



Environmental and Social
Safeguards Guidelines

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1. Preface

Thai government has a policy to strengthen long term relationship with neighbouring countries through the region by driving the improvement of basic infrastructure and transportation linkage between Thailand and the neighbours, and raising the standard of living of the people. The goals of this policy are to stimulate the economy, facilitate trade and tourism as well as international investment and further immunize regional economy.

Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (NEDA) established on May 17, 2005 under the Royal Decree to serve as a government agency under the supervision of the Minister of Finance with its mission to cooperate with neighbouring countries under bilateral and multilateral framework by giving both Technical Assistance (TA) and Financial Assistance (FA) as a driving force for the said policy. NEDA has the focal mission to provide FA via concessional loan, grant, mixed credit and TA, including feasibility study and/or detailed design of the project as well as Technology Transfer and Trainings to neighbouring countries (NC). In 2017, NEDA adopted Environmental and Social Safeguard Policy to ensure that its assistance will lead to sustainable development.

2. Introduction

NEDA needs to address emerging environmental and social challenges of development in its neighbouring countries. The guideline has sought to (i) improve internal processes and resource allocation; and (ii) articulate NEDA safeguard policies to improve clarity, coherence, and consistency on project's environmental and social considerations with the NC.

3. Objectives

The objectives of the Environmental and Social Safeguards (ESS) guidelines are to:

- Outline NEDA's responsibilities and procedures and ensure that NEDA's support for environmental and social issues are conducted accordingly.
- Enable NC to identify and manage environmental and social risks and impacts of Projects.
- Provide a mechanism for addressing environmental and social risks and impacts in Project identification, preparation and implementation.
- Reflect institutional aims to address environmental and social risks and impacts in Projects.
- Ensure the environmental and social soundness and sustainability of Projects.
- Provide a structure for managing operational and reputational risks of NEDA in relation to Projects' environmental and social risks and impacts.
- Support integration of environmental and social aspects of Projects into the decision-making process by all parties.

- Provide a mechanism for public consultation and disclosure of environmental and social information in relation to Projects.
- Facilitate cooperation on environmental and social matters with development partners.

4. Principles

The following principles are deemed very important for NEDA;

- **Inclusion of ESS from an early stage to the monitoring stage**
 - Measures for environmental and social considerations must be implemented from an early stage to a monitoring stage.
- **Information disclosure** - Information disclosure is key in ESS. NC must proactively release to the public when available the relevant information as follows;
 - Draft and Final / Update IEE or EIA including Environmental and Social Management Plan (ESMP), Resettlement Action Plans (RAP) and Ethnic Group Development Plan (EGDP)
 - Environmental & Social compliance Monitoring and Reporting during Project Implementation / Environmental & Social compliance Monitoring and Reporting during Project Construction Phase

By sharing information on the organization website with a wide range of stakeholders from the early stage, the NC can utilize their feedback to improve the plan/project. In addition, the NC can ensure that unnecessary concerns and misunderstandings among the stakeholders are ameliorated. NEDA discloses information on environmental and social considerations in collaboration with the NC, in order to ensure accountability and to promote the participation of various stakeholders.

- **Stakeholder participation** – NEDA encourages stakeholder opinions into decision-making processes regarding environmental and social considerations by ensuring the meaningful participation of stakeholders in order to have consideration for environmental and social factors and to reach a consensus accordingly. By involving local stakeholders from the early stage of the Project, the NC can receive their inputs and plan appropriate measures to address their concerns, avoid conflict, and achieve higher results with their support. For this reason, the NC should conduct a series of consultations with local stakeholders in an interactive and meaningful manner. This step can be taken during feasibility studies of the project.
- **Avoid adverse impacts** - Priority should be given to the avoidance of adverse impacts on the environment or society. Minimization or mitigation of impacts should be considered only if avoidance is not feasible and if the benefit of the project outweighs the cost of mitigation measures. To this end, NC must assess the environmental and social impacts at the earliest possible stage of Projects.

