is a conclusion stage to report the results of the impact assessments, and to consult with the indigenous peoples affected regarding the mitigation frameworks and measures necessary to manage the impacts the project might have on those peoples. The processes must have the necessary budget, time, and human resources to ensure good technical quality. When the project team considers it necessary, the Bank may complement the socio-cultural evaluation process carried out by the project proponent with its own studies and evaluations.</p> <p>b. Socio-cultural adaptation. In order to be socio-culturally appropriate, the socio-cultural evaluation, consultation, negotiation and agreement, and monitoring and evaluation processes required by the IPP are to take into account the particular characteristics of the indigenous peoples (such as vulnerability, marginalization, different languages spoken by the peoples affected, geographical isolation, beliefs and values of the affected groups, risks of disease and loss of the resources necessary for physical or cultural subsistence, institutional isolation, and the legal or socioeconomic status that prevents or inhibits them from accessing information and benefiting from the projects or from defending their interests). This means that the processes should incorporate the necessary measures to: (i) adapt to internal time, without making the project unfeasible, and to the linguistic, cultural, and procedural (including decision-making processes) preferences of the groups consulted; (ii) neutralize vulnerabilities; (iii) if necessary, support training to overcome the weaknesses of indigenous representatives so they can effectively participate in the processes; and, (iv) if necessary, provide instruments, mechanisms, and resources that support the negotiation capacity of indigenous peoples. Based on the context of each project, the project team will determine the need to establish mechanisms that seek to ensure the quality of the processes to build confidence and create legitimacy. In the most complex cases, these mechanisms could include neutral facilitation,</p>	

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	<p>supervision or independent audit, external consultation panels, and conflict resolution mechanisms.</p> <p><i>2.26 Final preparation and approval of the mitigation framework.</i> Once the analysis stage is concluded, the project team prepares the documentation for the approval stage, demonstrating compliance with the policy's requirements and the socio-cultural feasibility of the project. This generally includes: (a) inputs for the project report or ESMR; (b) definition of the mitigation framework agreed with the project proponent and evaluated and verified to the project team's satisfaction; (c) evidence that good faith negotiations will be carried out and, where applicable, agreements reached with the indigenous peoples affected; and (d) the substantive content of the corresponding clauses for the <i>project's contractual documents</i>.²⁶ During the approval stage, the project team completes verification and documentation of the quality of the processes and <i>incorporates into the project the enforceable actions and measures for mitigation, restoration, and compensation reflected in the content of the loan document and project contractual documents (loan contract, operating regulations, bidding documents, and other, in accordance with the provisions of the project report. These measures and/or actions will be detailed in plans for indigenous protection, compensation, and development or in other instruments in a timely manner.</i></p> <p><i>2.38 Mitigation framework.</i> In the mitigation framework, the team must specify the mitigation and/or compensation measures for addressing the project's negative impacts on indigenous peoples. The content of such framework can range from specific and known measures that are easily implemented for certain moderate impacts, to complex mitigation plans that constitute a component or subproject. The scope of each framework must correspond to the scope and intensity of the impacts, to the socio-cultural complexity and vulnerability of the indigenous peoples affected, and to the complexity of the context of implementation of the mitigation measures. This framework can be included as a component of the ESMR (particularly in the case of the PRI) or of the Environmental and Social Management Plan (ESMP) when the project has such a plan.</p> <p>Also note OP-710 requirements for any resettlement of indigenous peoples as detailed in</p>	

