

## THE ASIAN INFRASTRUCTURE INVESTMENT BANK'S (AIIB) PROJECT SCREENING AND CATEGORIZATION

Source: Asian Infrastructure Investment Bank, "V. Environmental and Social Screening, Categorization and Due Diligence," in *Environmental and Social Framework*, p. 15-18, 2021, <https://www.aiib.org/en/policies-strategies/download/environment-framework/AIIB-Revised-Environmental-and-Social-Framework-ESF-May-2021-final.pdf>.

### General.

The Bank screens and categorizes each Project as early as feasible at the outset of its due diligence assessment of the Project in order to determine the nature and level of the required environmental and social assessment, information disclosure and stakeholder engagement required of the Client for the Project.

In its categorization, the Bank takes into consideration the type, nature, location, sensitivity and scale of the Project, so that the Client's assessment is proportional to the significance of the Project's potential environmental and social risks and impacts.

As part of this process, the Bank also screens the Project to determine which of the ESSs applies and which of the environmental and social instruments are required for the Project.

In cases where environmental and social assessment work has already been carried out for the Project, the Bank reviews the work and in consultation with the Client, determines whether any additional environmental or social work is required.

### Categorization.

The Bank determines the Project's category on the basis of the Project's component presenting the highest environmental or social risk and potential impacts (including direct, indirect, cumulative and induced impacts, as relevant, in the Project area). The Bank reviews these environmental and social risks and impacts, regardless of the categorization being considered.

As an element of the categorization process, the Bank may conduct field-based reviews of the Project to provide for a refined understanding of the environmental and social risks and impacts and to support the Client's preparation of a site-specific approach to assessment of these risks and impacts.

The Bank may adjust the categorization during the life of the Project, if warranted by changes in the environmental and social risks and impacts.

**Categories.** The Bank assigns each proposed Project to one of the following four categories and determines the type of assessment and instrument required, as noted below and further elaborated throughout this ESP:

#### Category A.

- (a) Categorization. A Project is categorized A if it is likely to have significant adverse environmental and social impacts that are irreversible, cumulative, diverse

or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works and may be temporary or permanent in nature.

(b) Assessment and Instrument. The Bank requires the Client to conduct an environmental and social impact assessment (ESIA) or equivalent environmental and social assessment, for each Category A Project, and to prepare an environmental and social management plan (ESMP) or environmental and social management planning framework (ESMPF) (or other similar Bank-approved documentation), which is included in the ESIA report for the Project.

(c) The ESIA for a Category A Project examines the Project's potential environmental and social risks and impacts, both positive and adverse, compares them with those of feasible alternatives (including the "without Project" alternative), and recommends any measures needed to avoid, minimize, mitigate, offset or compensate for adverse impacts and improve environmental and social performance of the Project

### **Category B.**

(a) Categorization. A Project is categorized B if: (i) it has a limited number of potentially adverse environmental and social impacts; (ii) the impacts are not unprecedented; (iii) few if any of them are irreversible or cumulative; (iv) they are limited to the Project area; and (v) they can be successfully managed using good practice in an operational setting.

(b) Assessment and Instrument. The Bank requires the Client to conduct an initial review of the environmental and social risks and impacts of the Project. On the basis of this review, the Bank, in consultation with the Client, determines the appropriate instrument for the Client to assess the Project's environmental and social risks and impacts, on a case-by-case basis. The Bank may determine that an ESIA or another similar instrument is appropriate for the Project. Commonly used instruments for Category B include an ESMP or an ESMPF.

(c) The scope of the assessment may vary from Project to Project, but it is narrower than that of the Category A ESIA. As in the case of a Category A Project, the assessment examines the Project's potentially adverse and positive environmental and social impacts and recommends any measures needed to avoid, minimize, mitigate, offset or compensate for adverse impacts and improve the environmental and social performance of the Project.

**Category C.** A Project is categorized C if it is likely to have minimal or no adverse environmental and social impacts. The Bank does not require an environmental and social assessment, but does require the Client to prepare an analysis of the environmental and social aspects of the Project.

**Category FI.** A Project is categorized FI if the financing structure involves the provision of funds to or through a financial intermediary (FI) for the Project, whereby the Bank delegates to the FI the decision-making on the use of the Bank funds, including the selection, assessment, approval and monitoring of Bank-supported activities, based on a sound environmental and social management system (ESMS) adopted by the FI.

**Strategic, Sectoral, Regional or Other Assessment.** On a case-by-case basis and in consultation with the Client, the Bank may require the Client to undertake a strategic, sectoral or regional assessment, a cumulative impact assessment or other specialized assessment, for the Project.

**Combined Review and Attention to Vulnerability.** The Bank bases its categorization of the Project on a combined review of both environmental and social risks and impacts. In reviewing the social risks and impacts of the Project, it pays special attention to disproportionate gender impacts and the vulnerability<sup>5</sup> of various types of potentially affected people.