



## ENVIRONMENTAL POLICY

## Introduction

The Environmental Policy Document encompasses organizational efforts to outline and implement global standards in the domain. integrates environmental and social considerations into its decision-making and operations to effectively manage environmental and social risks and impacts and improve outcomes.  
Environmental Policy

The subject policy is designed to be integrated in all of following components relevant to project implementation:

- Policy and Planning
- Design and Procurement
- Implementation
- Performance Management
- Review and Evaluation

Most importantly, applying the principles helps ensure interventions achieve positive development outcomes without harming the environment, workers or communities.

## Objectives

The objectives of the Environmental Policy are to:

- Support decision making processes
- Provide for environmental and social screening and categorization of projects.
- Evaluate potential environmental and social risks and adverse impacts of projects
- Identify risk mitigation actions to make the projects sustainable
- Support stakeholders including beneficiaries in identifying and managing environmental and social risks and adverse impacts

## Legal and Policy Setting

Pakistan's legislation provides a number of laws concerned with the regulation and control of the environmental and social aspects. Most of the laws are quite recent. Following laws in Pakistan are relevant to the subject:

### **Pakistan Environmental Protection act (PEPA) 1997**

It is the basic legislative document tool empowering the State of Pakistan to frame and enforce regulations for the protection of environment. The PEPA 1997 is broadly applicable to air, water, soil, marine and noise pollution, and handling of hazardous wastes. Penalties have been prescribed for those violating contravening provisions of the Act. Under section 12 of the PEPA 1997, no project involving construction activities or any change in the physical environment can be undertaken unless an (IEE) or (EIA) is conducted and a report submitted to the federal or provincial (EPA).

Prior to the adoption of the 18<sup>th</sup> Constitutional Amendment, the Pakistan Environmental Protection Act (PEPA) 1997 was the governing law for environmental conservation in the country. Under PEPA 1997, the Pakistan Environmental Protection Council (PEPC) and Pak Environmental Protection Agency (EPA) were primarily responsible for administering PEPA 1997. After the adoption of the 18<sup>th</sup> Constitutional Amendment in 2011, the subject of environment was devolved and the provinces have been empowered for environmental protection and conservation.

### **Regulations for Environmental Assessment, Pakistan EPA**

Regulation classifies projects based on expected degree of adverse environmental impacts and lists them in two separate schedules. Schedule I lists projects that may not have significant environmental impacts and therefore require an IEE. Schedule II lists projects of potentially significant environmental impacts requiring preparation of an EIA. The Regulations also require that all projects located in environmentally sensitive areas require preparation of an EIA. It also lists projects not requiring either an EIA or an IEE.

Under Section 12 (and subsequent amendment) of the PEPA (1997), a project falling under any category specified in Schedule I of the IEE/EIA Regulations (SRO 339 (IO/2000), requires the proponent of the project to file an IEE with the concerned provincial EPA. Projects falling under any category specified in Schedule II require the proponent to file an EIA with the agency, which is responsible for its review and accordance of approval or request any additional information deemed necessary.

### **Regulatory Clearances, EPA**

In accordance with provincial regulatory requirements, an IEE/EIA satisfying the requirements of the Pakistan Environmental Protection Act is to be submitted to Federal Environment Protection Agency for review and approval, and subsequent issuance of NOC before the commencement of construction.

### **National Environmental Quality Standards (NEQS)**

According to the World Bank's policy compliance to all local statutory requirements is compulsory during project execution. NEQS first introduced in 1993, have been amended in 1995 and 2000. The latest revised version was issued in 2010. These standards are also compatible with the International NEQs Regulations.

### **Pakistan Environmental Protection Agency Review of IEE and EIA Regulations, 2000**

The Pakistan Environmental Protection Agency Review of IEE and EIA Regulations, 2000 developed by the Pak-EPA under the powers conferred upon it by the Act, provide the necessary details on preparation,

submission and review of the initial environmental examination (IEE) and the EIA. Categorization of projects for IEE and EIA is one of the main components of the Regulations.

### **Punjab Wildlife (Protection, Preservation, Conservation and Management) Act, 1974**

This law was enacted to protect the province's wildlife resources directly and other natural resources indirectly. It classifies wildlife by degree of protection, i.e., animals that may be hunted on a permit or special license, and species that are protected and cannot be hunted under any circumstances. The Act specifies restrictions on hunting and trade in animals, trophies, or meat. The Act also defines various categories of wildlife-protected areas, i.e., National Parks, Wildlife Sanctuaries, and Game Reserve. The project activities will have to be carried out in accordance with this Act. In particular, no activities will be carried out inside any protected areas defined under the Act.