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	element 6, PREFERENCE, under Involuntary Resettlement, above.	
<p>DISCLOSURE</p> <p>8. Disclose the draft Indigenous Peoples Plan, including documentation of the consultation process, in a timely manner before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<p>See element 2, CONSULTATION above, and also elements 7, PARTICIPATION and 11, DISCLOSURE, under Environmental Assessment, above.</p> <p>Guidelines (OP-765):</p> <p><i>3.8 Consultation.</i> This is a process of exchanging information and opinions between the project proponent and the indigenous peoples who might be affected, whereby: (a) the indigenous peoples that might be affected by the project access proper information on the project, its benefits, risks, and impacts, and have the opportunity to express their points of view on the projects and their concerns and aspirations with respect to the opportunities for indigenous participation in the benefits, risks, and impacts that could affect the indigenous peoples and the prevention or mitigation measures; and (b) the project proponent informs the affected groups about the project, responds to questions and concerns, listens to the opinions and preferences of the individuals and groups affected, and tries to internalize the perspectives and demands of these groups in decisions on the project’s design, implementation, mitigation and compensation measures, and socio-cultural evaluation.</p> <p>A socio-culturally appropriate consultation process under the IPP includes the following elements, in a manner <i>commensurate with the nature, significance, and intensity of the potential impacts</i>:³⁹ 40 (a) early initiation in the project cycle and iterative nature to permit its relevance in the project’s identification, design, analysis, implementation, and evaluation stages; (b) identification of the indigenous peoples affected as social agents, stakeholders and their rights, agendas, aspirations, expectations, degree of influence, and potential for conflicts; (c) identification and recognition as spokesmen of the <i>legitimate representatives</i> of those peoples or the entity they designate; (d) identification of <i>their internal decision-making processes</i> to design negotiation and decision-making processes for the project in collaboration with the indigenous leaders; (e) identification of the special characteristics and</p>	<p>OP 10 [INSERTED: [As part of Free Prior Informed Consultation on] “the borrower ... (c) provides the affected Indigenous Peoples’ communities with all relevant information about the project (including an assessment of potential adverse effects of the project on the affected Indigenous Peoples’ communities) in a culturally appropriate manner at each stage of project preparation and implementation.”</p> <p>OP 15: “The borrower makes the social assessment report and draft IPP/IPPF available to the affected Indigenous Peoples’ communities in an appropriate form, manner, and language. Before project appraisal, the borrower sends the social assessment and final IPP/IPPF to the Bank for review. Once the Bank accepts the documents as providing an adequate basis for project appraisal, the Bank makes them available to the public in accordance with The World Bank Policy on Disclosure of Information, and the borrower makes them available to the affected Indigenous Peoples’ communities in the same manner as the earlier draft documents.”</p>

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	<p>vulnerabilities to adapt the consultative processes to internal time, without making the project unfeasible, and to the linguistic, cultural, and procedural preferences of the groups consulted, as well as to implement training mechanisms that help overcome the weaknesses of the indigenous representatives in internalizing information, formulating issues and proposals, negotiating solutions, and effectively participating in all IPP processes; (f) appropriate mechanisms for identifying and supporting the effective representation or participation of differentiated groups (including more isolated groups, children, women, and elderly with disabilities);</p> <p>(g) identification and application of consultation requirements established in applicable rules of law;⁴¹ (h) a methodology that defines the roles of the stakeholders, rules of the game, scope of the process, and possible and expected results as the process begins; (i) an inclusive, transparent, and effective organization that prevents manipulation or coercion of the affected indigenous peoples by third parties; (j) availability of <i>proper information to the affected groups as to the nature, scope, and impact of the proposed activities</i> with sufficient content, an appropriate and accessible format, and sufficient time to adequately evaluate the project; (k) continuity and recognition of the iterative nature of the process and of the need to revisit the processes when additional information is discovered, particularly the impacts and risks, or when significant changes are introduced to the project; (l) ongoing communication and both prompt and careful attention to concerns expressed, as well as effective mechanisms for documenting and disseminating results, and for accountability vis-à-vis the participants in the process through representatives designated by the indigenous peoples affected and by the participants of the consultation and negotiation processes, in the language and format agreed with them; (m) inclusion of a mechanism for conflict management when justified by the analysis of stakeholders, the nature of associated impacts and interests, or development of the process; (n) conclusion of the consultation process in accordance with the applicable IPP requirements with respect to good faith negotiations or agreements. The consultation processes must have the necessary human resources, time, and budget to ensure access to and budget to ensure access to the process by the affected groups and their good technical quality in general.</p>	
9. Monitor implementation of	<i>Policy Directives: V. Implementation</i>	Monitoring Requirements: BP para 12, Annex B to OP, para 2(i) and

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the Indigenous Peoples Plan, using experienced social scientists.	The Bank will adopt supervision and evaluation measures designed to verify that the project proponent fulfills, to the Bank's satisfaction, the agreed to measures to meet the requirements of this policy with respect to each project, including socio/culturally appropriate mechanisms for the participation of affected indigenous peoples in the monitoring and evaluation of those measures. If these requirements are not met, the Bank will take the corrective actions necessary for the project proponent to correct the problems identified within an acceptable timeframe.	Annex C to OP, para 1(f).
Definitions of Key Terms	<p>These terms as such are not relevant to IDB's IP policy. Regarding indigenous peoples and customary rights the relevant definitions are as follows: [from OP-765: <i>I. Definitions</i>]</p> <p><i>Definitions</i></p> <p>For the purposes of this policy, the term <i>indigenous peoples</i> refers to those who meet the following three criteria: (i) they are descendants from populations inhabiting Latin America and the Caribbean at the time of the conquest or colonization; (ii) irrespective of their legal status or current residence, they retain some or all of their own social, economic, political, linguistic and cultural institutions and practices; and (iii) they recognize themselves as belonging to indigenous or pre-colonial cultures or peoples.¹⁵</p> <p><i>Indigenous rights</i> include the rights of indigenous peoples and individuals, whether originating in national indigenous legislation, in other relevant national legislation, in applicable international norms in force for each country, or in the indigenous juridical systems⁴ of each people [Footnote: ⁴ The concept of indigenous juridical system, also known as internal or self-generated juridical system, includes laws of origin, customary rights, customs and uses, and indigenous justice and juridical systems.], hereinafter</p>	<p>OP 4: "For purposes of this policy, the term "Indigenous Peoples" is used in a generic sense to refer to a distinct, vulnerable, social and cultural group⁶ possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language, often different from the official language of the country or region. A group that has lost 'collective attachment to geographically distinct habitats or ancestral territories in the project area' (paragraph 4 (b)) because of forced severance remains eligible for coverage under this policy. Ascertaining whether a particular group is considered as "Indigenous Peoples" for the purpose of this policy may require a technical judgment (see paragraph 8)."</p> <p>OP ft. nt. 4: "'Free, prior, and informed consultation with the affected Indigenous Peoples' communities' refers to a culturally appropriate and collective decisionmaking process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project. It does not constitute a veto right for</p>

