Environmental and Social Risk Management Guideline- Volume 1

Acronyms and Abbreviations

AM	Accountability Mechanism
AP	Affected Person/Party
ASMP	Agriculture Sector Modernization Project
BP	Business Plan
CBO	Community-based Organization
CBSL	Central Bank of Sri Lanka
CC	Community Centre
CCD	Coast Conservation Department
CE	Citizen Engagement
CEA	Central Environmental Authority
CER	Contingent Emergency Response
CMC	Cascade Management Committee
CPF	Country Partnership Framework
CSA	Climate Smart Agriculture
CSIAP	Climate Smart Irrigated Agriculture Project
DAD	Department of Agrarian Development
DAU	Digital Agriculture Unit
DDR	Due Diligence Report
DGRC	Divisional Grievance Redress Committee
DMDP	Dredge Material Disposal Plan
DO	Divisional Officer
DOA	Department of Agriculture
DPD	Deputy Project Director
DS	Divisional Secretary
DSC	District Steering Committee
DSD	Divisional Secretariat Division
DWC	Department of Wildlife Conservation
E&S	Environmental and Social
EA	Economic Analysis
EHS	Environmental Health and Safety
EIA	Environmental Impact Assessment
EP	Eastern Province
EPL	Environmental Protection License
ESCOP	Environmental and Social Codes of Practices
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESG	Environmental and Social Guideline

ESHS	Environmental, Social, Health and Safety
ESIA	Environmental and Socia Impact Assessment
ESMF	Environmental and Social Framework
ESMP	Environment and Social Management Plan
ESO	Environmental and Social Officer
ESR	Environmental Screening Report
ESS	Environmental and Social Standards
FD	Forest Department
FFPO	Fauna and Flora Protection Ordinance
FGD	Focus Group Discussion
FO	Farmer Organization
GAP	Good Agriculture Practices
GBV	Gender Based Violence
GND	Grama Niladhari Division
GoSL	Government of Sri Lanka
GRC	Grievance Redressed Committee
GRM	Grievance Redress Mechanism
IA	Implementing Agency
IBAT	Integrated Biodiversity Assessment Tool
ICR	Implementation Completion Report
ID	Irrigation Department
IDA	International Development Association
IE	Irrigation Engineer
IEE	Initial Environmental Examination
IMD	Irrigation Management Division
IP	Indigenous People
IPPF	Indigenous Peoples Policy Framework
IRDCRP	Integrated Rurban Development and Climate Resilience Project
IUCN	International Union for Conservation of Nature
IWWRMP	Integrated Watershed and Water Resources Management Project
KPI	Key Performance Indicator
LA	Local Authority
LGA	Local Government Authority
LMP	Labor Management Plan
LRP	Livelihood Restoration Plan
LSA	Livelihood Support Assistance
M&E	Monitoring and Evaluation
MASL	Mahaweli Authority of Sri Lanka

MoALLI	Ministry of Agriculture, Livestock, Lands and Irrigation
NEA	National Environment Act
NGO	Non-government Organization
NGRC	National Grievance Redress Committee
NPSC	National Project Steering Committee
O&M	Operation and Monitoring
OFC	Other Field Crops
OHS	Operational Health and Safety
OP	Operational Policy
PA	Productive Alliance
PA	Provincial Authority
PAD	Project Appraisal Document
PAP	Project-Affected Persons
PBC	Performance Base Condition
PD	Project Director
PDO	Project Development Objective
PG	Producer Group
PID	Provincial Irrigation Department
PMU	Project Management Unit
PS	Producer Society
PSC	Provincial Steering Committee
SAC	Social Audit Committee
SDG	Sustainable Development Goal
SEA	Sexual Exploitation and Abuse
SEA/SH	Sexual Exploitation and Abuse/ Sexual Harassment
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SSR	Social Screening Report
TA	Technical Assistance
TOR	Terms of Reference
VAC	Violence Against Children
VAW	Violence Against Woman

Contents

Chapter 1 – Project Description

The Integrated Rurban Development and Climate Resilience Project (IRDCRP) is executed by the Ministry of Agriculture, Livestock, Land, and Irrigation and implemented by the Department of Agriculture, the Department of Agrarian Development, the Department of Irrigation, the Mahaweli Development Authority, and Provincial Irrigation Departments of Sri Lanka. The Project is supported by the World Bank Group. The proposed project builds on current and recently closed World Bank and other sector engagements to rapidly scale and address the most pressing development challenges, especially as Sri Lanka emerges from economic crisis.

1.1 Project Development Objective

The IRDCRP's development objective is designed to '**increase productivity, market access, and climate resilience of agri-food producers in selected areas'**.

The project will increase productivity and value addition for small and medium-scale agri-food producers in project areas, will support an enabling environment, boost market linkages, and further invest in coordinated efforts for climate resilience to bring greater competitiveness and private sector engagement in the agriculture, livestock, and fisheries sectors. It will support Sri Lanka's objectives of increasing agriculture exports and ensuring sustainable and climate-resilient agri-food production systems.

1.2 Project Components

The project has five components financed through a US$100 million IDA credit, US$3 million in contributions from the GoSL, and US$17 million mobilized from private capital, including from small and medium producers and producer organizations. The GoSL contribution would be used for the payments of government staff salaries, allowances and also the taxes and charges under Component 3. The project contributes significantly to climate adaptation and mitigation, with a strong emphasis on adaptation, through a range of interventions in climate-smart agriculture, water management, ecosystem protection, sustainable technology adoption, and enhanced market access. The specific mechanisms for achieving these climate contributions are outlined within the project's components. The Project is exploring the possibility of using additional financing from the Green Climate Fund (GCF) Cooling Facility already allocated to Sri Lanka, to expand the scope and impact of the Project[1].

[1] In October 2021, the GCF Board approved $36 million for Sri Lanka as part of a larger program named "cooling facility," submitted by the World Bank. The facility is available until the year 2032 for implementation. The GCF funds under the cooling facility can only be used for cooling-related activities.

Component 1: Promotion of Climate-Smart Production, Value Addition, and Inclusive Access to Markets (US$ 45 million: IDA US$30 million, local beneficiaries US$15 million).

This component will promote climate-smart agricultural production by supporting growth-oriented small and medium producers to establish and/or upgrade their market linkages with off-takers in a market-driven, profitable, and sustainable way and intensify and add value to their production. The Project will do so by: (i) supporting the strengthening of organized producer groups or producer companies with a particular focus on export orientation and facilitating Productive Partnerships (PPs) between producers and buyers through the preparation of business plans; and (ii) competitively selecting and facilitating access to blended finance for the most commercially viable, inclusive, and climate-smart business plans. The Project will also spur private sector provision of agri-services targeting innovative youth entrepreneurs through training and business development support.

The project will focus on investments for producer groups to build capacity, link effectively to markets, and boost climate resilience by improving cold chain management and adopting climate-smart practices. This will complement ongoing and planned investments and advisory services from IFC focused on agri-businesses and tighten value chains in the agriculture sector, especially for exports.

Productive Partnership involves three core agents: a group of smallholder producers, one or more buyers, and the public sector. These agents are connected through a business proposition, or "business plan," which describes the capital and services needs of the producers and proposes improvements that would allow them to upgrade their production capacities and skills to strengthen their linkage with the market, i.e., the buyer(s). The implementation of business plans (Figure 1) through a subproject is typically supported through three core inputs and/or activities directed toward the producers' needs including business development, technical assistance, and productive investments. Through this approach, the Project will support growth-oriented small and medium producers organized in legally registered companies to establish and/or upgrade market linkages with commercial off-takers[2].

[2] This approach has been successfully supported in Sri Lanka under the IFAD financed *Smallholder Agribusiness Partnership Programme* (2017-2025) (SAPP), where nearly 40 partnerships between buyers and producer groups have been established. The project builds on this experience and incorporates lessons learned from this program as well as from the Bank's experience globally in financing productive partnerships. The Project also builds on ASMP's experience through its productivity enhancement and diversification investments and the successful support to vertical and horizontal alliances.

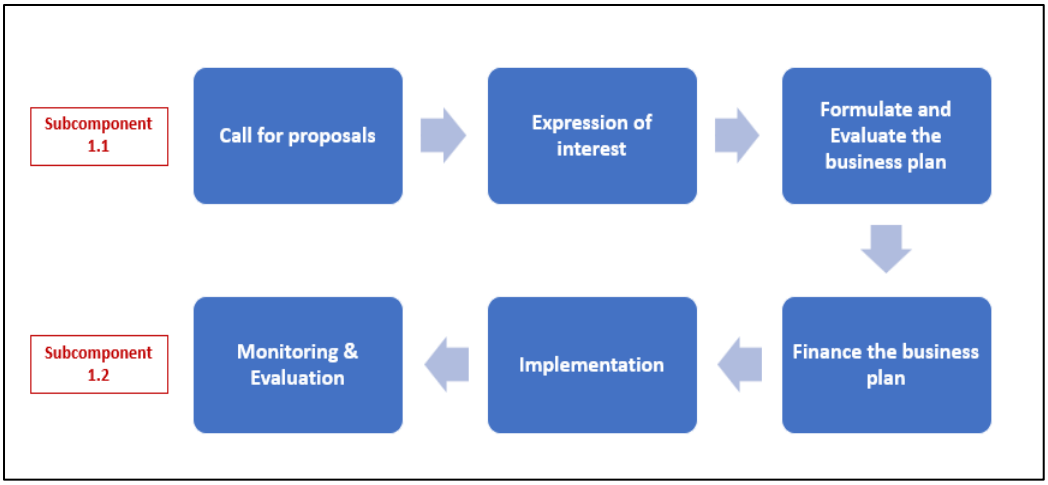

Figure 1: Productive Partnerships Implementation Cycle

Subcomponent 1.1: Capacity building and development of horizontal and vertical alliances (IDA US$5 million).

The Project will finance works, goods and services for the upgrading of organized and legally registered producer cooperatives or companies[3], the facilitation of Productive Partnerships, and the formulation of business plans. Under this subcomponent, the Project will support pre-investment activities for project promotion and business plan identification, including: (i) outreach, awareness raising, communication strategies, seminars, study tours and workshops[4], and technical assistance in facilitating linkages between small and medium-scale producers with agribusinesses, buyers and off-takers; (ii) training, technical assistance, operational cost, and consulting and non-consulting services to support the selection and preparation of joint business plans, including investment requirements for small and medium producers to upgrade their productive capabilities to meet the commercial agreements. Facilitators and service providers will enable the establishment of Productive Partnerships around fair and transparent commercial agreements that will lead to the formulation of detailed business plans. Business plans will need to be fully market-driven, gender inclusive, environmentally sustainable, and climate smart, this is, they will support producers to adopt sustainable and resilient technologies and practices, for example, through bulk purchases of inputs like drought-resistant seeds and organic fertilizers or providing market access to sustainable eco-friendly or carbon-neutral products, among others. Facilitators and service providers will prepare producer groups for the implementation of their business proposals by strengthening their technical and business capacities, including climate risk management strategies for enhanced adaptation. The business plans will have a particular focus on environmental sustainability (such as pollution mitigation) and carbon neutrality (energy efficiency) and

[3] As the project builds on several ongoing programs, the project will, as a first priority, leverage existing organized producer groups, such as Cooperatives, Farmer Groups, Producer Societies, or Public Unlisted Companies (PUCs) established and strengthened under other projects.

[4] These activities will strengthen the capacity of the institutions leading the pre-investment activities and supporting the formation of partnerships and market access.

will be screened for such through an independent evaluator. This component complements ongoing investments/advisory by IFC in agri-businesses by focusing on key value chains where small-scale producers may be organized and strengthened as export-oriented market players in the value chain, meeting downstream requirements of buyers and off-taker agri-businesses.

Subcomponent 1.2: Improved market integration for increased climate smart production and value addition (US$35 million: IDA US$20 million, local beneficiaries US$15 million).

The Project will support works, goods, services, and grants to competitively select productive partnership business plans, and support their implementation, by facilitating small and medium producers to invest in technical assistance, productive assets, fixed capital (such as equipment and minor infrastructure), working capital to finance business expenditure, and inputs. Viable business proposals identified through a competitive process will be financed through a blended financing arrangement consisting of (i) beneficiary contribution; and (ii) a credit consisting of a loan at market rates to the legally registered producer group extended by a commercial financial institution, and (iii) contribution from the Project to the Producer Group.[5] The *project contribution* will serve to de-risk the investment of commercial banks and incentivize the adoption of innovative, climate-smart, and energy-efficient technologies, including those that enhance climate resilience, and promote cold chain investments. Investments in this component complement ongoing and potential IFC engagements in the agri-finance sector that can unlock additional financing on the agri-business and producer side, including advisory services and investments.

The proposed Project will strengthen commercial and economic inclusion through two windows with different target beneficiaries and different shares of blended finance. The windows' different conditions will be tailored to the needs of the producer organization with different levels of development, business experience, and readiness for commercial activities. Windows will operate with detailed eligibility criteria and financing caps, which are to be detailed in the Project Operation Manual (POM). Subprojects will be selected via a demand-driven, transparent mechanism that ensures compliance with technical, financial, social, climate smart, and environmental parameters detailed in the POM. Additionally, it will identify opportunities to strengthen energy efficiency and cooling in the value chain. Additional consideration will be given to female-headed or organized producers with significant ownership of women in the evaluation process.

