

AIIB's Environmental and Social Framework

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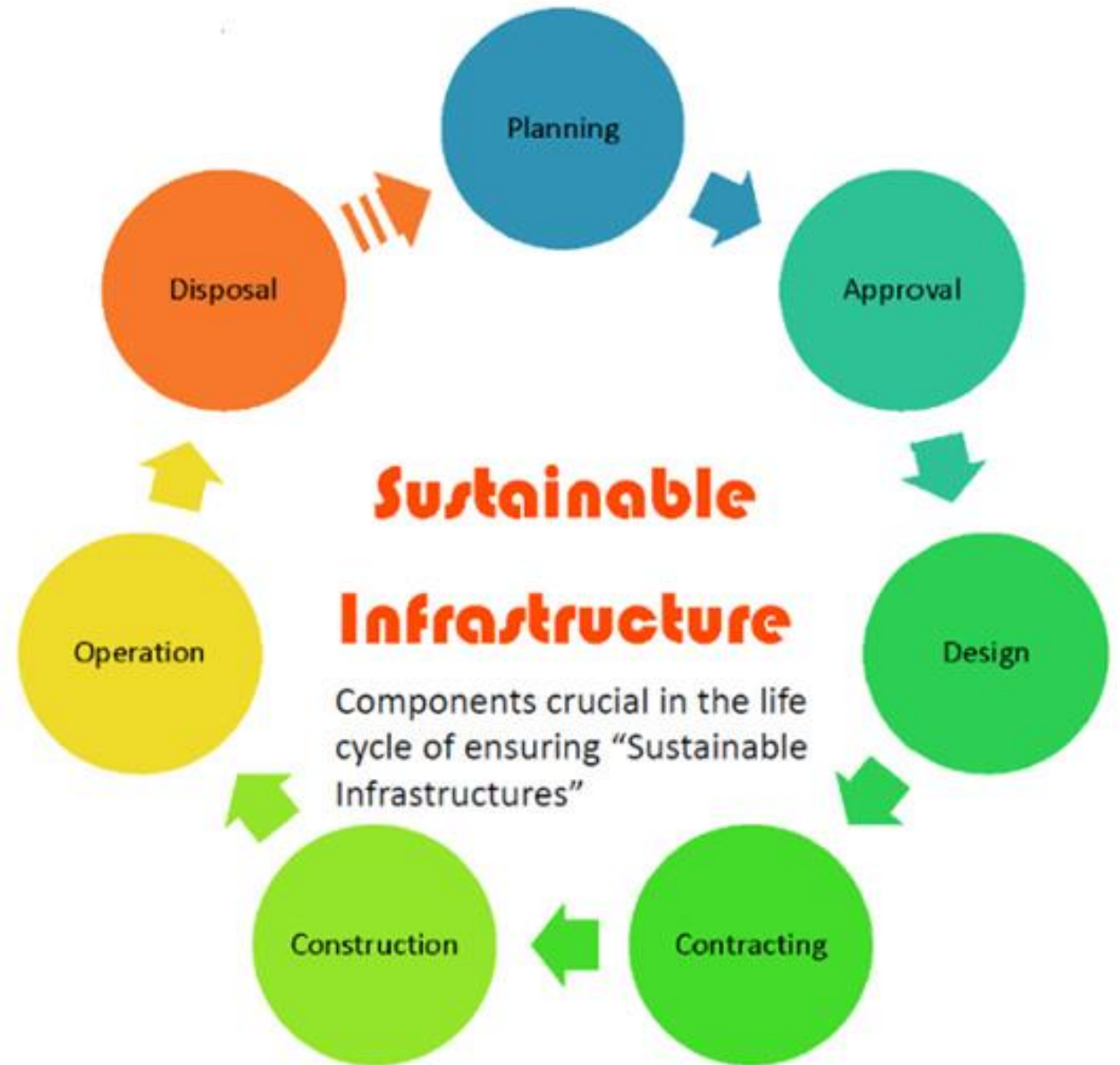
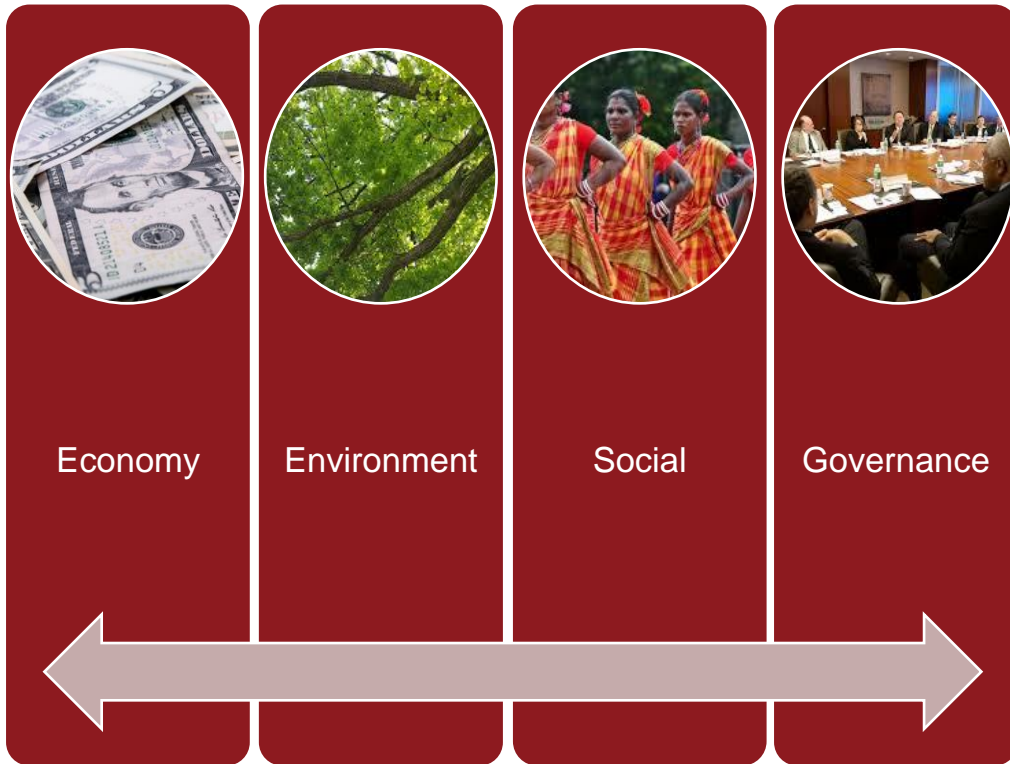
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What is “Sustainable Infrastructure”?