¹⁵ IDB does not require collective attachment per se, focusing on cultural identity instead and on territorial attachment as one of several elements thereof.

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	<p>collectively referred to as the “applicable legal norms.” Indigenous juridical systems will be taken into account according to the rules for their recognition established in the legislation of each country. In the absence of such rules these systems will be recognized whenever they are consistent with national legislation and do not contradict fundamental rights established in national legislation and in international norms.</p>	<p>individuals or groups (see paragraph 10).”</p> <p>OP ft. nt. 7: “‘Collective attachment’ means that for generations there has been a physical presence in and economic ties to lands and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites. “Collective attachment” also refers to the attachment of transhumant/nomadic groups to the territory they use on a seasonal or cyclical basis.”</p> <p>OP ft. nt. 8: “‘Forced severance’ refers to loss of collective attachment to geographically distinct habitats or ancestral territories occurring within the concerned group members’ lifetime because of conflict, government resettlement programs, dispossession from their lands, natural calamities, or incorporation of such territories into an urban area.”</p> <p>OP ft. nt. 17: “‘Customary rights’ to lands and resources refers to patterns of long-standing community land and resource usage in accordance with Indigenous Peoples’ customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State.</p>

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F. PHYSICAL & CULTURAL RESOURCES (PCR)	OP-703, Directives B.9, A.1, B.2, B.5 and B.6 and their Guidelines	OP/BP 4.11 Physical Cultural Resources
<p>Overarching Objective: To assist in preserving physical cultural resources and avoiding their destruction or damage. PCR includes resources of archaeological, paleontological, historical, architectural, religious (including graveyards and burial sites), aesthetic, or other cultural significance.</p>		
<p>ASSESSMENT</p> <p>1. Use an environmental assessment (EA) or equivalent process to identify PCR and prevent or minimize or compensate for adverse impacts and enhance positive impacts on PCR through site selection and design.</p>	<p>Directive B.9</p> <p>The Bank will not support operations that, in its opinion, significantly ...that damage critical cultural sites.</p> <p>...</p> <p>The EA process will identify and assess impacts on critical cultural sites. For other noncritical cultural sites or artifacts, appropriate measures will be taken to protect their integrity and function. For operations where archeological or historical artifacts can be expected to be found either during construction or operations, the borrower will prepare and implement chance find procedures based on internationally accepted practices.</p> <p>Directive A.1</p> <p>The Bank will proactively support borrowing member countries and clients in identifying and financing operations designed specifically to: ...protect cultural sites;</p> <p>...</p> <p>Directive B.2</p> <p>The Bank will also require the borrower for that operation to ensure that it is designed and carried out in compliance with environmental laws and regulations of the country where the operation is being implemented, including national</p>	<p>OP 3: “The Bank assists countries to avoid or mitigate adverse impacts on physical cultural resources from development projects that it finances. The impacts on physical cultural resources resulting from project activities, including mitigating measures, may not contravene either the borrower’s national legislation, or its obligations under relevant international environmental treaties and agreements.”</p> <p>OP 4: “The borrower addresses impacts on physical cultural resources in projects proposed for Bank financing, as an integral part of the environmental assessment (EA) process.”</p> <p>OP 5: “The following projects are classified during the environmental screening process as Category A or B, and are subject to the provisions of this policy: (a) any project involving significant excavations, demolition, movement of earth, flooding, or other environmental changes; and (b) any project located in, or in the vicinity of, a physical cultural resources site recognized by the borrower. Projects specifically designed to support the management or conservation of physical cultural resources are individually reviewed, and are normally classified as Category A or B.”</p>