Subcomponent 1.3: Strengthening private sector provision of agri-services through innovation and entrepreneurship (IDA US$5 million, local beneficiaries US$2 million).

The Project will support works, goods, services and grants to spur private sector provision of agri-services, with a particular focus on promoting business opportunities for women and youth along the value chain. Technical assistance under the project will support the identification and competitive

[5] This support will be provided on a case-by-case basis as some groups might be in a position to afford more than others. This portion of the financing will be disbursed once the beneficiary contribution has been received and/or the credit arranged.

selection of innovative entrepreneurs in the provision of services in the agriculture sector,[6] including machine services, machine repair services, and business development services, among others. The Project will support training and capacity building, entrepreneurship support (including business development support, mentorship, and skilling), climate risk management and adaptation, and help entrepreneurs obtain blended credit, including facilitating access to credit on market rates together with an investment grant to offset costs of business startup (including working capital for business expenditures, assets, and small infrastructure). The POM will lay out the outreach, selection, oversight, financial disbursement, monitoring, and reporting process. Activities in this component will target women, youth, the disabled, and other under-represented and marginalized populations through outreach and awareness raising to foster entrepreneurship and job creation along value chains and in the rural economy.

Component 2: Integrated Management of Natural Resources for Climate Resilience (IDA US$ 55 million).

The objectives of this component is to enhance the climate resilience of natural resources through: (i) improving the institutional governance of natural resources in cascades and village tanks through continued strengthening of cascade management committees (CMCs), including strengthening gender equality in leadership; (ii) enhancing water resources management in small, medium, and major irrigation systems to increase water use efficiency and productivity, and; (iii) supporting the accelerated adoption of climate smart agriculture (CSA) practices for improving productivity, strengthen climate adaptation, and increase GHG mitigation and carbon sequestration. The component builds on, replicates and scales several successful models and interventions from the Climate Smart Irrigated Agriculture Project (CSIAP) and the Integrated Watershed and Water Resources Management Project (IWWRMP), and aims to bring improved institutional coordination between both the agriculture and irrigation sectors. The component has the following subcomponents:

Subcomponent 2.1: Improving Cascade Management and On- Farm Water Use Efficiency (IDA US$22 million).

This subcomponent will focus on village tanks cascade systems that come under the mandate of Department of Agrarian Development (DAD) in climate hotspot areas[7]. The objectives of this sub-component are to (i) strengthen integrated management of cascades by applying

[6] The activities build on a similar youth entrepreneurship model from the IFAD-financed SAPP, as well as similar programs for skilling along the value chain (Australian High Commission) and World Food Programme (training youth in machine repair) that demonstrated the potential to create jobs in the services sector, especially among women and youth.

[7] The ongoing CSIAP is implemented in the 11 climate hotspots in the country.

integrated landscape management principles for climate resilience and carbon sequestration[8]; and (ii) to undertake restoration and rehabilitation of critical small hydraulic infrastructure, including small tanks, ponds in the Jaffna peninsula, agro-wells and access roads using materials that are resilient to extreme weather events such as heatwaves and/or flooding to enhance water availability and productivity. The Project will support CMCs through institutional strengthening and implementation of small-scale interventions identified in Cascade Management Plans (CMPs) (e.g., human-wildlife conflict, degradation of catchments, improvements to drainages) and that capture underutilized opportunities (e.g., community-based aquaculture). Implementation support for landscape management plans will include creating incentives for adopting alternative means of resource use (e.g., multi-purpose soil conservation bunds, conservation farming, reforestation, tree-planting, and land leveling and community forestry) in degraded patches of land, and alternative livelihoods for resource users. These interventions build on, replicate, and scale support to 61 CMCs established under the CSIAP and fund priority small-scale interventions identified in CMPs.[9] All tank rehabilitation and infrastructure development activities will be monitored by DAD together with CMCs. The project will leverage community-based contracting farmer organizations to support the implementation of small-scale maintenance and repair works, creating local opportunities. Additionally, priority will be given to engaging poorer, female-headed, and vulnerable households, particularly in the seasonal works.

Subcomponent 2.2. Irrigation and Water Resources Management (IDA US$30 million).

The objective of this sub-component is to (i) improve the productivity of irrigated agriculture in major and medium irrigation schemes through improved water resource management as well as to (ii) enhance the adaptive capacity of the local landscape and population from climate-induced droughts and floods. The activities will focus on the same districts where investments in small tanks under subcomponent 2.1 will be carried out according to the selection and prioritization criteria detailed in the POM. The Project will support goods, services, and civil works for the improvement of water use

[8] Integrated Landscape Management (ILM) is a holistic approach to managing land resources that aims to balance social, economic, and environmental objectives. The principles of ILM focus on collaboration among diverse stakeholders and the sustainable use of natural resources within a landscape.

[9] This experience was established under the Bank-financed CSIAP IPF, and includes TA to establish CMCs, build CMC capacity, improve evidence-based decision-making by CMCs on management of cascade landscapes. Cascade Management Plans support the integrated management of land, water, wetland, and forest resources in cascade systems. Protecting cascade ecosystems and landscapes from land use conversion enhances climate adaptation by preserving the natural functions that these ecosystems provide – water regulation, soil stability, biodiversity, carbon sequestration, and natural buffers against extreme weather and precipitation – which are essential for community resilience and agricultural sustainability

efficiency and productivity, modernization of on-farm and off-farm irrigation and drainage canals and diversion structures, improving watershed management, and strengthening the capacity of farmer organizations, specifically in the water management, operation and maintenance of hydraulic assets. This subcomponent will also finance the goods and services to (i) enhance its data systems and operational models for the Irrigation Department and (ii) develop a joint framework for investment prioritization for all stakeholders, towards improving water use efficiency and water resources management and strengthening coordinated action for improved natural resources management in the designated areas.

Subcomponent 2.3 Boosting Climate Smart Agriculture Technologies and Practices (IDA US$3 million).

The objective of this component is to promote adoption of climate smart agriculture technologies and practices in the village tank cascade systems and major and medium irrigation schemes where integrated resource management and infrastructure rehabilitation is taking place under subcomponents 2.1 and 2.2, to realize the on-farm benefits of CSA practices will be tailored to the specific agro-ecological context and will focus on promotion and adoption of these practices by farmers. The Project will support goods and services related to research, demonstration, extension of CSA practices to promote adoption, as well as outreach and training, such as through Farmer Field School and Farmer Training School models. The subcomponent will promote customized packages of CSA practices and technologies for village tank cascades systems and major and medium irrigation schemes. These packages are designed to address local climate risks such as droughts, floods, variation in rainfall patterns and extreme events in both paddy command areas (e.g., Alternate wetting and drying (AWD), drought-resistant varieties, salinity tolerant varieties, inter-season cultivation, and crop diversification) and upland farming areas (e.g., micro irrigation and solar water pumping, movable rain shelters for off season production, agro-wells, and soil health improvement measures). These interventions aim to improve (i) farmers' adaptability to climate shocks and (ii) productivity, (iii) cropping intensity, and (iv) resource use efficiency in agricultural production.

Component 3: Strengthening the Enabling Environment for Sectoral Growth (US$ 14 million: IDA US$13 million, *GoSL US$1 million*).

This component supports the enabling environment to boost competitiveness and modernization of the agriculture sector by: (i) improving the quality and availability of sector data for improved evidence-based decision-making; (ii) developing critical quality infrastructure for market access and competitiveness, and (iii) supporting the provision of agricultural insurance.

Subcomponent 3.1 Better quality and availability of agriculture data (IDA US$2 million).

The objective of this subcomponent is to improve the availability and quality of public data for improved decision-making in the sector. The Project will finance goods and services for: (i) improving the quality and availability of existing data systems collected by the Ministry and Departments and capacity

building; (ii) at least two agriculture surveys to improve the availability of sector-level information, including climate and environmental risks and market information. This sub-component will be supported with additional technical assistance towards the design of data architecture systems and agricultural survey design from the 50x2030 initiative.[10]

Subcomponent 3.2 Quality Infrastructure Improvements (IDA US$10 million, GoSL US$1 million).

The objective of this sub-component is to support the national quality infrastructure (NQI) for food safety and trade in food and agriculture products. The Project will finance goods, services and small civil works packages related to: (i) digitize and automate services through for example interoperable workflow management and traceability systems for relevant agencies; (ii) a strategic study on prioritized investments that support improvements in certification, testing, traceability and other laboratories services; and (iii) investments in sustainable capacity building and equipment to meet NQI needs, especially for export sectors and food safety. The project will also look to identified opportunities to strengthen the cold chain performance ensure that the storage, transport and processing of the products meet the necessary standards in terms of temperature to support sustainable cold chain networks. By addressing issues such as phytosanitary standards and disease standards and monitoring that are expected to worsen with climate change (and other non-climate factors), this subcomponent directly builds resilience to climate risks such as climate-driven phytosanitary contamination and temperature-sensitive food safety threats, as well as to support mitigation efforts by reducing cooling energy requirements.

Subcomponent 3.3 Enhancing provision of agricultural insurance (IDA US$1 million) .

The objective of this sub-component is to support the expansion of agricultural insurance provision. The Project will support goods and services to the Agriculture and Agrarian Insurance Board (AAIB) to support operational efficiencies, digitization and expanded coverage for potential beneficiaries. This includes hardware and software upgrades to the AAIB to improve operational efficiencies and complement innovative product developments. These investments to AAIB will complement potential parallel IFC technical assistance to develop crop insurance products, especially targeting beneficiaries of the productive partnerships.

Component 4: Project Management, Monitoring & Learning (US$ 4 million: IDA US$2 million, GoSL US$2 million).

This component will support the overall management, implementation, and supervision of Project interventions, capacity building, as well as monitoring, evaluation, communication, dissemination, and continuous learning throughout the life of the Project. The Project's progress and impacts will be monitored and evaluated, notably through a baseline, mid-term,

[10] The 50x2030 INITIATIVE is a multi-agency partnership that seeks to transform data systems in 50 countries by 2030 by improving availability of high-quality, relevant agricultural data for policymakers.

and end-of-project impact assessment, as well as on-demand quantitative or qualitative studies.

Component 5: Contingent Emergency Response Component (US$0 million).

This component will support the provision of immediate response to an Eligible Crisis or Emergency, as needed.

Activities under components 1 will cover all island and component 2 will be implemented in 16 out of the 25 districts in the country, selected for (i) potential value chain development in high value crops, livestock and aquaculture; (ii) high vulnerability to climate change, especially in changes to rainfall patterns and increasing frequency of drought throughout the country's dry zones; and (iii) need for improvements in irrigation and water use efficiency.

These 16 districts will encompass a large area of the country with varying topographical, bio-physical and socio-economic characteristics, largely covering the dry zone. The project areas will be mostly in rural settings with mixed land use and lower population densities compared to urban areas. The dry zone has primarily a flat terrain with small, isolated mountain ranges and rock outcrops and experiences long dry spells between February and October. Hydrologically, it is dominated by ancient large, medium and small man-made lakes that store rainwater for multiple purposes, irrigation for agriculture being the main. Most notable are the small tank cascade systems that dot the land, which form mini watersheds within larger river , and which will be a primary subject area of the proposed project.

The land use in the dry zone is dominated by conservation and production areas which are intertwined with a variety of other forms of human influenced land uses. Irrigated agriculture has been a key driver of land use in the dry zone which has also created human wildlife conflict and is also home to several protected areas with rich biodiversity.

Monaragala and Badulla districts in the Uva Province are home to Sri Lanka's indigenous Vedda Populations – found mainly in the areas of Dambana and Rathugala. Their main income generation activity is from wild items which is 70% of total income. Only about 10% of IP income comes from agriculture as harvesting is done only from rainwater. IPs do not

have a history of being involved in agriculture using water from tanks and ponds. The remainder of income tends to be from non-agricultural labor work and "Samurdhi" aid from the government.

1.3 Objective of the Environmental and Social Risk Management Guideline (ESRMG)

Sub projects and programs/activities financed with IDA resources need to comply with World Bank Operational Policies. Therefore, all sub-projects and components eligible for funding under IRDCRP will comply with the World Bank's Environment and Social Framework (ESF) and Indigenous People Framework, in addition to conformity with environmental and social legislation of the Government of Sri Lanka (GOSL). Since detail designs for the sub-projects under components 1, 2 and 3 have not been finalized at this stage, site specific Environmental & Social Assessments and Environment and Social Management Plans will have to be conducted only when specific interventions are identified and confirmed. The finalization of these environmental and social due diligence documents will be completed prior to the commencement of any bidding process for the works.

The main purpose of this document is to (a) carry out a generic assessment of anticipated environmental and social (E&S) impacts from proposed subprojects, programs and activities of the IRDCRP and (b) outline a framework for E & S screening, assessment and management, giving details of potential E&S issues, screening criteria and guidelines on what type of environmental tools need to be applied for the various investments prior to commencement of activities and (c) technical guidelines and recommended measures to avoid, minimize and mitigate anticipated E&S risks and impacts.