Four dimensions of Sustainability



AIIB's Environmental and Social Framework

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ESS 1:
Environmental and
Social Assessment
and Management



ESS 2: Involuntary
Resettlement

Environmental and
Social Policy (ESP)



ESS 3: Indigenous
Peoples



AIIB's Environmental and Social Policy

The Environmental and Social Policy (ESP) sets out the requirements for Clients relating to identification and assessment of E&S risks and impacts associated with Projects supported by the Bank.

Requirement	Responsibility
Screening and Categorization	AIIB
Environmental and Social Due Diligence	AIIB
Environmental and Social Assessment	Client
Environmental and Social Management Plan	Client
Information Disclosure	AIIB & Client
Consultation	Client
Monitoring and Reporting	AIIB & Client



ESS-1: Environmental and Social Assessment and Management

ESS-1 outlines the Client requirements for the environmental and social assessment of the Project. These include:

- Examination of alternatives
- Assessment of impacts in accordance with the mitigation hierarchy

Environmental

- Biodiversity (e.g. habitat loss, degradation)
- Pollution Prevention (e.g. emissions, effluents, waste)
- Resource Efficiency (e.g. consumption of energy, water, & materials)
- Climate Change (e.g. GHGs, physical risks like extreme weather)

- Environmental and Social Management Plan
- Consultation with Project Affected People
- Grievance Mechanism to receive and facilitate resolution of stakeholder concerns

Social

- Vulnerable Groups and Discrimination (e.g. Indigenous Peoples, ethnic minorities)
- Gender-specific impacts of the Project
- Involuntary resettlement (both economic and physical displacement)
- Cultural resources (e.g. archaeology, religious, etc)
- Labor and working conditions

ESS-2: Involuntary Resettlement

ESS-2 applies if the Project will involve Involuntary Resettlement.

This includes:

- Physical displacement – property must be physically relocated.
- Economic displacement – people lose access to land and natural resources, or lose their income or livelihood as a result of the project.

Client requirements:

- Must prepare a Resettlement Plan
- Must improve or restore livelihoods of affected people (e.g. new housing, employment, credit)
- Applies to people with or without legal rights



ESS-3: Indigenous Peoples

ESS-3 applies if Indigenous Peoples are present in the proposed area of the project.

The term 'Indigenous Peoples' refers to ethnic groups who have the following characteristics:

- a) Self-identified as members of a distinct cultural group
- b) Collective attachment to ancestral territories in the project area
- c) Customary cultural, economic, social or political institutions that are separate from the dominant society and culture
- d) A distinct language, often different from the official language of the country or region

Client requirements:

- Must prepare an Indigenous Peoples Plan that provides benefits to affected communities
- Conduct meaningful consultation with indigenous communities



AIIB Environmental and Social Exclusion List

- Forced labor or exploitative forms of child labor
- Production or trade in any product deemed illegal under host country laws or regulations
- Production or trade in wildlife or products regulated under CITES
- Transboundary movements of waste prohibited under international law (Basel Convention)
- Production of, or trade in, weapons and munitions including paramilitary materials
- Production of, or trade in, alcoholic beverages, excluding beer and wine
- Production of, or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production of, trade in, or use of unbonded asbestos fibers
- Activities prohibited by host country legislation relating to the protection of biodiversity resources or cultural resources
- Commercial logging operation in primary tropical moist forests or old-growth forests
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Marine and coastal fishing practices that are damaging to marine biodiversity in large numbers (e.g. drift net fishing)



How are E&S risks identified and managed?

Case Study: E & S Risk in Road Construction

- Construction of a road in Sri Lanka
- Landslides have been identified as a key risk
- The new road will cut through forested area and cross several rivers
- The Vedda ethnic minority lives along the route of the new road



Step 1: Assign an E&S category

Step 2: Which of the AIIB environmental and social standards apply?

Step 3: Confirm E&S due diligence requirements



THANK YOU.

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