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	obligations established under ratified Multilateral Environmental Agreements (MEAs). ¹⁶ Note: MEAs as described in Annex 1 of the Guidelines include <i>The Convention Concerning the Protection of the World Cultural and Natural Heritage</i> .	
<p>SURVEYS</p> <p>2. As part of the EA, as appropriate, conduct field based surveys, using qualified specialists.</p>	<p>Directive B.9 Guidelines</p> <p>Regarding critical cultural sites the following procedures apply: The project team must verify, in consultation with a specialist if necessary, that the project does not <i>damage a critical cultural site</i>.</p> <p><i>Socio-cultural Assessment</i>. If the initial assessment indicates that the project is likely to affect <i>critical cultural sites</i>, analytical work, such as a socio-cultural assessment integrated into an EIA if applicable, or in a stand-alone socio-cultural analysis (see Directive B.5) should be carried out to confirm if the areas affected qualify as such and to determine whether or not the project will <i>damage</i> these areas.</p> <p><i>Mitigation Measures</i>. If the actions proposed <i>are not likely to</i> damage the critical cultural site, but might still impact it, the borrower shall take, acceptable to the project team, measures to mitigate such impacts.</p> <p><i>Avoiding Damage to Critical Cultural Sites</i>. If the project <i>might damage</i> the critical cultural site, the borrower, will seek alternative plans (design, location or other) that do not damage the critical cultural site.</p> <p><i>No Alternatives Scenario</i>. Where, in the opinion of the Bank, no alternatives are feasible and the critical cultural site will be damaged, then the project should be declared ineligible for Bank financing.</p>	<p>OP 6: “To develop the TORs for the EA, the borrower, in consultation with the Bank, relevant experts, and relevant project-affected groups, identifies the likely physical cultural resources issues, if any, to be taken into account by the EA. The TORs normally specify that physical cultural resources be included in the baseline data collection phase of the EA.”</p> <p>BP 8: “The TT ensures that the physical cultural resources component of the EA includes (a) an investigation and inventory of physical cultural resources likely to be affected by the project; (b) documentation of the significance of such physical cultural resources; and (c) assessment of the nature and extent of potential impacts on these resources.”</p>

¹⁶ The word “environment” as used in this Policy is defined in its broad sense, which includes physical/chemical factors (geophysical), biological factors (biotic), and associated social factors (anthropic).

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	<p><i>A. Noncritical Cultural Sites</i></p> <p>Cultural sites that do not fall under the definition of “critical” should also be identified as part of the EA process and be assessed on the basis of their relative value and significance for local and affected communities. If significantly impacted, appropriate measures to protect, mitigate, or compensate noncritical cultural sites need to be integrated into the ESMP.</p>	
<p>CONSULTATION</p> <p>3. Consult concerned government authorities, relevant non-governmental organizations, relevant experts and local people in documenting the presence and significance of PCR, assessing the nature and extent of potential impacts on these resources, and designing and implementing mitigation plans.</p>	<p>Directive B. 9 Guidelines</p> <p><i>Cultural Sites: Pre-screening Phase.</i> The project team should, together with the borrower, identify, early in the project preparation phase, whether or not <i>critical cultural sites</i> might be affected by the operation. This may be done with the support of qualified professionals [or] cultural heritage authorities as applicable.</p>	<p>OP 8: “When the project is likely to have adverse impacts on physical cultural resources, the borrower identifies appropriate measures for avoiding or mitigating these impacts as part of the EA process. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.”</p> <p>OP 11: “As part of the public consultations required in the EA process, the consultative process for the physical cultural resources component normally includes relevant project-affected groups, concerned government authorities, and relevant nongovernmental organizations in documenting the presence and significance of physical cultural resources, assessing potential impacts, and exploring avoidance and mitigation options.”</p> <p>OP 15: “When the borrower’s capacity is inadequate to manage physical cultural resources that may be affected by a Bank-financed project, the project may include components to strengthen that capacity.”</p>
<p>CHANCE FIND PROCEDURES</p> <p>4. For materials that may be discovered during project implementation, provide for the use of "chance find" procedures in the context of the</p>	<p>Directive B.9 Guidelines</p> <p><i>Chance Find Procedures</i></p> <p>Chance finds are the unanticipated discovery of material remains of archaeological or historical significance. Chance finds are a common occurrence in projects with large earth moving works such as dams, roads, pipelines, or in smaller projects which might be located in areas of high archeological potential. Projects likely to</p>	<p>OP 9: “As an integral part of the EA process, the borrower develops a physical cultural resources management plan that includes measures for avoiding or mitigating any adverse impacts on physical cultural resources, provisions for managing chance finds, any necessary measures for strengthening institutional capacity, and a monitoring system to track the progress of these activities.”</p>