In detail, the ESRMG for IRDCRP will cover the following areas:

i. Description of the proposed project area, focusing on key social, physical, hydrological, and biological features, with particular emphasis on the protected areas under the Department of Wildlife Conservation, the Department of Archaeology, and the Forest Department.
ii. Applicable national legislations and World Bank's Environment and Social Framework.
iii. Generic early assessment/screening of anticipated E&S risks and impacts from IRDCRP.
iv. Establishment of clear procedures and methodologies for E&S screening, planning, reviewing, approval and implementation of subprojects.
v. Technical guidelines to avoid minimize and mitigate anticipated E&S risks and impacts (Preparation of environmental management plan (EMP) and social management plan (SMP) incorporating the grievance redress mechanism of the IRDCRP. Preparation of management plan concerning the indigenous people will also consider as applicable.

vi. Establishment of clear procedures for EMP and SMP (or ESMP) monitoring and reporting.
vii. Identification of appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring E&S concerns related to subprojects
viii. Identification of training, capacity building and technical assistance needed to successfully implement the provisions of the ESRMG
ix. Practical resources for implementing the ESRMG

It is intended that by 30th November a draft final version of the ESRMG will be disclosed to the public and finalized thereafter.

1.4. Applicable Standards of the World Bank's Environment and Social Framework and National Legislations.

The IRDCRP is subject to all applicable Environmental and Social Standards[11] (ESSs), which are;

ESS1: Assessment and Management of Environmental and Social Risks and Impacts.
ESS2: Labor and Working Conditions
ESS3: Resource Efficiency and Pollution Prevention and Management
ESS4: Community Health and Safety
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
ESS8: Cultural Heritage
ESS10: Stakeholder Engagement and Information Disclosure

At the national scale, the Constitution of the Democratic Socialist Republic of Sri Lanka establishes the fundamental commitment to environmental stewardship through the Directive Principles of State Policy and Fundamental Duties.

Specifically:

- Directive Principle of State Policy (Chapter VI, Section 27(14)): Proclaims that "The State shall protect, preserve and improve the environment for the benefit of the community."
- Fundamental Duty (Chapter VI, Section 28(f)): Stipulates "the duty and obligation of every person in Sri Lanka to protect nature and conserve its riches."

[11] Environmental and Social Framework (ESF) @ https://www.worldbank.org/en/projects-operations/environmental-and-social-framework

These provisions collectively demonstrate a foundational commitment by the state to environmental protection and simultaneously impose a constitutional obligation upon all citizens to conserve nature.

Environmental concerns at the national level are primarily governed by the National Environmental Act (NEA) No. 47 of 1980, along with its subsequent amendments (notably Act No. 56 of 1988 and Act No. 53 of 2000). The NEA is recognized as the umbrella legislation for environmental protection, regulation, and management across the country. Further to the NEA, a few other key legislation on environmental safeguards are mentioned below.

Several other key national agencies possess a specific mandate for environmental management and protection. Agencies such as the Forest Department, the Department of Wildlife Conservation, the Department of Archaeology, the Department of Coast Conservation, the Disaster Management Center, and the Geological Survey and Mines Bureau are empowered by respective, robust Acts of Parliament. These agencies enforce environmental safeguards and monitoring consistent with the policies and regulations governing their sectors.

In addition to these core regulatory bodies, various other national agencies also impact the environment and are therefore responsible for adopting and adhering to established environmental safeguards.

The State Land Ordinance Act No. 13 of 1949 provides the necessary guidelines for:

- The protection of the source, course, or bed of any public stream.
- The protection of springs, reservoirs, lakes, ponds, lagoons, creeks, canals, and aqueducts.
- The construction or protection of roads, paths, railways, and other means of internal communication.
- The prevention of soil erosion and the preservation of water supplies.

This Act, therefore, mandates the management of State land to safeguard vital natural resources and essential public infrastructure.

The Flood Protection Ordinance Act No. 22 of 1955 empowers the Minister to declare any area in the country as a flood area. The Act contains comprehensive provisions for:

- The preparation of flood protection schemes for declared areas.
- The creation of a Flood Authority to manage these schemes.
- Establishing regulations for the effective management of flood areas.
- The acquisition of land necessary for the purpose and implementation of the Ordinance.

The Fauna & Flora Protection Ordinance Act No. 49 of 1993 & its amendments provides the protection, conservation and preservation of the fauna and flora of Sri Lanka.
Forest Ordinance 1907 (No. 16 of 1907) as amended up to 2009 to consolidate and amend the law relating to the conservation, protection and sustainable management of the forest resources and utilization of forest products.

Irrigation Ordinance (Chapter 453) in its part VI covers the protection of irrigation works and conservation of water in section 64. The Part V covers the construction and maintenance of major and minor irrigation schemes in sections 33, 34, 46, 54, 61, 62 and 63.

Mahaweli Authority of Sri Lanka Act (Act No.23 of 1979) This act established the Mahaweli Authority of Sri Lanka, which is the authority responsible for the implementation of the Mahaweli Ganga Development Schemes including the construction and operation of reservoirs, irrigation distribution systems.

Soil Conservation Act 1951 (No. 25 of 1951) aims at the conservation of soil resources for the prevention or mitigation of soil erosion and at the protection of land against damages by flood and drought.

The Geological Survey and Mines Bureau established under the Mines and Minerals Act No. 33 of 1992 to pretect and sustaianable use of mineral resources of Sri Lanka. Under this act, mining falls within the purview of the Geological Survey and Mines Bureau (GSMB). Mining and exploitation for minerals, including sand, must be licensed under the act by the GSMB. Mining licenses are issued only to a qualified individuals and companies registered to do business in Sri Lanka. Mining is not permitted within Archaeological Reserves and within specified distance of monuments. New mining licenses are subject to the EIA process, if the type and extent of mining is listed under the EIA regulations. Additionally, the GSMB has power to stipulate conditions including the taking of deposits and insurance for the protection of environment. Regulations made by the GSMB under the act cover a variety of environmental stipulations, criteria and conditions for licensing and operating mines.

Chapter 2: Preliminary Assessment of Environmental and Social Impacts

2.1 Preliminary assessment of environmental impacts

2.1.1 Positive Impacts

The project is expected to have net positive environmental outcomes through the planned interventions in agri-food value chain development, irrigation infrastructure and cascade catchment restoration whilst strengthening an enabling environment for the growth of rural livelihoods. The main expected positive impacts are:

- Improved social and environmental resilience to climate shocks in primarily agricultural areas though climate smart water management and cultivation practices.
- Multiple social, economic and environmental benefits from cascade catchment management activities such as contributing to carbon sequestration, protection and enhancement of biodiversity, combating land degradation, improving soil fertility and land productivity.
- Restoration of natural areas and forests within cascades as well as promotion of agroforestry will also help to achieve national biodiversity conservation goals and enhance resilience and productivity of paddy and upland farms.
- Increased availability and accessibility of water in the water scarce dry zone through the restoration of many reservoirs in the small tank cascade systems.
- Increased safety of cascade infrastructure reducing risks to downstream users.
- Reduced soil erosion and sedimentation (supporting longer term capacity maintenance of reservoirs within cascades) as a result of specific erosion control measures in cascade watersheds through cascade management plans.
- Improved safety of water infrastructure as a result of technically justified restoration activities.
- Improved livelihood opportunities for the people in the project influence area that will lead to increase on-farm and off-farm incomes and reduced rural poverty.
- Provide a reliable, non-seasonal source of drinking water for mammals, birds, and reptiles.[12]
- Habitat Restoration and Expansion (Aquatic Habitats, Riparian Zone, Wading Bird Habitat).
- Increased Biodiversity

[12] Rehabilitated tanks can be the last remaining open-water source for entire wild animal population around during the dry spell of the dry zone of Sri Lanka)

2.1.2 Potential Adverse Impacts

Component 1: The project will provide technical assistance to potential productive partnerships for the preparation of business plans which will ensure social, environmental sustainability and climate smart aspects are well integrated for the plans to be eligible for grant funding.

Through a competitive process, the selected legally established productive partnerships will receive assistance from the project in the form of goods, services and grants to increase climate smart production and value addition in the agri-food sector. As such, activities under this component will be determined by the nature of the selected business plans. It is expected that these activities are likely to include investments in small scale civil works (centers for collection, processing, packaging and storage, last mile infrastructure), food/fish processing plants, aquaculture farms, service centers *etc.* No major or irreversible social and environmental issues are expected to arise due to activities under this component, however, the following should be considered:

- Environmental and social issues arising during the implementation of selected business plans.
- Waste generation and pollution in value addition businesses,

Business plans submitted to the project should have a particular focus on environmental and social sustainability and carbon neutrality (energy efficiency) and such parameters and information shall be screened by an independent consultancy firm or consultants hired on behalf of the PMU under supervision of the PMU safeguard specialists. For Component 1, business plans that have implications for environmental pollution stemming from food/fish processing and farming practices are eligible for funding only on the condition that necessary mitigation measures are fully integrated into the plan.

Following screening recommendations by the hired consultant under the supervision of the PMU safeguard specialists, the proponent must prepare **Site-Specific Environmental and Social Management Plans (SSESMP)** and submit them to the PMU for review. The PMU will subsequently submit these SSESMPs to the World Bank for clearance and any further recommendations. Upon receiving the Bank's clearance, the business plan will be released funds from the IRDCRP. If any business plan needs further assessments beyond the SSESMP such as IEE or EIA, SIA or AIA, the cost incurred for such assessments shall be borne by the project proponent.

The IRDCRP will not support any aquaculture project that will cause irreversible harm to biodiversity and natural resources through siting of such facilities or pollution during

establishment and operation. In more explanation, none of the business proposal will be financed by the IRDCRP, if the seed materials for farming/culture, are collected/sourced from the wild without written approval of the Department of Wildlife Conservation and/or Forest Department of Sri Lanka, water are sourced from the natural streams without approval, heavy metal contain waste are generated, or any other irreversible effect to the natural and social environment.

Investments supported by the IRDCRP in community-based aquaculture farming or industrial scale aquaculture practices will need to be designed and operated within specific waste management guidelines. Business plans for such investments will need to integrate waste management, energy efficiency and climate smart farming methods to be eligible for funding. Any aquaculture operation should primarily use hatchery-produced seed. The use of wild-sourced aquatic seed requires obtaining prior approval from the relevant department said above. Documentation of this approval must be provided to the IRDCRP by the project proponent and is subject to subsequent assessment and reviews by the governing authorities indicate above.

Component 2 The civil works for the restoration of reservoirs in small tank cascades and the rehabilitation of irrigation canals will give rise to a range of construction related environmental issues, which will be site specific. These issues will range from;

- Tree removal from the earthen dam bunds, irrigation canal bunds, access roads and agricultural roads
- Damage to habitats from transportation of construction material, earth and civil work, burrowing
- Water quality deterioration from construction activity, siting of labor camps and limited noise and air pollution
- Soil erosion due to earth works (especially in the monsoonal and inter-monsoonal seasons)
- Disposal of dredge material from desilting reservoirs in small tank cascades
- Solid waste disposal (generated from civil works and labor activity)
- Disturbance to wild fauna from the presence of construction workers and machinery
- Illegal activities such as poaching due to the presence of labor gangs in rural sites (some within forest areas)
- Accidental forest fires
- Spreading of invasive species
- Inundation of additional catchment areas due to spill level raising of reservoirs within small tank cascades.

- Occupational health and safety concerns including threats from wild animals, construction related accidents, spreading of diseases such as dengue due to mismanagement of the worksite and/or negligence of the contractor, *etc*.
- Other civil works related impacts including dust and noise pollution

It is learnt from ongoing projects with similar investments, that none of these issues are expected to cause serious or irreversible environmental impacts and can be managed with careful planning and early screening for E&S risks, designing appropriate mitigation measures and by implementing those. Some of the main impacts that are commonly encountered or are of a serious nature are discussed below.

A. **Biodiversity Impacts**: Several potential impacts to biodiversity and living natural resources are noted associated with the proposed project activities. While the project will not support any new infrastructure, civil works associated with restoration of reservoirs within small tank cascades located inside or adjacent to protected areas can cause losses or disturbances to biodiversity.

B. **Burrowing of material**: Often for small tank rehabilitation projects, earth is excavated from the tank bed or a site close by. These 'borrow pits' are often left abandoned after the construction work leading to fatal accidents for both humans and animals. They may also lead to health risks associated with vector breeding due to stagnation of water, especially during the rainy season. Refer to Annex 14 on Guidance note on borrow site/pit rehabilitation for avoiding adverse impacts during and after burrowing. Sometimes burrowing in unsuitable or unauthorized areas also leads to degradation of biodiversity.

C. **Tree Removal**: Reservoirs within small tank cascade systems and irrigation canals that have not been maintained for decades have large trees growing on the bund, spill tail and other dam structures, necessitating removal to pave way for rehabilitation activities. In some sites, the numbers of tree removal can be significant. The project will adopt and continue technical protocols developed under CSIAP and IWWRMP for inventorying all trees earmarked for removal on bund and structures and carefully identifying the level of risk from each tree to the bund/structures to minimize the number of trees removed to a minimum. A national guideline setting a consistent approach to tree removal in irrigation rehabilitation will be soon published by the IWWRMP and utilized for this project.

D. **Spread of invasive plants**: The risk of spread of invasive plants is always present in construction sites where transport of material, labor and constant movement of

construction vehicles are involved. Sourcing of material near the construction site, inspecting for the presence of invasive in material source sites, keeping construction vehicles clean and washed regularly are some of the good construction practices that the ESMPs will highlight as standard clauses. Care should also be exercised in discarding of any removal of invasive to ensure that no new areas are infested.

