

# EBRD COVID-19 Resilience Framework - Environmental and Social Assessment Training Programme

## Module 5 – Typical environmental and social risks and impacts

### Introduction

The purpose of Module 5 is to provide a summary of typical environmental and social risks and impacts that may need to be assessed by the Client for a Project or considered during a typical ESDD process. It should be noted that these are just examples of potential risks and the consultants will need to use their professional judgement and knowledge of the sector to identify specific risks on each given Project.

### PR1: Assessment and Management of Environmental and Social Risks and Impacts

- The environment and social assessment process has relied on baseline information that is out of date and does not reflect the current status of environmental and social receptors within the Project's area of influence.
- The Client did not conduct an assessment of Project alternatives from an environmental and social risks and impacts perspective.
- The Client has not identified the way in which national legislation, laws and regulations specifically apply to the Project.
- The environment and social assessment process does not cover the entire life cycle of the Project, leading to some impacts not being assessed.
- The environmental and social assessment process does not reflect the current design of the Project, and major changes in the design have not been re-assessed.
- The Client has not assessed cumulative and residual impacts.
- The Client has not identified associated facilities, leading to some impacts not being assessed.
- The Client did not consider potential avoidance, minimisation, mitigation and offset measures.
- The Client does not have in place a management of change procedure, leading to environmental and social risks and impacts triggered by the changes to the original Project, being unlikely to be assessed.
- The monitoring measures and indicators included in the Environmental and Social Management Plan are not 'leading' and instead focus on tracking the past performance of the Project.
- The Client has not notified EBRD of environmental and social incidents or accidents that have occurred.

## PR2: Labour and Working Conditions

- Gender discrimination during recruitment of the local workforce, increasing gender inequalities amongst local communities from predominately male employment.
- Other forms of discrimination during recruitment of the local workforce, leading to resentment by local people associated with way in which the Client has distributed Project benefits and opportunities.
- Bullying, harassment, and violence (including gender-based violence) amongst the workforce leading to regulatory enforcement, worker unrest, health impacts (stress and injuries) or reputational damage.
- Poor worker-management relationships leading to worker unrest, Project delays or reputational damage.
- Forcing the workforce to undertake additional hours of work as overtime leading to regulatory enforcement, worker unrest or health impacts (stress and injuries).
- Child and forced labour leading to regulatory enforcement, health impacts (injuries and fatalities) or reputational damage.
- Exploitation of the workforce through the non-payment of work, paying workers below national minimum wages, and not providing legislated benefits to workers, leading to regulatory enforcement, worker unrest, Project delays or reputational damage.
- Workers not being subject to regular health inspections (such as a fitness to work assessment) leading to injuries and fatalities at the workplace due to un-diagnosed health conditions.
- Exploitation of the migrant workforce leading to regulatory enforcement, worker unrest, Project delays or reputational damage.
- Poor quality accommodation provided to workers leading to health impacts such as stress, the spread of infectious diseases, and diseases associated with living conditions such as damp and other housing problems.
- Collective dismissals being implemented without consideration to the workforce, leading to worker unrest, Project delays or reputational damage.
- The inability of workers to collectively bargain with the Client, leading to regulatory enforcement, worker unrest, Project delays or reputational damage.
- Lack of a process for workers to submit their grievances.

*NOTE: the above impacts may occur within the Client's primary suppliers, as well as within supply chain companies that are central to the core functions of the Project. A supply risk assessment is required under PR1.*