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PCR management plan or PCR component of the environmental management plan.	encounter chance finds, should develop and implement specific procedures to handle chance finds occurrences, integrated into the project's ESMP. Category A projects should include in their EIA, when applicable, an analysis of the archeological potential of the areas of direct influence, and, as necessary, propose chance find procedures, based on internationally accepted practices.	
DISCLOSURE 5. Disclose draft mitigation plans as part of the EA or equivalent process, in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.	Disclosed as part of EA or EIA process under Directives B.5 and B.6.	OP 12: "The findings of the physical cultural resources component of the EA are disclosed as part of, and in the same manner as, the EA report. Exceptions to such disclosure would be considered when the borrower, in consultation with the Bank and persons with relevant expertise, determines that disclosure would compromise or jeopardize the safety or integrity of the physical cultural resources involved or would endanger the source of information about the physical cultural resources. In such cases, sensitive information relating to these particular aspects may be omitted from the EA report."
Definition of Key Terms	<p>Directive B.9 Guidelines</p> <p>A. Critical Cultural Sites <i>Cultural sites</i> are any natural or manmade areas, structures, natural features and/or objects valued by a people or associated people to be of spiritual, historical, and or archaeological significance. Material remains may be prominent, but will often be minimal or absent.</p> <p><i>Critical cultural sites</i> include but are not restricted to those protected (or officially proposed by governments for protection) such as World Heritage Sites and National Monuments, and areas initially recognized as protected by traditional local communities (e.g., sacred groves).</p>	None.

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	<i>Damage</i> , in the context of a critical cultural site, means spoiling, compromising or impairing the condition or quality of a critical cultural site to the point that it will reduce its spiritual, historical or archeological value.	

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<i>Grievances and Accountability</i>	
<p>KEY FEATURES THE WORLD BANK’S INDEPENDENT INSPECTION PANEL</p> <p><i>(AS DESCRIBED BY WB STAFF; I.E., NOT APPROVED BY THE WB BOARD.)</i></p>	<p>IDB’s “Policy Establishing the Independent Consultation and Investigation Mechanism (ICIM)” dated 17 February 2010, available at Policy Establishing the ICIM.</p> <p>Guidance on how to complete and file a Request will be available to prospective Requesters by accessing the ICIM website (www.iadb.org/mecanismo).</p>
<p>1. Executive Directors of the World Bank (“the Board”) appoint a panel of inspectors of different nationalities from Bank member countries, who serve no more than one term. The Panel is independent from the Bank’s Management, and must be given sufficient budgetary resources to carry out its activities. Efforts are made to inform in borrowing countries of the availability of the Panel. Panel Members can only be removed from office for cause.</p>	<p>The Independent Consultation and Investigation Mechanism (ICIM or MICI, for its initials in Spanish) is a policy approved by the Bank’s Board of Executive Directors in February 2010. This MICI policy establishes an independent forum and process to address complaints from communities or individuals who allege that they are or might be adversely affected by IDB-financed operations. The ICIM oversees compliance with the IDB’s environmental and social policies.</p> <p>The ICIM’s activities are reported to the public and the IDB’s Board of Executive Directors, which supervises the Bank’s operations. Consequently, the ICIM lays the path to a more open dialogue with civil society. The ICIM offers IDB and civil society a way to review the impact of IDB-financed operations in member countries, strengthening civil society’s role as a partner in the development process.</p> <p>Note: The ICIM has its own website and is developing and implementing its own engagement and dissemination strategy.</p>
<p>2. The Panel receives written requests for inspection by an affected party in the territory of the borrower, alleging that its rights or interests have been or are likely to be directly affected by an action or omission of the Bank as a result of a failure of the Bank to follow its operational policies and procedures with respect to the design, appraisal and/or implementation of a project financed by the Bank, provided that such failure has had, or threatens to</p>	<p>ICIM Policy Section B, par. 30 Requests to the Mechanism.</p> <p>A Request may be presented by one or more persons, groups, associations, entities or organizations (including, without limitation, from groups, associations, entities or organizations that are community based, or that are formed by indigenous or Afro descendant peoples or entities that are organized as non-governmental organizations), residing in the country(ies) where the Bank-Financed Operation is or will be implemented. A Request may be presented through a representative located in the project host country or elsewhere, but any such Request must identify the person(s) on whose behalf the representative is acting and provide evidence of the representative’s authority to represent them. ”</p> <p>“A Request may request that both a Consultation Phase exercise and Compliance Review be undertaken, but the Consultation Phase Request will be processed first” (Section B, 35). See Section C of this Policy for requirements under the Consultation Phase and Section D for requirements under</p>