E. **Spill level raise of reservoirs within small tank cascades:** Increase in spill levels to store more water (where hydrological assessments recommend so) can lead to inundation of land holding important biodiversity, hence need careful planning and the application of the mitigation hierarchy. The project will not support spill level raising of reservoirs within small tank cascades located within or near protected forest areas, protected wildlife areas and protected archeological sites. ~~unless it can be clearly demonstrated that overall benefits outweigh risks and that biodiversity losses can be offset~~. This too shall be to clearance from the Forest Department, the Department of Wildlife Conservation or Department of Archeology. All rehabilitation work within designated protected areas would need to stick to original design parameters of the irrigation infrastructure and require prior written clearance from the Forest Department or the Department of Wildlife Conservation. For reservoirs (within small tank cascades) with spill level raise that are outside protected areas, necessary assessments will be done to identify potential risks to sensitive habitats and ecosystems to inform designs and ESMPs appropriately.

   All sites within protected areas or part of the protected areas will be considered **'highly sensitive'** and will be subject to government clearance and a set of stringent management measures. The sites adjacent to animal migratory paths, especially elephant corridors, shall also receive clearance from the Department of Wildlife Conservation.

F. **Accidental forest fires and poaching:** Presence of labor gangs within and near protected areas as well as other sensitive bio-diverse areas can be a reason for accidental forest fires, especially in the very dry periods when construction is typically synchronized with. It is noted from experience that night work in irrigation rehabilitation is limited, and labor camps are often offsite. Similarly, some may attempt to poach small mammals and birds and set up snares *etc*.

G. **Desilting**: Civil works for cascade restoration will involve desilting in some cases to increase reservoir capacity. Desilting will result in large volumes of silt/soil to be disposed but the ongoing CSIAP has demonstrated that this is not an issue as there is a high demand for the material from farmers to apply in farmlands as a soil conditioner.

Further, the desilted material can also be used onsite for formation of soil erosion bunds or to fill the burrow areas. Careful planning will be done before any de-silting activity is performed to identify temporary storage areas and the final disposal areas.

Determining the appropriate desilting depth is crucial, as excessive excavation risks damaging the hardpan (or hard core) layer of the tank bed, which would compromise its hydraulic integrity. Consequently, a single, standardized depth for desilting is not feasible; the maximum acceptable depth must be assessed and finalized based on the specific geotechnical parameters of the site and the tank's structure.

H. **Pollution:** The civil works activities envisaged under the project will give rise to construction related solid waste generation that needs to be collected and disposed of properly, especially given that project sites are likely to be rural areas without solid waste collection facilities provided by the local authorities. In addition, some reservoirs (within small tank cascades) will require desilting which will cause temporary water quality issues as well as require careful disposal of silt to pre-planned sites or managed within the site in an environmentally friendly way. Many of these reservoirs are rain fed and highly seasonal, targeting all civil works to be completed within the dry spell would minimize any issues around reservoir water quality. Further, only a smaller percentage of these reservoirs are used for domestic purposes such as bathing and as such impacts of any water quality deterioration would be limited and highly site specific. Labor camps in project sites will generate grey water and sewage that needs to be managed onsite to ensure that waterways do not get polluted. Since the civil works are expected to be medium to small scale, the requirement for labor at a given time is not expected to be significant.

I. **Cultural Heritage:** It is quite possible that some of the selected sub-project sites are within and adjacent to historical settlements as the country has a vast distribution of ancient sites of cultural interest. Sub-project site identification will take place during project implementation and at that stage known sites of cultural heritage will be identified and appropriate measures taken. In addition, the cascade system popularly referred to as Small Tank Cascades or 'Ellanga' systems are considered as cultural heritage given their origins in the ancient hydraulic civilization in Sri Lanka. The project's efforts at restoring these systems and bringing in proper governance mechanisms (as a long-lasting solution for long years of neglect) will be a positive outcome to preserving its history and heritage. What is more likely is chance finds as has been the experience with similar projects in the past and present. As such, E&S management guidelines of

the project will duly incorporate all needed measures to diligently deal with cultural chance finds.

J. **Dam Safety**: The dam works that will be supported by the project within cascades are small tanks with earthen dams of several feet in height and storing typically an average volume of about 0.5 MCM. None of them are located in known sensitive geological areas. The type of reservoir rehabilitation activities will be proposed based on a hydrological and structural assessment (as done in CSIAP) of each minor reservoir. The project will hire competent professionals for the design, supervision and quality assurance of the rehabilitation and safety improvement works of dams in cascades to ensure required safety measures are duly incorporated for design, bid tendering, works execution, and operation and maintenance. Also, the project will prepare and implement dam safety plans in a manner proportionate to the size, complexity, and potential risk of the dam.

While the project will not directly fund the rehabilitation of medium to large dams, it will support rehabilitation of selected irrigation canals under medium/large schemes which would require safety of the upstream dam to be ensured. In such cases, the project will engage one or more competent professionals to;

(i) Inspect and evaluate the safety of dams and

(ii) Review the owner's operation and maintenance procedures of schemes where downstream irrigation canals are selected for rehabilitation. For each such case, a written report of findings and recommendations will be provided to ensure that required dam safety measures are in place or will be adhered to prior to commencement of canal work supported by the project. They may use previously prepared dam safety assessments or recommendations for improvements needed for existing dams if they are sufficient and acceptable to the Bank.

2.2. Preliminary Assessment of Social Impacts

In terms of social risks and impacts, the project may face:

i) livelihood impacts due to disruption of access to water for cultivation when water levels have to be reduced in reservoirs or water distribution is halted in canals during rehabilitation

ii) temporary and/or permanent displacement due to risks of inundation of land and clearance of reservations of irrigation canals,

iii) exclusion of vulnerable and disadvantaged groups from decision-making and other project benefits due to a lack of equitable processes for beneficiary selection and elite capture,

iv) protests from local communities in case of unsatisfactory quality of construction work and disputes around land tenure rights and

v) Risks of Gender Based Violence, Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) due to labor influx.

The project will seek to avoid adverse impacts by applying a 'negative list' to exclude activities that require land acquisition and involuntary resettlement (please refer the Volume 2 of ESRG). Private land acquisitions will be avoided by ensuring civil works are confined within government-owned land boundaries. While the project will not encourage voluntary land donations, and if small parcels of land are required and communities choose to donate them, the project will follow the World Bank's Voluntary Land Donation Criteria (VLDC). Additionally, optimal design and engineering solutions will be adopted, building on good practices from recently concluded and ongoing Bank-financed investments, to avoid and minimize resettlement and livelihood impacts. Any residual impacts will be addressed through the implementation of Livelihood Support Assistance (LSA) plans.

The implementation of the Stakeholder Engagement Plan (SEP) will ensure strategies are in place to engage all parties in project design, planning, implementation and monitoring, receive stakeholder feedback, address grievances, and avoid risks of community disputes during project implementation. Transparent beneficiary selection criteria and processes will be established to address the exclusion of women and other vulnerable groups from equitably participating in and benefiting from the project. Additionally, Codes of Conduct will be enforced for all project workers to address risks of GBV and SEA/SH.

The SEA/SH risk is rated as Moderate, based on assessments through both the Civil Works and Social Protection tools, and in consideration of increased contextual and project risks due to post-economic crisis issues and close interactions between project actors and female entrepreneurs, which elevate the SEA/SH risk factors. Additionally, labor influx during civil works and the risk of misuse of authority during the selection and verification processes of female entrepreneurs, as well as during close interactions between project workers and female beneficiaries, increase the SEA/SH risks. To mitigate these risks, the project will develop a comprehensive SEA/SH action plan. This plan will include training for all project workers and community members on SEA/SH prevention measures, ensuring that everyone involved is aware of the risks and how to prevent them. The plan will also require all project workers to sign a behavioral code of conduct, committing to uphold ethical standards and prevent SEA/SH

incidents. Furthermore, the project will implement a survivor-centric Grievance Redress Mechanism (GRM) that respects confidentiality to handle any SEA/SH cases that arise, providing a clear and accessible process for reporting and addressing complaints. Finally, the project will strengthen links with SEA/SH service providers to ensure that survivors have access to the necessary support and resources.

2.2.1. Stakeholder Engagement and Information Disclosure

The project has prepared a Stakeholder Engagement Plan (SEP) describing actions to strengthen citizen engagement (CE), communication and grievance handling throughout the life cycle of the project and will be implemented by project. Social Audit Committees (SACs) will continue to play a key role in CE to help Implementing Agencies to monitor project interventions especially civil works. Stakeholders currently identified include stakeholder groups from the Irrigation Department, Department of Agriculture, divisional & district authorities, farmer organizations, producer groups, even private sector for marketing of agri-products. SEP includes mapping and accordingly communications and consultation activities implemented in order to reach all stakeholders and interested parties, and project level GRM. Consultations were held with a variety of farmers groups including small-holder famers, poor farmers, women farmers, youth, producer groups, and export-oriented farmers. Stakeholder engagement included: evaluating existing programs and identify which services are working well and why; understanding the challenges faced by smallholder, female, and other underrepresented groups in accessing agricultural support services; presenting possible impacts and risks that may result from a rural development project, and gathering community feedback to design new services and improve agricultural productivity, modernization, and market access, and garner input on mitigation measures which can reduce or elevate risks. Results and recommendations from stakeholder engagement conducted during project preparation will be shared with the project design teams.

2.2.2. Labor and Working Conditions

It is expected that water/irrigation activities will require an influx of labor. Therefore, a Labor Management Procedures (LMP) will be prepared. The LMP will include workers' GRM procedures and a template for a Code of Conduct to be prepared, signed, and followed by all laborers. The Code of Conduct will include measures to prevent SEA/ SH and inform workers of a zero-tolerance for SEA/SH behaviors.

Types of workers include:

1) Direct – PMU and staff directly involved in project preparation and implementation

2) Contracted workers – from civil works contactors

3) Primary supply workers – suppliers of agri equipment/inputs

4) Community workers and migrant workers which may include social audit committees, producer groups, farmers groups, *etc.*

There are areas in Sri Lanka known to risk of Human Elephant Conflict (HEC), which may cause risk to any person working in an HEC area. If a subproject location is identified with the risk of wildlife attack, measures will be put in place to improve safety. As a part of LMP, Codes of Conduct will be enforced for all project workers including addressing risks of SEA/SH. The LMP will also establish a workers' Grievance Redress Mechanism.

2.2.3. Occupational Health and Safety (OHS)

Working in remote locations, as many of these water infrastructures are, poses OHS issues especially from snake bites, land mines (NP/EP) and other wildlife attacks such as elephants, leopard, bear, crocodiles and insects. In addition, the use of construction machinery and certain types of construction activity carry an inherent safety risk although it is not envisaged that any of the project activities would involve the handling of dangerous material or engaging in highly risky activity. Over and over, experiences drawn from IWWRMP, ASMP and CSIAP have shown that there have been lapses in OHS and have led to serious incidences. Mitigation measures to address OHS issues will be incorporated into the ESMPs and as well as bidding documents.

In addition, to strengthen this weak area, effective OHS training should be carried out. Where work inside protected areas is involved, specific training and awareness sessions for u will need to be organized with the involvement of the relevant conservation department. Good labour management practices, such as the provision of personal protective equipment (PPE), potable water and sanitary food services, the establishment of a robust code of conduct, and appropriate supervision, should be adopted and applied during the civil works of the project.

2.2.4. Land mines/unexploited ordnance.

Unexploded landmines or other unexploded ordnance during earth works, especially on the tanks' beds or during civil constructions, and in forest areas, under the sub component 2 may have a risk of encountering. Such an encounter shall be treated as an extremely high-risk situation that requires immediate, rigorous, and professional intervention. Please refer to the Volume 2 of ESRG for precautionary measures.

2.2.5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

While it is unlikely that there will be land acquisition, this project may have impacts on livelihoods. The project will need to emphasize that no new land should be required as projects are expected to only entail rehabilitation, and no activities should cause displacement of people, households, or businesses.

Private land acquisitions will be avoided by ensuring civil works are confined within government-owned land boundaries and within existing footprint of systems to be rehabilitated (i.e. irrigation systems, cascade systems, etc.) Although the project will not encourage voluntary land donations, however, if small parcels of land are required and communities choose to donate them, the project will follow the World Bank's Voluntary Land Donation Criteria (VLDC). Additionally, optimal design and engineering solutions will be adopted, building on good practices from recently concluded and ongoing Bank-financed investments, to avoid and minimize resettlement and livelihood impacts. Any residual impacts will be addressed through the implementation of Livelihood Support Assistance (LSA) plans. As it is possible that there may be slight deviations to project civil works which may require acquiring land outside of existing footprint, a Resettlement Policy Guideline of Procedures, which will serve as the framework, will be prepared for this project. If it is determined that land acquisition is needed, either temporarily or permanently, or impact on livelihoods, the Resettlement Policy Guideline of Procedures will guide the project in preparation of appropriate instruments, such as a Resettlement Action Plan (RAP) to ensure proper compensation and other resettlement assistance is provided in a timely and fair manner to ensure standards and requirements of ESS 5 are met. The framework will be prepared in conjunction with ESMF and draft Resettlement Policy Guideline of Procedures disclosed prior to bidding of contracts.

Voluntary Land Donation is allowed only in cases where the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached. If the land donation meets World Bank Criteria, then ESS 5 does not apply.