- **Attempts at promptness** – NEDA addresses request of acceleration for the prompt implementation of projects while undertaking environmental and social considerations.

5. Environmental and Social Safeguard Policy

NEDA recognizes that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its mandate to support infrastructure development and enhance interconnectivity in the NC. The objective of this overarching policy is to facilitate achievement of these development outcomes, through a system that integrates sound environmental and social management into Projects.

The inclusion of environmental and social costs in development costs and the social and institutional framework that makes such inclusion possible are crucial for sustainable development and NEDA plays a key role in contributing to sustainable development in developing countries. Internalization and an institutional framework are requirements for measures regarding environmental and social considerations, and NEDA is required to have suitable consideration for environmental and social impacts. Owing to the matters above, NEDA would always considers environmental and social impacts when implementing cooperation Projects.

5.1 Scope of Application

- **All Projects**

NEDA requires the borrower to manage the environmental and social risks and impacts associated with its Project. Types of NEDA cooperation schemes required the compliance of the guidelines are Financial Assistance (Loan, Grant, Mixed Credit) and Technical Assistance (Feasibility Study, Detailed Design etc.) projects.

- **Development Partner Policies**

NEDA may agree, on a case-by-case basis, to the application of the environmental and social policies and procedures of multilateral development banks and bilateral development organizations who are co-financing the Project. In such cases, NEDA may rely on these co-financiers' determination as to whether compliance with their policies and procedures has been achieved under this approach.

5.2 Responsibility of NEDA

- While the borrower take initiatives to deal with environmental and social safeguards of the project according to environmental/social laws or guidelines of its government, NEDA will consider and take actions on environmental and social considerations that the borrower implements in accordance with NEDA's ESS together with the borrower's country system. If the negative impact of the project assessed cannot be avoided or mitigated to an acceptable level during pre-construction stage, NEDA may not support its implementation.

5.3 Requirements of the Borrower

- The borrower are required to incorporate the output of environmental and social considerations studies into project planning and decision-making processes.
- It is mandatory for the borrower to submit required documents as specified in this guideline.
- Other requirements – as agreed between NEDA and the borrower during the project cycle.

5.5 Standards and References

- Host country's laws, guidelines, standards, policies and plans - Safeguards in NEDA Project must comply with the laws, standards, policies, and plans of the host country.
- Internationally accepted standards - International standards, treaties, and declarations should also be applied as appropriate.
- If there arises the matter(s) that is not specified in this guideline, NEDA has the rights to use internationally accepted standards which is agreeable between NEDA and the borrower.

6. Environmental and Social Safeguards Procedure

NEDA's Environmental and Social Safeguards Procedure comprises of 3 stages which are;

- Pre-construction
- During construction
- Post-construction

6.1 Pre-construction Stage

- The executing agency in consultation with its Center of Environmental and/or Social Assessment, screens and categorizes each proposed Project to determine the nature and level of the required environmental and social review, type of information disclosure and stakeholder engagement for the project according to environmental and/or social laws or guidelines of its government.
- If there is already feasibility studies regarding environmental and social factors, the executing agency shall provide NEDA a report and/or Relating Certificate(s)/License(s) such as RAP, ~~EIA~~, ~~IEE~~ EIA or IEE, etc. (if any) together with an Evidence of Safeguards signed by the Authorized Representative of the Center of Environmental and/or Social Assessment to ensure the compliance with procedures and requirements according to environmental and/or social laws or guidelines of the borrower's government.
- In the case that NEDA gives the borrower a Technical Assistance, NEDA will ensure that appropriate Environmental and/or Social Safeguards according to environmental and/or social laws or guidelines of the borrower's government are put into the Terms of Reference (TOR) for the feasibility studies of the project when procuring the consultant.
- NEDA confirms environmental and social considerations at the review stage of proposed projects and makes recommendations to the Board of Directors (BOD) of NEDA based on

the results. If unexpected inadequacy issues come to light after the BOD of NEDA selects the projects, NEDA may cease to engage in the cooperation projects when it is concluded that it is impossible to ensure environmental and social considerations even if the above measures are taken.