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<p>have, a material adverse effect. The request must explain the steps taken to deal with the issue and actions taken to bring the issue to the attention of Management, and Management's response to such actions.</p>	<p>the Compliance Review Phase.</p> <p>Section C, par. 38</p> <p>Purpose of the Consultation Phase. The purpose of the Consultation Phase is to provide an opportunity, applying consensual and flexible approaches, to address the concerns of a party that believes it has been or could reasonably be expected to be directly, materially adversely affected by the failure of the IDB to follow its Relevant Operational Policies in a Bank-Financed Operation.</p> <p>Section D, par. 53</p> <p>Purpose of the Compliance Review Phase. The purpose of the Compliance Review Phase is to establish a process (a "Compliance Review") that enables a Requester to request an investigation of a Bank-Financed Operation by a Panel of independent experts if the Requester reasonably asserts that its rights or interests have been, or could be expected to be directly, materially adversely affected by the failure of the IDB to follow its Relevant Operational Policies in a Bank-Financed Operation. The objective of a Compliance Review investigation shall be to establish whether (and if so, how and why) any Bank action or omission, in respect of a Bank-Financed Operation, has resulted in non compliance with a Relevant Operational Policy and direct, material adverse effects (potential or actual) to the Requester.</p>
<p>3. Within 21 days of being notified of a request for inspection, Management provides the Panel with evidence that it has complied or intends to comply with the Bank's relevant policies and procedures. Within 21 days of receiving the Management response, the Panel determines whether the request meets the eligibility criteria, and recommends to the Board whether the matter should be investigated.</p>	<p>ICIM Policy</p> <p>Section C, par.39</p> <p><i>Registration of a Request under the Consultation Phase.</i> The Executive Secretary shall forward all Requests to the Project Ombudsperson no later than five (5) business days following receipt. Within fifteen (15) business days of receipt by the Project Ombudsperson, he or she shall determine the eligibility of the Request for purposes of the Consultation Phase. ...</p> <p>Section C, par. 45</p> <p><i>Timeframe and reporting.</i> The assessment will be completed within one hundred and twenty (120) calendar days of the date the Request was determined eligible. The Project Ombudsperson will provide an assessment report to the stakeholders, the President, the Board (or the Donors Committee in the case of a MIF-funded operation) and the public via the Registry.</p> <p>Section D, par. 55</p> <p><i>Eligibility review by the Chairperson.</i> The Executive Secretary shall forward all Requests to the Panel Chairperson no later than five (5) business days after they meet the criteria set forth in Section 54. Within fifteen (15) business days of receipt by the Panel Chairperson, he or she shall determine the eligibility of the Request for purposes of the Compliance Review Phase. The Project Ombudsperson will deliver to the Panel Chairperson all materials and analyses relating to the Request at the Consultation Phase, including the Project Ombudsperson's determination on the eligibility criteria. The Panel Chairperson will review the Request for eligibility, independently of the determination of the Project Ombudsperson.</p>

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	<p>Section D, par. 58 <i>Scope of investigation.</i> If a Request is deemed eligible for purposes of the Compliance Review Phase, the Chairperson will identify two other members of the Panel to serve on the investigative team for such Request, based on their expertise and availability. The Chairperson and the two other members will then act as a Panel and will prepare terms of reference (“TOR”) for conducting the Compliance Review. The TOR shall include: the objectives of the investigation, the specific investigative criteria identified, a brief description of the Bank-Financed Operation, proposed schedule and budget for the investigation, anticipated use of consultants, and a statement of the deliverables, which shall comprise the Panel report described in Section 64. In preparing the TOR, the Panel shall consult with the Requester and Management, who shall each have twenty (20) business days to provide comments in writing on the TOR. ...</p> <p>Section D, par. 62 <i>Timing.</i> The Panel’s investigation and deliberations are not time bound because the amount of time will vary depending on the nature, complexity and scope of the Bank-Financed Operation and Relevant Operational Policies involved. The Panel shall cause a notice to be posted on the Registry and inform the Requester, Management, the borrower/recipient or executing agency, the Board (or the Donors Committee, in the case of a MIF-funded operation) and President if it appears that completion of the Compliance Review will require thirty (30) calendar days or more than the maximum time contemplated in the TOR.</p>
<p>4. In determining whether to investigate, the following eligibility criteria are used:</p> <ul style="list-style-type: none"> a. The affected party consists of any two or more persons with common interests or concerns and who are in the borrower’s territory. b. The request asserts in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the requester. c. The request asserts that its subject matter has been brought to Management’s attention and that, in the requester’s view, Management has failed to respond adequately demonstrating that it 	<p>ICIM Policy <i>Section C, Par. 40</i> <i>Eligibility criteria for the Consultation Phase</i> Requests shall be deemed eligible for the Consultation Phase if the Project Ombudsperson determines the following, either via the Request or via IDB records:</p> <ul style="list-style-type: none"> a. the names and contact information for the Requester are available; b. the names and contact information for the Representative, if any, and proof of the authorization are available; c. the Bank-Financed Operation(s) at issue has been identified; d. the Requester resides in the country where the relevant Bank-Financed Operation is or will be implemented (or a qualified Representative has been appointed); e. none of the exclusions set forth (see Section 37); f. the Requester has reasonably asserted that it has been or could be expected to be directly, materially adversely affected by an action or omission of the IDB in violation of a Relevant Operational Policy in a Bank-Financed Operation and has described in at least general terms the direct and material harm caused or likely to be caused by such action or omission in the Bank-Financed Operation; g. the parties are amenable to a Consultation Phase exercise, and, with respect to an issue raised in the Request, a Consultation Phase exercise , may assist in addressing a concern or resolving a dispute or is likely to have a positive result; and, h. the Requester has taken steps to bring the issue to the attention of Management.