Additionally, the Borrower can acquire land through a willing buyer–willing seller transaction. In such cases, the seller must be fully informed that refusal to sell is an option and must confirm their willingness to proceed with the sale of the land in writing[13]. The Borrower will maintain a transparent record of all consultations and agreements reached. Concurrently, an independent

[13] Note: In cases of genuine willing buyer–willing seller transactions, the World Bank's Environmental and Social Standard 5 (ESS 5) on Land Acquisition, Restriction on Land Use and Involuntary Resettlement does not apply.

third party may monitor the negotiations and transactions to ensure the seller has not acted under pressure or coercion.

2.2.6. Indigenous Peoples

The Indigenous peoples in Sri Lanka are the Veddhas. The two main centers of IP (veddah) communities found in the Uva Province are Dambana and Rathugala. The province is made up of Monaragala and Badulla districts. Dambana is accessible from Kandy – Mahiyangana – Ampara road that crosses Dambana junction at a distance of 18 Km east of Mahiyangana, on Ampara road. One has to turn left from Dambana junction and travel about 4 Km to reach Damabana village. Damabana veddah settlement consists of five hamlets at close proximity to each other. They include Dambana, Bimmanamulla, Gurukumbura, Galkadawala and Kotabakini. Together they cover an extent of about 500 acres that form part of Dambana 7A Grama Niladhari (GN) Division of Mahiyangana Divisional Secretariat (DS) Division. The veddah settlements come within Mahiyangana electorate.

In addition to Dambana, there are four other villages inhabited by veddah's in the administrative area of authority under Mahiyangana Divisional Secretariat. These include Makulugolla (15 households) and Watawana (20 households) in Thalanganumwa GN Division and Kuduwila and Dehigolla in Wevgampaha GN Division. These settlements are accessible from Mahiyangana – Dehiattakandiya road. The distance from Mahiyangana town to the village is about 7 Km. One has to turn off from the 3rd Km post on this road and travel 5 Km interior.

Rathugala veddah settlement is located in Madulla DS Division of Monaragala District. It is part of the Galgamuwa GN Division. In terms of electoral districts, Rathugala comes within Bibila electorate. Ampara – Bibila road crosses the village between 27 km post to 31 km post. From Rathugala one has to travel 32 Km to reach Bibila and 50 Km to Madulla. It is the only veddah settlement in the district and extends over an area of an estimated 1,000 acres. (Please refer the annex - guidance note on IP)

Component 3 is mainly soft interventions. However, minor civil works and procurement of equipment to expand the cold chain through climate smart and energy efficient technology will be supported. As such no significant E&S issues are envisaged here.

Component 4, dedicated to project management, encompasses activities that are administrative and non-physical in nature; therefore, they pose no significant risk to E&S safeguards.

Chapter 3: Environment and Social Risk Management Procedures

The project has an ESCP which outlines the borrower's responsibilities for E&S due diligence under each Environment and Social Standard under the ESF.

If Contingent Emergency Response Component (CERC) Financing becomes relevant, the project will amend the E&S Documents, as required, in a form and with substance acceptable to the World Bank, to specifically address the crisis which triggered the emergency, prior to commencement of CERC activities.

Any activities supported with retroactive financing will adhere to this guideline and ensure mitigation of risks and impacts meet standards and requirements of the GoSL and the World Bank.

The project will prepare an E&S risk management procedure, building on the existing guidance and experience of ongoing projects, which will include a:

(i) Negative list/Exclusion criteria (please refer the annex 1)
(ii) Procedure for sub-project screening, type of impact analysis and management tools for each category of investments per component
(iii) E&S review and clearance procedures (World Bank and National)
(iv) Procedures and mechanisms for monitoring and reporting,
(v) Institutional arrangement for E&S risk management within the project
(vi) Grievance redress mechanism
(vii) Training and capacity building needs and
(viii) Annexes with screening (please refer the Volume 2) & monitoring templates (please refer the annex 5 (a&b) of Volume 2, generic E&S codes of practice and ESMPs (please refer the annex 3) and additional technical guidance for key E&S issues.

The training and capacity building section of the E&S guideline will outline specific capacity building needs to cover ESF. The E&S guideline will particularly highlight how the country framework can be utilized and the application of the WBG Environment, Health & Safety Guidelines. In addition, the Operational Manual for Component 1 will complement the E&S Guideline by clearly setting out the requirements and process for E&S risk management for business plans to be eligible for funding under the project.

Implementation of E&S requirements will typically follow the steps outlined below closely linking with design and implementation phases of each sub-project.

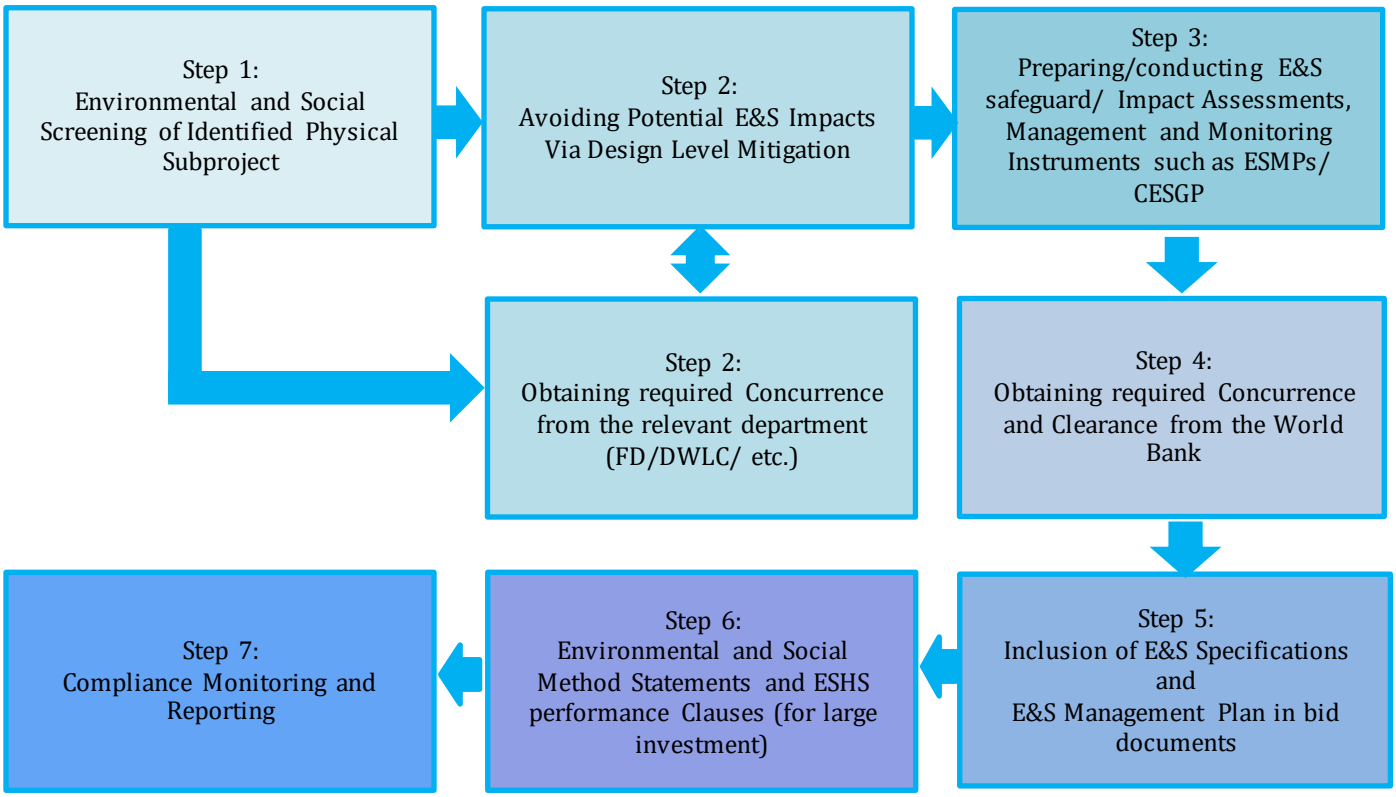

Figure 2: Implementation mechanism of Environmental and social safeguard compliance of the IRDCRP

Chapter 4: Environmental and Social Risk Assessment of Sub-projects.

4.1. Environmental Social Screening of Sub-projects

E&S screening will be the most important and tool in identifying E&S issues in the project . All sub-projects under IRDCRP that involve physical interventions will be subjected to an E&S screening using the respective draft at templates provided in Volume 2. The main objective of the E&S Screening exercise will be:

- to determine the anticipated E&S impacts, risks and opportunities of the sub-project;
- Determine if the anticipated impacts and public concern warrant further E&S analysis, and if so to recommend the appropriate type and extent of E&S Assessment needed.

At the national project level, screening is the process by which the proposed developments are reviewed to determine the risk category and level of E&S assessment required , . At the sub-project level, screening is the process of reviewing a proposed activity against a checklist of factors to determine whether it is likely to have adverse E&S effects, and if so, if further EA is required and what mitigation measures are required.

Screening should go hand in hand with the project concept development. This way E&S opportunities and risks can be appropriately and easily integrated into subsequent design stages, rather than later part of the project cycle when it may be too late or too costly to influence designs to reflect better E&S sustainability.

The ESSR should be prepared by an environmental/ social expert/s with field visits and available data and information. The subsequent sections provide recommendation on the level of E&S analysis for selected activities as broad guidance; however, the final judgment will be made post the screening exercise. Once the report is ready it will be made available to the project implementing agency to take necessary actions particularly in relation to the recommendation given in the report regarding E&S mitigations to be adopted.

4.2. Screening Method

Preparation of the screening reports will be conducted in six (06) distinct stages which are given . The methodologies for each of these steps are also explained . The proposed screening report template is given in Volume 2.

4.2.1. Data Collection and Stakeholder Consultations:

Data for the screening will be primarily collected through field visits, discussion with communities, stakeholders, project affected parties, implementing agencies and from already existing data s of . In addition, supportive tools such as GIS based mapping using GPS coordinates covering the subproject sites should be used. The literature survey will broadly cover the following aspects and attributes necessary for E&S screening:

- Project details/reports/maps/documents including design details available with the implementing agencies
- Literature on flora/ fauna/ biodiversity/ land use/ soil/ geology/ hydrology/ climate /socio economic profiles and environmental planning collected from GOSL agencies
- Hydrological/ rainfall/ drainage data sets
- Population s within study area including gender.

4.2.2. Field Visits:

Each sub-project site will be visited by the safeguard expert/s filling the screening form together with representatives from the design/technical team and implementing agency. They will further assess the existing E&S (physical, biological and socio-economic environment) and gather information regarding the proposed sites and scale of the proposed sub projects and any prevalent issues. During these visits rapid reconnaissance surveys will be conducted in order to record the faunal, floral diversity, where necessary, to verify and support information gathered through the literature survey.

4.2.3. Focus Group Discussions/ Meetings (FGD)

Focus group discussions will be carried out with the affected community/group and involvement of the other stakeholder agencies. In addition to the FGDs, members of the affected community/group the will be consulted individually (at least 5 such consultations from each site) to record their views and opinions about the proposed IRDCRP activities/sub projects. This process will also identify any social concerns anticipated for the project areas.

4.2.4. Data Analysis and Interpretation

Data collected from field visits and stakeholder discussions will be analyzed by the expert and discussed with the technical team of the project proponent for feedback.

4.2.5. Impact identification

This will be carried out by the Environmental/Social Specialists/experts through with the technical team and data collected from the stakeholder consultations and field visits. At this

stage the level of detailed E&S Assessment required for the subproject will be identified depending on the categorization (section 5.3. Criteria for Screening Categorization) of the subproject.

4.2.6. Filling Screening Reports

The screening report will be filled with details on the proposed project intervention, physical, ecological, archeological and social baseline conditions of the site, assessment of potential impacts, feedback from community, public, and/or visitor consultations and recommendations for the type of E&S assessment required. If the findings confirm that anticipated impacts are not significant enough for a stand-alone ESIA nd that an ESMP would suffice to mitigate the likely impacts, the screening exercise would be completed with the preparation of a site specific ESMP. If the likely impacts are significant and would require greater environmental/ social analysis, the screening report would recommend (i) the appropriate type of assessment for the implementation agency to carry out and (ii) specific skills and expertise needed in order to carry out such assessments (such as Biodiversity Specialist, Hydrologist, Environmental Economist, Ecosystem Service Specialist, Sociologist, GIS expert) before designs are finalized.

Annex 3 provides guidelines for ESMP preparation. The Generic ESMPs are presented in Annex 3 which can be adapted to present the mitigation measures to address the identified impacts causing from the proposed sub-project activities.

4.3. Criteria for Screening Categorization

The basic criteria to be adopted for subproject E&S risk deduction and requisite due diligence and management instruments will be as follows:

Table 1: Risk and impact matrix

Risk Level	Nature of Assessment
High Risk	The subproject will be classified as 'High risk' if: The sub project is expected to cause significant, severe, long-lasting, or permanent damages on the natural, physical or social environment, cannot be mitigated or; ○ Sub-projects that involve significant conversion or degradation of critical natural habitats such as sensitive ecosystems (e.g., wetlands, primary forests, protected areas). ○ The effects extend beyond the project site, potentially impacting entire regions or even neighboring provinces.