- The executing agency shall acquire an Evidence of Safeguards form (in Appendix 1/1-2) signed by the Authorized Representative of the Center of Environmental and/or Social Assessment together with Relating Certificate(s)/License(s) such as RAP EIA or IEE, etc. (if any) or other forms of report to ensure the compliance with procedures and requirements according to environmental/social laws or guidelines of the borrower's government.
- The executing agency shall require the bidder/contractors to incorporate ESS obligations; and take actions to address ESS issues into the project cycle and during preconstruction by including ESS in the planning, detail design, bidding, contract documents, etc.
- NEDA will not sign the Financial Assistance or Loan Agreement unless acquire the Evidence of Safeguards and supporting documents from the borrower.
- NEDA will review the borrower's draft contractor and consultant contracts to make sure that those documents are in accordance with the Conditionality in Financial Assistance or Loan Agreement and the feasibility studies regarding environmental and social impacts.
- The borrower shall not award any works contracts financed under the Financial Assistance or Loan until: (a) the corresponding initial environmental examination or environmental impact assessment has been carried out by relevant authorities; and (b) Resettlement Plan has been carried out by relevant authorities.

6.2 During construction Stage

- The executing agency is required to implement safeguard measures and relevant safeguard plans, as provided in the Financial Assistance or Loan Agreement, and to submit periodic monitoring reports on their implementation performance. NEDA requires the executing agency to establish and maintain procedures to monitor the progress of implementation of safeguard plans, verify the compliance with safeguard measures and their progress toward intended outcomes, document and disclose monitoring results and identify necessary corrective and preventive actions in quarterly and/or annually monitoring reports and follow up on these actions to ensure progress toward the desired outcomes.
- If it becomes evident that the executing agency has not met the conditions set out during Pre-construction Stage, or if it becomes apparent that projects will have adverse impacts on the environment because of the failure of the borrower to supply correct information during the environmental review process, NEDA may suspend the disbursement and/or declare an event of default.
- NEDA may require the borrower to provide NEDA the Evidence of Safeguards (in Appendix 1/3) signed by the Authorized Representative of the Center of Environmental and/or Social Assessment together with relating evidence(s) or report(s) on annual basis in any event

not later than 6 months after the end of each related fiscal year to confirm that there will be no adverse impacts occurring due to the on-going construction and the project has been carrying out with all required environmental management plan and/or resettlement action plan (or any other applicable assessments) according to the prior assessments, and if any unplanned environmental / social concerns has been raised the executing agency is taking immediately all the actions required in conformity with environmental and/or social laws or guidelines of the borrower's government.

- The executing agency shall require the contractor to prepare the Contractor Environmental and Social Management Plan (C-ESMP), which is consistent with ESMP and ESS specification in the bidding and contract documents.

6.3 Post-construction Stage

- NEDA require the borrower to provide NEDA the Evidence of Safeguards signed by the Authorized Representative of the Center of Environmental and/or Social Assessment together with relating evidence(s) or report(s) to certify that the construction / implementation of the project has been completed with thorough and careful considerations in all aspects of environmental and/or social safeguards and in conformity with environmental and/or social laws or guidelines of the borrower's government and that there had been no environmental and/or social concerns raised other than which has/have already been reported to its government and/or executing agency.

7. Other recommended mechanisms

7.1 Consultation with Local Stakeholders

- The consultation covers during Project design, mitigation and monitoring measures, sharing of development benefits and opportunities on a Project-specific basis, and implementation issues.
- NEDA requires the NC to engage in meaningful consultation with stakeholders during the Project's preparation and implementation phases, in a manner commensurate with the risks to, and impacts on, those affected by the Project.
- NEDA encourages the NC to prepare minutes of their meetings after such consultations occur.

7.2 Information Disclosure

- The NC shall ensure that relevant information (whether positive or negative) about environmental or social issues is made available in a timely manner, in an accessible place, and in a form and language(s) understandable to affected people and to other stakeholders, including the general public, so they can provide meaningful inputs into project design and implementation.