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<p>has followed or is taking steps to follow the Bank's policies and procedures.</p> <p>d. The matter is not related to procurement.</p> <p>e. The related loan has not been closed or substantially disbursed.</p> <p>f. The Panel has not previously made recommendation on the subject matter or, if it has the request asserts that there is new evidence or circumstances not known at the time of the prior request.</p>	<p>Section D, Par. 56</p> <p>Eligibility criteria for the Compliance Review Phase. Requests shall be deemed eligible for the Compliance Review Phase if the Panel Chairperson determines the following, either via the Request or via IDB records:</p> <ul style="list-style-type: none"> a. the names and contact information for the Requester are available; b. the names and contact information for the Representative, if any, and proof of the authorization are available; c. the Bank-Financed Operation(s) at issue has been identified; d. the Requester resides in the country where the relevant Bank-Financed Operation is or will be implemented (or a qualified Representative has been appointed); e. none of the exclusions set forth in Section 37 applies; f. the Requester has reasonably asserted that it has been or could be expected to be directly, materially adversely affected by an action or omission of the IDB in violation of a Relevant Operational Policy in a Bank-Financed Operation and has described in at least general terms the direct and material harm caused or likely to be caused by such action or omission in the Bank-Financed Operation; g. with respect to an issue raised in the Request, a Compliance Review may assist in determining whether (and if so, how and why) any Bank action or omission, in respect of a Bank-Financed Operation, has resulted in non compliance with a Relevant Operational Policy and direct, material adverse effects (potential or actual) to the Requester; and h. the Requester has taken steps to bring the issue to the attention of Management. The Panel Chairperson shall consult with Management as to its response and if Management is involved in addressing the concerns raised, the Panel Chairperson shall allow forty-five (45) calendar days from the date of receipt by the Executive Secretary of the Request for purposes of the Compliance Review before it is deemed eligible. The Panel Chairperson may waive this requirement in his or her discretion if the 45-day period has been invoked by Management during the Consultation Phase.
<p>5. If the Board authorizes an investigation, it does so without making a judgment on the merits of the request, and informs the affected party of the decision within two weeks of the date of such decision. Management makes its response to the request publicly available within three days after the Board's decision.</p>	<p>See text of Section D, par. 58 under point 3 above.</p>
<p>6. If the Panel proceeds with an investigation, the Panel submits its report to the Board and the President of the Bank, focusing on whether there is a</p>	<p>ICIM Policy</p> <p>Section C, par. 46</p> <p><i>Consultation Phase exercise.</i> The objective of a Consultation Phase exercise is to address issues raised by the Requester. There is no guarantee that</p>