	○ The risks of the sub project are novel, complex, or the project involves specialized or hazardous processes that are difficult to manage. ○ Sub projects involving large-scale use of hazardous materials, significant air emissions, or large volumes of untreated industrial waste. ○ Sub projects that significantly alter major hydrological systems, such as large dams or barrages, which can affect river flow, aquatic biodiversity, and downstream communities. ○ Sub projects requiring the physical displacement or economic displacement (loss of land, assets, or access to resources) of a large number of people. ○ Sub projects impact on Indigenous Peoples/Vulnerable Groups ○ Sub projects that negatively affect the land, natural resources, culture, or livelihoods of Indigenous Peoples or other significantly vulnerable populations, often requiring Free, Prior, and Informed Consent (FPIC). ○ Major construction activities or infrastructure that poses severe risks to the health, safety, and security of surrounding communities (e.g., large-scale labor influx, major traffic hazards, or structural risks). ○ Destruction or significant damage to nationally or internationally recognized physical cultural resources or heritage sites.
Substantial Risk	The Subproject will be classified as a substantial risk intervention if it will directly lead to the following; ○ Activities that could lead to invasion or spread of weeds and feral animals or the use of toxic chemicals, intensive use of pesticides. ○ Activities that could dangerously lead to the exposure of sensitive/critical/vulnerable habitats. ○ Construction of large new infrastructure within or directly adjacent (in buffer zones) to protected areas. ○ Illegal Activities as defined specifically under the Forest Ordinance and Fauna and Flora Protection Ordinance. ○ Subprojects, those involve collection of seeds/farming materials from the wild. ○ Sub-projects that may impose changes in land use that restrict access to resources in legally designated parks or protected areas or

	other common property resources on which local people may depend for livelihood purposes. In addition, as per the screening the subproject will have a majority of large-scale E&S impacts that will cause irreversible damage to the environment and communities.
Moderate Risk	The subproject will be classified as 'Moderate risk' if: ○ The subproject will have a majority of reversible, small-medium scale E&S impacts, specifically limited to the civil works phase of the project that can be managed by site specific mitigation measures. ○ Require minor land acquisition or restrictions on land use, as a result of which there will be no significant impact on incomes or livelihoods. ○ Subprojects requiring adoption of Abbreviated Resettlement Action Plan (ARAP), Environmental and Social Management Plans (ESMPs) and or E&S Assessment and require further screening in line with the detailed technical designs of the respective subproject.
Low Risk	A subproject will be classified as 'Low risk,' if: ○ The Subproject has low-negligible E&S impacts that can be managed via mitigatory codes of practice that will be defined as part of the contractual agreement/memorandums of understanding with project implementing contractors or operators. ○ The Subproject does not require any land acquisition or lead to any impact on incomes or livelihoods. ○ The Sub-project does not require formal E&S assessment, nor preparation of ESMPs and do not have identifiable negative E&S impacts.

If the likely impacts are determined to be significant, necessitating a greater level of Environmental and Social (E&S) analysis, the screening report shall recommend the appropriate E&S assessment type for the implementation agency to execute prior to finalization of designs. The relevant bidding process shall be initiated only after the recommendations of the appropriate E&S assessment are fully incorporated into the designs.

A description of the commonly used E&S management tools are given below with guidance on preparation based on the nature of subprojects that the project will finance.

World Bank Group General EHS Guidelines and the Generic ESMPs and guidance presented in Annex 3 should be used in identifying impacts due to the proposed sub-project activities. In

addition, Annex 17 (b) presents guidance on identifying OHS issues. These documents can guide the impact identification process during screening on E&S.

The Annex provides a template of a typical screening (anticipated outcomes based on potential E&S risks/impacts involved) and classifying all sub-projects in the pipeline in accordance with (a) safeguard categories of OP 4.01 and (b) recommended type of E&S analysis and/or feasibility studies (commensurate with the magnitude of potential impacts and risks) to be undertaken for each type of investment under IRDCRP. According to the annex it is evident that most of the subprojects typically belong to safeguard Category B and do not need rigorous environmental and social studies to be undertaken and only the screening report with a site specific ESMP would be adequate. Hence project proponents are requested to refer to this ESRMG[14] to be informed on the level of E&S analysis that would typically be necessary to be undertaken prior to commencement of the project. The final decision will be based on the actual screening that will be undertaken for each project along with appropriate site investigations.

4.4. E&S risk assessment tools and how to decide on the appropriate level of assessment (ESIA, ESA, ESMP)

4.4.1. Environmental & Social Impact Assessment (ESIA)/Initial Environmental Examinations (IEE)

ESIA/IEE and EIAs are effective tools for evaluating the E&S risks and opportunities of project proposals and improving the quality of outcomes. If the screening decision for any of the activities under any components identifies y high E&S impacts an ESIA/IEE be carried out, whereas substantial risks may trigger ESIA or ESMP depending on the significance of the risks. ESIA or ESMP ideally coincides with the end of the preliminary design phase so that the impacts of each planned activity can be evaluated, and alternatives can be worked out for activities that have major impacts. The outcomes of the ESIA/IEE should then be used to finalize the project design which should ensure that the impacts of the given project are minimized. The importance of this management tool as means of foreseeing potential environmental and social risks and impacts caused by proposed projects and its use in making projects more suitable to the environment and the community has been highly effective. Since its introduction in 1969 in the US, many countries and international organizations have accepted ESIA as an important planning and environmental management tool.

If a specific subproject requires ESIAA/IEE, the PMU should assess the need to get Central Environmental Authority (CEA) clearance under the National Environmental Act. The best time for a project proponent to submit the preliminary information (Basic information questioner -

[14] Environmental and Social Risk Management Guideline

BIQ) to the CEA on the proposed sub-project is as soon as the project concept is finalized, and the location of the project is decided.

Once the E&S screening is conducted for the subproject the following steps need to be taken.

- For sub-projects that require ESIA/IEE as per National Environmental Act (NEA) the Terms of Reference (ToR) issue by the CEA (or assigned project approving agency by the CEA) will be reviewed by the World Bank's Task Team and World Bank safeguards requirements as per the ESRF will be included in the same TOR to align the processes and ensure there is no replication of instruments.
- For projects that do not require ESIA/IEE as per NEA but warrant Environmental Assessment as per World Bank Policy OP 4.01 on environmental assessment, the PMU Safeguards team in collaboration will produce a TOR which will be reviewed and cleared by the WB's Task team prior to commencement of the study.
- For projects that lead to physical and/or economic displacement, the procedure for resettlement planning, as outlined in the Resettlement Policy Framework prepared for IRDCRP, will be adopted. All activities relating to land acquisition and resettlement, including voluntary donation and or payment of compensation, will be completed prior to commencement of civil works.

A Generic Terms of Reference which should be used as the minimum requisite level of information for undertaking all ESIA is presented in Annex No. xx of Volume 2.

4.4.2. Strategic Environment and Social Assessment (SESA)

Development agencies have years of experience in using E&S Impact Assessment (ESIA) to integrate E&S concerns into their funding programs. ESIA procedures, methods and techniques, used to address E&S impacts of development projects, will continue to be applied. However, ESIA has limited utility when applied to the more strategic levels of development assistance such as policies, plans and programs, as these are also influenced by political bargaining in addition to technical criteria. Further, significant indirect or secondary E&S effects can arise as a result of changes in people's behavior induced by policy reforms. But these changes, and their E&S consequences, are extremely difficult to predict. For these reasons, SESA has been developed and is being increasingly used as a tool to be applied at the level of policies, plans and programs.

Table 2: A comparison between SESA and EIA/SIA

EIA/SIA	SESA
○ Applied to specific and relatively short term (life-cycle) projects and their specifications.	○ Applied to policies, plans and programs with a broad and long-term strategic perspective.
○ Takes place at early stage of project planning once parameters are set	○ Ideally, takes place at an early stage in strategic planning
○ Considers limited range of project alternatives.	○ Considers a broad range of alternative scenarios.
○ Usually prepared and/or funded by the project proponents	○ Conducted independently of any specific project proponent.
○ Focus on obtaining project permission, and rarely with feedback to policy, plan or program consideration.	○ Focus on decisions on policy, plan and programs implications for future lower-level decisions.
○ Well-defined, linear process with clear beginning and end (e.g. from feasibility to project approval)	○ Multi-stage, iterative process with feedback loops.
○ Preparation of an EIA/SIA document with prescribed format and contents is usually mandatory. This document provides a baseline reference for monitoring.	○ May not be formally documented
○ Emphasis on mitigating E&S impacts of a specific project, but with identification of some project opportunities, off-sets, etc.	○ Emphasis on meeting balanced environmental, social and economic objectives in policies, plans and programs. Includes identifying macro-level development outcomes
○ Limited review of cumulative impacts, often limited to phases of a specific project. Does not cover regional scale developments or multiple projects	○ Inherently incorporates consideration of cumulative impacts

A SESA is not an alternative to EIA/ SIA and it does not replace the need to do project specific E&S assessment. A good SESA can reduce the scope of EIA/SIAs within its geographical scope and make it limited to specific project level issues. The SESA ideally will identify opportunities to minimize the range of E&S issues that will have to be dealt at the project level.

At present SESA is not mandatory in Sri Lanka. However, all Ministries, Departments and Authorities who are responsible for implementing a new policy, plan or program should carry out a SESA for the new policy, plan or program prior to its implementation and submit a copy of the SESA report to the CEA for review and comments. To facilitate this process a document has been developed by the CEA titled "A SIMPLE GUIDE TO STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA)" that can be downloaded from the CEA website.

As for the current scope of the IRDCRP, the need for SESAs is unlikely.

4.4.3. Use of the Integrated Biodiversity Assessment Tool (IBAT)

All TORs prepared for project ESIAs/IEEs will make reference to the use of the Integrated Biodiversity Assessment Tool (IBAT). IBAT is a multi-institutional program of work involving Bird Life International, Conservation International, and International Union for Conservation of Nature (IUCN) and UNEP-WCMC.

IBAT provides a basic risk screening on biodiversity. It draws together information on globally recognized biodiversity information drawn from a number of IUCN's Knowledge Products: IUCN Red List of Threatened Species, Key Biodiversity Areas (priority sites for conservation) and Protected Planet/The World Database on Protected Areas (covering nationally and internationally recognized sites, including IUCN management categories I–VI, Ramsar Wetlands of International Importance and World Heritage sites). Through an interactive mapping tool, decision makers are able to easily access and use this up-to-date information to identify biodiversity risks and opportunities within or close to a project boundary.

IBAT helps incorporate biodiversity considerations into key project planning and management decisions, including:

- Screening and classifying potential investments
- Siting an operation in a given region
- Developing action plans to manage for biodiversity risks and impacts
- Assessing risks associated with potential sourcing regions
- Reporting on corporate biodiversity performance

The IBAT Tool can be accessed via the following link: https://www.ibat-alliance.org/

4.4.4. Preparation of an ESMP

ESMP is the final stage of an E&S assessment process as comprehensively described above.

4.4.5. Preparation of CESGP

A CESGP is a more simplified document that provides the recommended mitigatory actions to be undertaken in the context of low-risk activities via embedding these codes of practice for good management within contract documents for smaller subprojects (for example: for community contract). The use of CESGPs will be defined depending on the nature of associated impacts determined at the screening stage. The CBOs/ Implementing agencies will use the Generic CESGP to develop a set of projects specific simplified CESGPs that can be embedded in to low-risk project contracts (community contracts, value less than Rs. Million 5) to ensure good E&S practice and mitigation and monitor compliance as per the contractual provisions laid out.

In World Bank funded projects, a standalone ESMP is only considered appropriate in situations where a detailed E&S analysis is not required, and potential impacts are defined as moderate and under certain situations substantial.

The ESMPs are to be prepared at the stage of detailed project design and included in bidding documents with relevant budgets. Activities outlined in the ESMPs will be implemented by the implementing agencies or the respective contractors implementing the subproject and monitored accordingly by the project implementing agency during the construction phase.

The following Annexes provide guidance on identifying potential impacts and mitigation measures as well as outline requisite standards to be maintained in terms of E&S management during the implementation of activities under the program.

- Annex: Guidance Note on Selecting Mitigation Measures to be Included in the E&S Management Plan for Construction Projects in Sri Lanka
- Annex: Guidelines for the Rehabilitation of Burrow Pits
- Annex: Guidelines for Health and Safety of Workers, Communities and Visitors
- Annex: Guidelines for the relocation of living and non-living articles of conservation value
- Annex: Procedures for Physical Cultural Resource Impact Screening, Assessment & Management

The World Bank Group General EHS Guidelines contain information on cross-cutting environmental, health, and safety issues potentially applicable to construction and can be downloaded via the following link. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainabilit y-at-ifc/policies-standards/ehs-guidelines

The World Bank Group ESH Guidelines for Construction Materials Extraction (https://www.ifc.org/wps/wcm/connect/d6bb0e80488551afa93cfb6a6515bb18/Final%2B%2BConstruction%2BMaterials%2BExtraction.pdf?MOD=AJPERES&id=1323162191491) is also applicable to the project and used as key guidance provided to contractors on the management of environmental health and safety during construction material extraction in addition to specific guidance provided in the ESMF. This document includes information relevant to construction materials extraction activities such as aggregates, limestone, slates, sand, gravel, clay, gypsum, feldspar, silica sands, and quartzite, as well as to the extraction of dimension stone. It addresses stand-alone projects and extraction activities supporting construction, civil works, and cement projects. Although the construction materials extraction guidelines emphasize major and complex extraction schemes, the concepts are also applicable to small operations and should be used for guidance. These guidelines can also be downloaded via the link provided above.