### PR3: Resource Efficiency and Pollution Prevention and Control

- The generation of air emissions leading to a deterioration in local air quality that exceeds relevant air quality standards and impacts the health of workers or local communities.
- The generation of odours leading to a statutory nuisance.
- The discharge of untreated/contaminated wastewater into the environment.
- The generation of greenhouse gasses contributing towards global climate change.
- The generation of noise that exceeds relevant noise standards leading to a statutory nuisance and/or worker exposure.
- Excavations and earth movements leading to topographic changes that alters existing drainage patterns and may contribute to increased erosion, land and mud slides.
- Excavations and earth movements leading to siltation and an increase in turbidity within surface waters impacting the ability of others to use this resource and impacts on biodiversity.
- The inappropriate storage and use of hazardous substances and materials (chemicals, fuels, etc.), leading to worker exposure and/or soil and groundwater contamination.
- The inappropriate management of hazardous waste leading to soil and groundwater contamination.
- Poorly managed disposal of waste leading to soil and groundwater contamination, reputational issues, and loss of resources for reuse/recycling.
- The inappropriate storage and use of pesticides leading to worker exposure, soil and groundwater contamination, or impacts on biodiversity.
- The unsustainable abstraction of water leading to a reduction in the availability and quality of water available by other users, or changes in the flow of nearby surface water courses impacting other users and biodiversity.

### PR4: Health, Safety and Security

- The generation of occupational health and safety risks to the workforce leading to injuries, ill-health and fatalities. This could occur from slips, trips, falls from height, the use of rotating machinery, the use of Project vehicles or exposure to hazards which could result in occupational diseases.
- The use of vehicles on the public road network increasing health and safety risks to pedestrians, other roads users and physical structures adjacent to the road, leading to injuries, fatalities, or economic loss arising from damage to structures or livestock.
- The potential for drivers of Project road vehicles to spread transmissible diseases as they move from one location to another along their route, whilst stopping at rest and refuelling points.
- The accidental release of hazardous or noxious substances to the environment that results in health impacts amongst workers and local communities.
- The inappropriate behaviour of security forces towards local people, acting as a trigger point for unrest, Project delays or reputational damage.
- The potential for local people to try and enter construction sites for theft or other reason, leading to injuries or fatalities.
- The operation of accommodation camps and the potential for workers to interact with local communities, generating conflict and transmitting communicable diseases.
- The influx of people seeking employment and other types of economic opportunities from the Project, leading to:
  - conflicts between locals and newcomers;
  - an increase in the spread of communicable diseases;
  - an increase in crime; and
  - an increase in mental stress and anxiety within local communities.

*NOTE: the uncontrolled influx of people towards a Project site could generate a variety of environmental and social risks, including pressure on social welfare resources (police forces, healthcare and emergency response resources), local inflation where the price of basic goods and services affects the food security of vulnerable households, and impacts to biodiversity from the clearance of land and increased use of natural resources.*

## **PR5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

- There is a risk that the Client's resettlement planning process does not adequately inform affected persons, compensate and support them to improve, or as a minimum restore, their livelihoods and standards of living to pre-displacement levels. This could lead to a variety of consequences including an increase in affected person's vulnerability, increased gender inequalities, resentment towards the Project, unrest and conflict, Project delays, legal challenges, or reputational damage.
- Specific sources of risk include the following:
  - affected persons being required to vacate land or accept restrictions in their access to assets and natural resources, before compensation has been provided;
  - disputes between different people or groups associated with 'who' is the rightful 'owner' of the asset or natural resources affected;
  - affected persons or community representatives fraudulently claiming private ownership over communal assets or natural resources;
  - the census and inventory of affected assets being completed by inexperienced personnel, leading to affected persons and their assets being incorrectly calculated during the surveys;
  - stakeholder consultation with affected persons is inadequate and there is a lack of understanding associated with their legal rights under national legislation, their entitlements under PR5, and how compensation and other measures are to be provided by the Client and when this will occur;
  - There is a lack of understanding amongst affected persons associated with the timing of Project compensation, leading to people taking informal loans out using their land as collateral, resulting in an increase in household debt and mental stress;
  - vulnerable groups not being provided with sufficient and targeted support to engage during the resettlement planning process, resulting in the measures required to support vulnerable groups being excluded from resettlement planning documents and budgets;
  - women amongst affected households are not given the opportunity to influence resettlement choices, reinforcing existing gender inequalities;
  - there is a lack of understanding of the cut-off date, and people arrive and invest in affected land who later expect compensation, even though the census and inventory of affected assets has been completed;
  - compensation being provided by the Client does not reflect the full replacement cost of the assets affected;
  - replacement assets (such as residential housing) or land, are of poor quality, or do not have similar access to public infrastructure and utilities;
  - there is an over-reliance on the provision of cash compensation which may not be spent in a sustainable and gender-inclusive manner;
  - the budget in the resettlement planning process does not contain a contingency for problems that may arise during implementation, and there may be a lack of financial resources to satisfactorily complete the resettlement process;
  - grievances are not resolved within a timely manner.