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<p>serious Bank failure to observe its operational policies and procedures with respect to project design, appraisal and/or implementation, and assessing material adverse effect of Bank failure, using the without-project situation as the base case for comparison. All decisions of the Panel on procedural matters, its recommendations to the Board on whether to proceed with the investigation of a request, and its reports are reached by consensus and, in the absence of a consensus, the majority and minority views are stated.</p>	<p>the Consultation Phase will resolve all issues to the satisfaction of the parties. Consultation Phase exercises will be tailored to the individual Request, depending on factors such as its urgency, principal parties, potential or actual harm involved, remedies sought and the likelihood that the consultation will have positive outcomes. For example, any or more of the following could be used: fact-finding, promoting further discussion and negotiation among the parties to stimulate self-generated solutions; retainer of experts; and more active, consensual, problem-solving approaches such as facilitation, conciliation or mediation or review or investigation. Because the Consultation Phase process is intended to be flexible and tailored to the needs of each operation, there are no standard rules, timeframes or procedures for this phase, except as otherwise explicitly set forth in this Policy.</p> <p>Section D, pars. 66-67</p> <p>66. <i>Impact of Compliance Review.</i> In cases where the Panel believes that serious, irreparable harm may result if processing or execution of a Bank-Financed Operation continue, the Panel may recommend to the President, Board or Donors Committee, as appropriate, that processing or execution be halted. The decision on the recommendation will be made by the body vested with the power to make such decision, subject to applicable Bank policies and legal documentation. The Panel shall not recommend the award of compensation or any other benefits to any person, entity or government. This does not preclude, however, the possibility of compensation or other benefits that may be expressly contemplated in any relevant Bank policy and legal documentation.</p> <p>67. <i>Panel decision-making.</i> The Panel must try to arrive at its findings by consensus; but, if this is not possible, the views of each participating member of the Panel must be expressly stated in its report.</p>
<p>7. Within six weeks of receiving the Panel's report, Management submits to the Board for their consideration: 1) a report, addressing possible Bank remedial efforts, and 2) an action plan agreed between the borrower and the Bank, in consultation with the requesters, that seeks to improve project implementation. Management discloses the report and the action plan to the public and the claimants in their language, to the extent possible, within two weeks of the Board's consideration. Management will continue to report to the Board on the Action Plan, as</p>	<p>ICIM Policy</p> <p>Section D, pars. 69-72</p> <p>69. <i>Receipt of Panel report.</i> Once the Board (or the Donors Committee, in the case of a MIF-funded operation) or the President, as the case may be, has received the report of the Panel, the Board, Donors Committee or the President, as applicable, shall take note of the report. The Board, Donors Committee or the President, as the case may be, may meet with the Panel regarding the report.</p> <p>70. <i>Publication.</i> Within twenty (20) calendar days from distribution of the Panel report, the Panel report, with the comments from the Requester or Management and any other written submissions pursuant to Section 61, will be posted on the Registry and delivered to the Requester.</p> <p>71. <i>Final decision.</i> The Board (or the Donors Committee, in the case of a MIF-funded operation) or the President, as the case may be, shall make the final decision regarding any actions that may be deemed appropriate or necessary in light of the Panel findings, and instruct Management to carry out such actions. The Board (or the Donor Committee, in the case of a MIF-funded operation) or the President, as appropriate, shall notify the Panel and ICIM Office of such decision and instruct Management to inform the Panel of any resulting action plan. The Executive Secretary shall make public such decision and any resulting action plan via the Registry and shall inform the Requester, borrower/recipient and other stakeholders.</p>

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appropriate.	72. <i>Monitoring.</i> At the request of the Board (or the Donors Committee, in the case of a MIF-funded operation), the Panel will monitor implementation of any remedial or corrective actions agreed upon as a result of a Compliance Review. The Panel will consult with the Requester, Management and other stakeholders, as appropriate, with respect to its monitoring activities and will prepare monitoring reports. The Panel will distribute monitoring reports at least semi-annually to the Board (or the Donors Committee, in the case of a MIF-funded operation) and the President, for so long as the Panel deems necessary or appropriate. Monitoring reports shall be posted on the Registry.
OTHER ACCOUNTABILITY, DISPUTE RESOLUTION, & REDRESS MECHANISMS – BELOW, USING ONE ROW PER MECHANISM, OTHER DELIVERY PARTNERS SHOULD DESCRIBE ANY OTHER ACCOUNTABILITY, DISPUTE RESOLUTION OR REDRESS MECHANISM THAT WILL APPLY TO THE FCPF READINESS FUND.	
NONE PROVIDED	

ⁱ See also Directive A.6: The Bank will seek to identify early on potentially highly sensitive programs/projects or sectors considered for possible Bank financing in its operational programming documents, including country strategies, in order to plan for possible courses of action to manage risk. The Bank will take into account the country environmental analysis as described in Directive A.1, or other assessments from environmental due-diligence processes at the stage of project/program identification, to assess early on potentially significant environmental risks and opportunities. The Bank may adopt a risk management approach to anticipate precautionary measures, and, if needed, to facilitate capacity building and other enabling conditions for proper environmental management, such as enhancing policy dialogue with the borrower, leveraging public-private partnerships, harmonizing procedures among co-financing partners and engaging civil society participation. This applies particularly when the Bank’s proposed portfolio is likely to include public and private sector operations in economic sectors or geographical areas that are potentially environmentally and socially sensitive. Once operations have been formally incorporated into the Bank’s pipeline for conceptualization and design, the environmental safeguards set out in this policy, as presented below, will apply as appropriate.