4.5. Concurrence and Clearance

4.5.1. National regulatory Clearances/ Environmental Clearances

As per the regulations, when working in specific project locations with environmentally sensitive issues there will be the need to seek specific environmental clearances from relevant authorities such as the FD, DWLC, CEA, NBRO etc.

4.5.2. Clearance Procedures with the World Bank

All E&S instruments listed below will be subject to prior review and clearance by the World Bank E & S specialists assigned to the IRDCRP. Only cleared E&S instruments can be included in bidding documents and other procurement instruments. No work can commence on project sites without due clearance of the respective E&S management instruments.

- All Environmental and Social Screening Reports (ESSRs) and ESMPs
- All TORs and all E&S instruments specified in the ESCP
- All EIA/SIAs/SESA
- A Random Sample as requested by the Bank of ESMPs on a quarterly basis for review.
- Panel membership names for any Dam Safety Panels established.

Upon project commencement the Environmental/ Social Specialists/ experts will be required to prepare a table, tracking all requisite safeguards instruments for sub-projects as outlined in the generic template E&S Safeguards Preparatory Tasks Tracking Sheet presented in Annex 6. This sheet should be continuously updated and managed by the project PMU and shared with the World Bank safeguards specialist every quarter or when requested.

4.6. Inclusion of E&S Specifications and ESMP in bid documents

It is important to ensure the E&S specifications and ESMP are included in the bid documents prior to commencement of the bidding process. It will be necessary to include specific costs for ESMP implementation or a provisional sum as part of the BoQ for those mitigation s that are not part of the engineering costing. The E&S specifications should also include penalty clauses for non-compliance, specifically for complex and large contracts. The procurement staff of the relevant implementing agency and PMU together with environmental/social officer(s) will be responsible for this step.

4.6.1. Guidance on Incorporation of ESHS Requirements for Contracts as per the World Bank's Standard Bidding Documents

With the revision to the World Bank's Standard Bidding Documents in January 2017, Environmental and Social Health and Safety (ESHS) requirements are now more clearly defined in the document and there is also the need for a ESHS Performance Security to be incorporated in to the requirements from potential bidders for implementation of works under project financing. This revision incorporates changes to enhance environmental, social, health and safety performance. A positive measure that is intended to enhance the commitment of a given contractor towards sound E&S management which clearly defines what the expectation is from them as an implementing entity during project execution and reporting.

The following guidance will facilitate the tailoring of these ESHS requirements during the use of the World Bank Groups Standard Bidding Documents for procurement activities. The Environmental/ Social Specialists/ experts and team of the PMU will be required to liaise with the Procurement Specialists of the project on ensuring the following guidance is incorporated accordingly.

- All standard language on EHSH and guidance is presented in the Standard Bidding Documents on what expectations are there from the contractor's side and what information should be provided from the client's side during procurement, implementation and reporting in terms of ESHS. The Environmental/ Social Specialists/ experts and team should conduct a thorough review of these requirements and ensure the following.
- All sections are to be reviewed in detail and cross reference will need to be made to the E&S management policies and instruments relevant to the specific subprojects which have been prepared as per the requirements of this ESMF.
- Where required the PMU Environmental/ Social Specialists/ experts may be required to update recommendations in the respective EA/SA/ESMP to match the language in the

Bid Document where major discrepancies have been noted to facilitate consistency in all documents.

- In projects where ES management documents for E&S are prepared independently, it is recommended that the project E&S teams, based in the PMU, work together to ensure that social management requirements are incorporated and Social Management Plans (SMPs) and ESMPs are merged and represented as ESMP.
- This ESMF already includes guidance for ESMPs that incorporate the requisite measures for labor management, labor working conditions, worker health and safety, public health and safety and grievance redresses that are in line with the project's parallel social safeguards instruments.

- The ESHS Performance : Security is to be maintained between 1-3% of the total contract value as per the Guidance provided supplementing the World Bank's Standard Bidding Document, depending on the associated risks of the project. The total performance security for contracts will typically be 10% of the total contract value of which 3% should be allocated to the ESHS performance security, where a contract has a performance security of 20% the ESHS performance security is to be maintained at a maximum of 5% of the total contract value.

- While it is recommended that indicative costs should be presented with ESMP measures, if indicative costing has not been done on individual ESMP implementation items at the time of ESMP preparation, the following is to be undertaken. A Lumpsum amount of 5% of the total contract value should be maintained as the allocation for ESMP implementation. (This amount has been typically adequate in managing with some contingency also so the same should be exercised in the BoQ guidance in the bid documents in projects in Sri Lanka).

    - The contractor is required to provide a costing at minimum within this amount in BoQ, listing itemized values for ESMP implementation.
    - The language should indicate that the contractor will be required to provide an itemized costing with the BoQ within this allocation.

- In addition, for large scale contracts that are assessed as high-risk during E&S screening, it is also requested for the contractors to have the following certifications in the Eligibility and Qualifications Subsection, in Section III of the Standard Bidding Documents, under Contractor Requirements.

    - Registration with ISO 14001 (Environmental Management)

- Registration with ISO 45001/ OSHAS 18000/ or equivalent on (Occupational Health and Safety Management).
- If not already registered, must be willing to register as such prior to requesting mobilization amount or any other payment for the contract

4.7. Mitigation

The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse E&S impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP:

a. Identifies and summarizes all anticipated adverse E&S impacts (including those involving indigenous people or involuntary resettlement);
b. Describes with technical details each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
c. Estimates any potential E&S impacts of these measures; and
d. Considers that it is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, Indigenous Peoples, or cultural heritage).

Refer Section 5.1.3.5 for some mitigation measures commonly adopted.

4.8. Monitoring

The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the E&S assessment and the mitigation measures described in the ESMP. Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

4.9. Capacity Development and Training

i. To support timely and effective implementation of E&S project components and mitigation measures, the ESMP draws on the E&S assessment of the existence, role, and capability of responsible parties on site or at the implementing agency and ministry level.

ii. Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
iii. To strengthen E&S management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff, and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the E&S assessment.

4.10. Implementation Schedule and Cost Estimates

For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides

a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and
b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures also should be integrated into the total project cost tables.

4.11. Integration of ESMP with the Project

The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation. Please refer the page no 22-23 of ESF-GN1 June 2018

Chapter 5: Institutional Framework for Environmental and Social Management

5.1 Overall project implementation arrangements

A Project Management Unit (PMU) established under the MoALLI reporting to the Secretary will be responsible for the overall planning, implementation coordination, and monitoring and evaluation of the project. The PMU will also ensure operational compliance with project regulations and World Bank polices, as defined in the Financing Agreement (FA), Project Appraisal Document (PAD), the project operational manual (POM), and applicable government policies. The PMU will be headed by a full-time Project Director (PD) reporting to the Secretary MoALLI.

In addition to the DPD recruited to the PMU, the PD will be assisted by additional full time Deputy Project Directors (DPDs) specifically for implementation of component 1 and 2 of the project.

The PMU will include a team of specialized staff responsible for project management, financial management, procurement administration, contract management, environmental safeguards, social safeguards, public communication and outreach, monitoring and evaluation as well as support staff such as project secretary, fiduciary support staff, safeguard support staff, management assistants, office assistants and drivers.

A project steering committee (PSC) chaired by the Secretary to the MoALLI will be established to make the policy level decisions and progress monitoring. The PSC will be headed by the Secretary, MoALLI.
It will consist of heads of all the implementation agencies and heads of the other stakeholder agencies. The PSC will meet once in three months in the initial two years and once in four months thereafter.

5.2 Implementation Arrangements for Environmental and Social Risk Management

The PMU will implement E&S risk management by establishing, standardizing, and overseeing the integration of E&S considerations across the project portfolio, ensuring compliance with World Bank safeguards policies, and national regulations.

The PMU will ensure all sub projects/or project activities utilize mandatory E&S documentation and standards by adhering to this E&S Risk Management Guidelines Volume 1 and Volume 2, which details the procedures for addressing E&S issues during project preparation and implementation.

Further to above, for individual projects or sites , especially under the Component 1, the PMU shall ensure a site-specific ESMP is developed by the project proponent, detailing specific mitigation, monitoring, and institutional measures to manage identified risks and impacts.

And then, integrating E&S into Contracts .The PMU shall ensure that the E&S requirements, including the ESMP, are incorporated as **effective and enforceable contractual clauses** in all tender documents and contracts.

The PMU shall oversee together with the implementing agencies, the development and implementation of specialized plans, such as Labor Management Procedures (LMP), Stakeholder Engagement Plans (SEP), and Grievance Mechanisms (GM).

The PMU key staff will include an **Environmental and Social Safeguards Specialists** responsible for overseeing E&S compliance across the portfolio. Under technical guidance of them;

- **Screening and Risk Classification:** The PMU establishes and enforces the process for **screening** each project early in its lifecycle to identify potential E&S risks and impacts and assign a risk category as per the Table 3: Risk and impact matrix elaborated above.
- **Capacity Building:** The PMU will organizes (with technical assistance of the WB), **training and mentoring** for implementing agnecies, contracters, supervising engineers, and contractors on the required E&S policies, guidelines, and implementation procedures.
- **Due Diligence:** The PMO conducts or coordinates **environmental and social due diligence** for sub projects to proactively assess and manage risks before approval and disbursement shall be done.

- Supervision and Monitoring: The PMU and the IAs are responsible for the constant monitoring of works to ensure contractors adhere to the ESMP guidelines.
- Compliance Verification: The mitigation measures and monitoring plans detailed in the ESMP are the basis to verify the Contractor's compliance with the required E&S provisions.
- Third-Party Monitoring (TPM): For enhanced transparency and rigor, the PMU may hire an independent consultant to monitor the implementation of E&S aspects and report back.
- Reporting: The PMU and the IAs are responsible for ensuring all project-level E&S performance data is collected, consolidated, and reported to the WB, and relevant stakeholders.

- Grievance Mechanism (GM): The PMU and IAs ensure a functional GM is in place and communicated to project-affected people to receive and facilitate the resolution of E&S concerns.

5.5 Environmental and social monitoring

Supervision of final ESMPs for subprojects, along with other aspects of the project, will cover monitoring, evaluative review and reporting. The main objectives of this exercise will be to:

- Determine whether the project is being carried out in conformity with World Bank's ESF, Project ESMF, RPF, SEP, LMP, ESCP and legal agreements
- Identify issues, as they arise, during implementation and recommend measures to resolve them
- Recommend changes to the proposed concept and the project design, as appropriate, as the project evolves or circumstances change; and
- Identify the key risks to project sustainability and recommend appropriate risk management strategies.
- Identify any changes to project risk category/level

Based on these objectives, an appropriate E&S supervision/monitoring plan will be developed aiming to ensure the successful implementation of the ESMPs, across the project and will be shared with the World Bank. A standard E&S Compliance Monitoring Plan for Project Activities is presented in Annex 5 (b). For all project ESMPs in implementation Annex 5 (b) must be combined and maintained through intervention commencement in the field to implementation completion. These monitoring forms can be digitized via the use of online based survey and data collection tools where possible and is recommended.

Compliance monitoring comprises of on-site inspection of the construction activities to verify that measures identified in the ESMP, and others as relevant, are included in the clauses for contractors are being implemented. This type of monitoring is similar to the normal technical supervision tasks ensuring that the Contractor is achieving the required standards and quality of work. Photographic documentation of non-compliance as well as best practices will be used as a means of recording implementation conditions effectively, in addition to written evidence.

Regular World Bank missions will include specialists to monitor the project's compliance with World Bank's ESF. The progress of E&S monitoring will be formally communicated to the World Bank through regular progress reports and updates as per the compliance monitoring agreement made during project implementation. Compliance monitoring reports should be submitted to the World Bank on a bi-annual basis from the commencement of the contract.

5.6 Progress Reporting and Mid-term Environmental Audit

Most of the development projects in Sri Lanka follow ESMFs and develop ESMP's that need to be implemented ardently at the end which will render the entire process either a success or futile. Therefore, monitoring of the project during the construction and iopertaion phase is a must to ensure E&S compliance of a project.

The purpose of the environmental and social audit is to collect, analyze and interpret monitoring results to detect changes related to implementation and operation of specific activities;

- To verify the monitoring parameters are in compliance with national set standards
- To compare the predicted impacts with actual impacts and evaluate the accuracy of predictions
- To evaluate the effectiveness of implementation of the ESMPs
- To identify shortcomings in the ESMPs if any and incorporate it into the ESMPs if deemed necessary
- To identify and report if there is non-compliance with the ESMPs
- The auditors must first develop a structured questionnaire based on the ESMPs for the purpose of conducting the audit. Then during the site visit data can be collected using this questionnaire through interview surveys of officers responsible for implementation of the ESMPs and maintaining site records, logs etc., The audits can be carried out at regular intervals or on ad hoc basis or when mitigation is not carried out as defined by the ESMP leading to public concern.

Expected outcomes of the Environment and Social Audits are

- Ensure that ESMPs are implemented properly

Ensure that the mitigation measures are effectively minimizing the identified impacts as well as identify new impacts that may have been excluded in the ESMPs that require mitigation. Then make necessary adaptive changes to the ESMPs to ensure that the all-significant impacts are effectively mitigated.