## **PR6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

- Impacts on biodiversity from land clearance, dredging and nearshore and offshore installations activities leading to habitat loss, degradation and fragmentation or remaining habitat.
- The alteration of terrestrial habitat from the construction access roads and other linear infrastructure, including fragmentation and barrier effects. Construction of access roads may also increase the ability for people to enter into areas and collect natural resources and conduct activities such as fishing and hunting. Globally, access roads are a major source of habitat loss and degradation for animal species that require minimum viable areas of undisturbed habitat.
- Alteration of ecosystems due to incursion of alien invasive plant and animal species. This can result in native species being pushed out and losing habitat. Sources are often transport-related (marine shipping, terrestrial road and rail).
- Reduced habitat quality, and plant and animal mortality due to pollution (of air, water or soil). Irreversible changes can occur that make habitat unsuitable for sensitive species.
- Habitat alteration due to the pollution of water courses that supply wetland habitats downstream.
- Displacement of animals due to habitat loss or disturbance, placing them at risk of conflict with people or other animals because they are unable to find alternative habitat that is available and not already occupied.
- Induced effects associated with influx of people seeking employment, further development of similar or different Projects or opening of access into previously undisturbed areas. These might include progressive loss of habitat due to increasing infrastructure footprint or increased rates of conversion of forests and other natural ecosystems to farmland.
- Changes in the capacity of ecosystems to supply services to users or beneficiaries.
- The introduction of barriers obstructing access to ecosystem services, leading to a loss of livelihood or wellbeing.

### **PR7: Indigenous Peoples**

- Impacts to the general well-being of indigenous peoples leading to changes in their ability to self-identify as a distinct ethnic or cultural group, and the way in which other people recognise them as a distinct group. This could occur from inappropriate behaviour of the incoming workforce and influx, resulting in cultural mixing between different ethnic groups that acts to dilute the importance of local customs, language and dialects, leadership structures and norms.
- Changes to existing land access arrangements generating impacts on indigenous peoples' reliance and cultural attachment to geographically distinct habitats, traditional lands or ancestral territories, and on their use of natural resources in these habitats and territories.
- The imposition of cultural, economic, social, or political institutions, laws or regulations that are different from those currently practised by indigenous peoples, acting a trigger point for unrest.
- The Project's reliance on languages that are different to the languages, or dialect of indigenous peoples, to share information about Project impacts and potential benefits, acting as a trigger point for unrest. This may occur if indigenous peoples believe that they are excluded from the broader information disclosure process.

### **PR8: Cultural Heritage**

- The generation of ground-borne noise and vibration leading to the physical damage of tangible cultural heritage.
- Excavations, demolitions, movement of earth, drainage, flooding, or other changes in the physical environment leading to the physical damage of tangible cultural heritage.
- Restrictions in access to land leading to a loss of amenity value, or a reduction in the physical accessibility of cultural heritage, due to land access restrictions.
- The presence of the incoming workforce changing cultural practices, representations, expressions, knowledge, and skills that communities or groups possess. This could be caused by inappropriate behaviour of the incoming workforce, a lack of protection of local customs and traditions, and also from influx.

### **PR10: Information Disclosure and Stakeholder Engagement**

- The lack of accurate and timely information associated with the Project to affected persons and other stakeholders, leading to inaccurate perceptions towards the Project, grievances, unrest, Project delays or reputational damage.
- The lack of a meaningful stakeholder engagement process to incorporate feedback from local communities and other stakeholders, into the early design of the Project, the assessment of risks, and the design of mitigation and monitoring measures.
- The inability of vulnerable and other types of people to participate in stakeholder engagement activities due to disability or other reason.
- A lack of an effective grievance mechanism generating resentment towards the Project due to the inability of the Client to record, investigate and satisfactorily address grievances.