Identify noncompliance with ESMPs if any and provide recommendations as to how to deal with such non-compliance to further strengthen the success of project activities.

An E&S audit for IRDCRP shall be conducted twice during the project implementation period. Once prior to the project Mid Term Review and a year from the project's stipulated closing date. The audit shall entail to cover all activities outlined in the ESMF. review a sample of (i) the screening forms prepared by each project implementing agency (ii) standalone environmental assessments/management plans (iii) application of the NEA and its clearance procedures

followed by the project, as the case be, and based on site visits ensure conformity with conditions, guidelines and comments stipulated in these and other related documents.

5.7 Capacity Development Requirements

Table 4: Short–term training and awareness programs

Training Program	Targeted ordinance	Conducted by	Minimum number to be conducted over project period
ESF E-Learning Program- Online Modules	PMU staffs and IA	Online modules	Should be completed within the first to second months post recruitment.
ESMF and ESF Implementation Training: to cover World Bank's E&S management procedures, instrument preparation, consultation and monitoring during project implementation and reporting- (including refresher)- Training for Trainers Modality	PMU staffs and IA	World Bank E&S Specialists and team	3 programs at minimum
ESMF and ESF Implementation Training: to cover world bank E&S management procedures, instrument preparation and monitoring during project implementation and reporting- (including refresher)	Technical team, safeguard team, implementing agency		10 programs (bi annually)
Training on implementation of E&S Management Plans in construction contracts- focused on contract management	Cluster of project contractors, implementing works under the project		3 programs at minimum
Training on implementation of E&S Management Plans- Based on the subproject specific ESMPs	Contractor Staff of each subproject, including supervision		At minimum once, (prior to commencing the contract on the ground) for

	consultants' E&S officers/Engineers	each subproject in implementation
Respective Occupational Health and Safety considerations, use of PPP equipment and worker codes of conduct must be conducted.	To all contractor staff during the sub-project implementation	Every 3 months during the contracted project implementation period specifically targeting the construction phase.
Training/Exposure Visits on Environmental Design for mitigating E&S impacts	World Bank E&S Specialists and team and external resource persons	3 programs over course of project

5.8 Timeframe for planning and carrying out Environment and Social assessments

Timely planning and execution of E&S screening and follow up assessments/plans for sub-project investments is crucial in achieving the overall project implementation and completion targets. Any delay in obtaining relevant E&S approvals/clearances would hold back commencement of sub-project activities thus causing project implementation to be delayed. Such delays can be costly in terms of project time as well as resources. Hence, it is extremely important that the PMU initiates sub-project specific screening and follow up assessments as soon as the concept designs become ready. All E&S assessments/plans should be completed by the time of tendering and the ESMPs should be a part of the bidding document so that the contractor is made duly aware of his commitments towards E&S risk management under each sub-project.

As a guide, the following table provides typical timelines for completing the safeguards cycle for different types of safeguard instruments. This timeline is intended to guide the PMU in planning screening and safeguards assessment ahead and to determine a realistic timeframe to commence the tender process for the sub-project investments. Please note the table below does not account for procurement delays in awarding consultancy services to conduct the ESIAs/IEEs or other assessments that will be outsourced.

Table 5: Time line for EAs

Stages in the process	ESIAs /IEEs	ESMPs	Remarks
E&S Screening of a subproject	1 week	1 week	The need for follow on

			assessments will be determined by the screening outcome
Scoping and setting of TORs when applicable	2 weeks	1 week	
Report preparation	6 months (minimum depending on scope)	4 weeks	Length of time will be determined by the complexity of issues involved. What is considered here is an average based on the type of projects.
Report appraisal	2 weeks	1 week	
Public consultation	1 month	1 month	
Report Finalization	2 weeks	1 week	
WB Clearance	1 week	1 week	
Other GoSL Clearances where applicable	2 month	2 month	
Tentative time for ESIA cycle (min – max) as per NEA	10 months	3-4 months	
Provision of preliminary project information	1 week		
Scoping & determine ESMP and TOR preparation	1 month		WB will review TOR and provide consent/comment
IEE/EIA report preparation	1 month		One report to satisfy both local and WB requirements
Checking adequacy of IEE/EIA report	3 weeks		WB will review and submit comments
Provision of additional information if required	2 weeks		
Forwarding Comments to the PP	2 weeks		
Responding to public comments	NS*		
Decision	1-2 months		WB clearance will be provided con-currently
Concurrence on the decision			
Appeal against rejection (If rejected)			
Final Decision			
Tentative time for ESIA cycle	4-12 months		

5.9 Estimation of Environmental and social risk management and implementation cost

Estimation of the total implementation cost for management of E&S risks will include the Planning and Due Diligence Costs (E&S assessment, other studies, and costs for securing all necessary environmental and social permits, licenses, and legal reviews for compliance); Physical/Capital Investment Costs [such as pollution control, safety equipment including personal protective equipment, safety fencing, emergency response equipment *etc.*, Costs for cleaning up existing contamination on the project site (e.g., soil remediation), Social Infrastructure: Costs associated with community compensation, or necessary public utility adjustments etc.]; Management and Operational Costs; and Contingency and Risk Reserves should be considered and included as relavant.

Chapter 6 – Stakeholder Consultation and Information Disclosure

6.1 Stakeholder consultation and participation within E&S risk management

The IRDCRP has undertaken several consultations during project preparation on the overall planned interventions to be financed by the project. The first draft SEP has been publicly disclosed since January 2025. During project implementation, the PMU and IAs will carry out continuous consultations with stakeholders and report back as part of safeguards monitoring.

In this line at project implementation a detailed safeguards consultation plan will be prepared and endorsed by the World Bank task team. The consultation plan should outline dates of consultations, locations and other information as relevant to the subprojects and the consultation notes will be documented and shared with the World Bank. Consultation programs should first provide information in the form of briefs and relevant documents to the group being consulted at minimum at least 2 weeks prior to the date of consultation. The feedback and concerns raised on E&S safeguards issues, during consultations are to be thoroughly evaluated and any issues and concerns, once verified and where practically possible in the context of the project, should be mitigated via the relevant E&S safeguards instrument.

Consultations are also into the project planning, design and implementation stages. Prefeasibility and feasibility teams are expected to conduct and record consultations with the local stakeholders and project affected persons. During construction, the site supervision teams are expected to consult regularly with the affected people/community as well as local stakeholders for their observations and feedback. For more details, please refer the stakeholder engagement plan of the IRDCRP.

6.2 Information Disclosure Requirements for E&S Screening and Assessments

Disclosure of relevant project information will help affected communities understand the risks, impacts and opportunities of the Project. The implementing agency will publicly disclose the ESMF and all E&S Assessments, including ESRs, SSRs, EAs, REAs, SIAs, LSAs and ESMPs, for public review and comments in appropriate locations in the Project area. These include the project websites, social media, project offices and local authority offices to ensure all layers of the community have due access. Executive summaries of all ESIAs and RESAs are to be translated to the local languages of Sinhala and Tamil. All documentation will also be made available on the implementing agencies' web site both in English and in local languages. Newspaper and other media outlets will alert the community to the availability of the documentation. The website will also enable the community opportunity to provide comment electronically. All safeguards Documentation will also be made available in the World Bank's external website.

Chapter 7 - Grievance Redress Mechanism

7.1 Features of a GRM

The Grievance Redress Mechanism (GRM) addresses grievances in an efficient, timely and cost-effective manner, that arise in the project, either due to the actions of the project staff or the contractor/sub-contractors employed, and from affected communities and external stakeholders. A separate mechanism will be in place to address the grievances of workers. The PMU will be responsible for managing the GRM, but many of the grievances on the project will likely relate to the actions of the contractor and so will need to be resolved by the Contractor. The Project with the support of the supervision consultant will administer the GRM process deciding whether they or the contractor is responsible for addressing the grievances and accordingly determine the best course of action to resolve the grievance. The supervision consultant will monitor grievance resolution being undertaken by the contractor. Further, the project affected persons as well as other interested parties will be fully informed of the GRM, its functions, procedures, timelines and contact persons both verbally and through booklets and information brochures during consultation meetings and other stakeholder engagement activities.

Specifically, the GRM:

- Provides affected people with avenues for making a complaint or resolving any dispute that may arise during the implementation of the project activities.
- Ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants.
- Supports accessibility, anonymity, confidentiality and transparency in handling complaints and grievances.
- Avoids the need to resort to judicial proceedings (at least at first); though the concerned individuals always have recourse to the formal legal channels for resolving their concerns.

The aggrieved parties can reach beyond the GRM at any time and seek legal action if they are dissatisfied with the grievance redress process and its outcomes. The establishment of the project based GRM will be guided by the principles of its accessibility to aggrieved parties, and transparency and efficiency in the delivery of resolutions for the grievances and complaints. For this purpose, the project will establish a two-tiered GRM and outlined multiple uptake channels (emails, telephone hotlines, SMS, personal delivery/walk-in, etc.) for filing complaints, and focal points for receiving and registering the grievances/complaints. The GRM will function throughout the life cycle of the project implementation. The PMU will ensure adequate female

representation and participation in the composition of the different Grievance Redress Committees (GRCs).

For more details, please refer the stakeholder engagement plan of the IRDCRP and annex 20.

7.2 Proposed GRM for the Project

Grievance Redress Mechanism will provide a convenient procedure to receive and resolve complaints and concerns of affected persons timely and effectively, and to the satisfaction of all stakeholders concerned. The project will provide PAPs with enhanced opportunities for grievance redress through an accessible and inclusive procedure that is transparent, inclusive, culturally appropriate, and readily accessible to all PAPs, at no cost and without retribution. The GRM procedure includes details such as how to lodge grievances, time taken, steps to follow, and the appeal process to be invoked where the proposed resolution is not to the satisfaction of the complainant.

The IRDCRP will be establishing a comprehensive GRM to ensure effective resolution of grievances and concerns raised by stakeholders. The GRM operated through GRC will be formed at three levels:

a) Site level or the GN level –Tier 1

b) Divisional Secretariat level – Tier 2

c) National Level – Tier 3

*Table 6: Composition of the site level (GN level/subproject level) GRC - **Tier 1:***

Representatives	**Membership**
Grama Niladari of the area	Chairman
Representatives from the relevant subproject implementation agencies (e.g., DAD/ASC/ID etc.)	Secretary
Representative of IRDCRP	Member
Representative of relevant subproject construction contractor (e.g., PM or Safeguard Officer) /consultant	Member
Representative of relevant FO/partner organization/producer group/investor	Member
Female Representative of DS	Member
Representative of a local social organization (NGO/CBO) or religious leader	Member
Any other essential body as needed	Member

*Table 7: Composition of the DS level GRC - **Tier 2***

Representatives	Membership
Divisional Secretary	Chairman
Representatives from the relevant subproject implementation agencies (e.g. DAD/ASC/ID etc.)	Secretary
Grama Niladari of the area	Member
Representative of relevant subproject construction contractor (e.g., PM or Safeguard Officer) /consultant	Member
Divisional Officer (DO)- In charge of ASC[15]	Member
Representative of IRDCRP.	Member
Female Representative from the Divisional Secretariat	Member
Representative of a local social organization (NGO/CBO) or religious leader	Member
Chairmen of FO/Representative of relevant partner organization/producer group/investor	Member
Any other essential body as needed	Member

Tier 1 and Tier 2 levels of the GRC should be composed of social safeguard officer or environmental safeguard officer from the project as relevant to the case. This localized structure facilitates the immediate resolution of grievances, making it a particular mechanism for addressing community level concerns promptly. If the grievance cannot be resolved or if the PAP is not satisfied with the solution, they can escalate it to the next level either Divisional Secretary level or National level GRC.

Table 8: Composition of the National Level GRC

Representatives	Membership
Chairmen: Secretary or Additional Secretary of the Ministry	Chairman
Secretary: Project Director	Secretary
Member: Divisional Secretary of relevant area	Member
Member: Senior Social Development Specialist or/Senior Environmental specialist	Member
Member: Representatives from the relevant subproject Implementation Agency (e.g., DAD/ASC/ID etc.)	Member
Representative local civil organization (NGO/CBO) or religious leader	Member
Any other essential body as needed.	Member

[15] This is only Subcomponent 2.1—Improving cascade management and on-farm water use efficiency.

The grievances may relate to environmental issues such as disturbances, damages to the wildlife or their habitats., unnecessary tree felling, GBV, technical matters, land issues, access disturbances, livelihoods, contract management, labour influx related, administration, project design, exclusion and benefits distribution related *etc*. Grievances can be resolved at the Divisional/ District Coordinating Committees' meeting, and National Steering Committees.

They can be submitted through various channels, including verbal communication, letters if agriculture/irrigation related (80/5, 'Govijana Mandiraya', Rajamalwatta Lane, Battaramulla), telephone (general: 011-2034300), E-mail, if fishery sector related New Secretariat, Maligawatta, Colombo 10. If it is related to the plantation sector related, 11th Floor, Sethsiripaya 2nd Stage, Battaramulla, telephone (general: 0112 186 160), etc. these grievances will be recorded by the focal person and monitored closely to resolve those in timely manners. A site level grievance registry and PMU level registry shall be maintained including all information relevant[16].

For more details, please refer the stakeholder engagement plan of the IRDCRP and annex 20.

[16] Please refer to the Grievance Redress Mechanism of the IRDCRP for details.