### **Sindh Wildlife Protection Ordinance, 1972 and Amendments 2001**

This ordinance provides for the preservation, protection, and conservation of wildlife by the formation and management of protected areas and prohibition of hunting of wildlife species declared protected under the ordinance. The ordinance also specifies three broad classifications of the protected areas: national parks, wildlife sanctuaries and game reserves. Activities such as hunting and breaking of land for mining are prohibited in national parks, as are removing vegetation or polluting water flowing through the park. Wildlife sanctuaries are areas that have been set aside as undisturbed breeding grounds and cultivation and grazing is prohibited in the demarcated areas. Nobody is allowed to reside in a wildlife sanctuary and entrance for the general public is by special dispensation. However, these restrictions may be relaxed for scientific purpose or betterment of the respective area on the discretion of the governing authority in exceptional circumstances. Game reserves are designated as areas where hunting or shooting is not allowed except under special permits.

Two amendments to the Ordinance were issued in January and June 2001 respectively pertaining to oil and gas activities within national parks and wildlife sanctuaries. The first amendment allowed the Government to authorize the laying of an underground pipeline through protected areas. The second amendment allowed exploration and production activities within national parks and wildlife sanctuaries for which an EIA study must be duly prepared by the proponent and approved by the concerned regulatory departments in accordance with the PEPA.

### **The AJK wildlife (Protection, Preservation, Conservation and Management) Act, 1975**

In addition to empowering AJK wildlife department to establish game reserves, parks, and wildlife sanctuaries, this Act regulates the hunting and disturbance of wildlife. While reviewing the ESIA, the AJK-EPA may consult the AJK wildlife department in case the project has an impact on wildlife. The AJK-EPA may require the proponent to coordinate with the AJK wildlife department for the implementation of the project and monitoring activities during construction and operation of the project.

### **Land Acquisition Act, 1894**

The Land Acquisition Act (LAA) of 1894 amended from time to time has been the de-facto policy governing land acquisition and compensation in the country. The LAA is the most commonly used law for acquisition of

land and other properties for development projects. It comprises of 55 sections pertaining to area notifications and surveys, acquisition, compensation and apportionment awards and disputes resolution, penalties and exemptions.

### **The Forest Act (1927)**

The act empowers the provincial forest departments to declare any forest area as reserved or protected. It empowers the provincial forest departments to prohibit the clearing of forest for cultivation, grazing, hunting, removing forest produce, quarrying and felling, lopping and topping of trees, branches in reserved and protected forests.

### **The Antiquities Act (1975)**

It ensures the protection of Pakistan's cultural resources. The Act defines "antiquities" as ancient products of human activity, historical sites, or sites of anthropological or cultural interest, national monuments, etc. The Act is designed to protect these antiquities from destruction, theft, negligence, unlawful excavation, trade, and export. The law prohibits new construction in the proximity of a protected antiquity and empowers the GOP to prohibit excavation in any area that may contain articles of archaeological significance. Under the Act, the project proponents are obligated to ensure that no activity is undertaken in the proximity of a protected antiquity, report to the Department of Archaeology, GOP, any archaeological discovery made during the course of the project.

### **The West Pakistan Fisheries Act 1961**

The Fisheries Act requires protection of public waters as habitat of fish and other aquatic life. This is helping the Fisheries Department to provide effective protection to the fish and other aquatic life in the game Sanctuary upstream the barrage and the public waters downstream the barrage. Fish is a food to a good number of migratory birds.

### **The Public Health (Emergency Provision) Act 1954 read with West Pakistan Epidemic Control Act 1958**

These two laws cover the presentation and spread of human diseases, safeguarding the public health and providing and maintaining adequate medical services and other services essential to the health of the communities in the project area.

### **Explosives Act 1884**

Under the Explosives Act 1884, the project contractors are bound by regulation on properly and securely handling, transporting and using explosive quarrying, blasting and other purposes

## **CWSA Environmental Guiding Principles**

The principles refer to environmental aspects specifically with references to the CWSA Safeguarding Policy

### **Principle 1: Do no Harm**

- Seek to protect the rights, health, safety, and livelihoods of people including, children, women, natives , and other vulnerable or disadvantaged groups, with special emphasis on maintaining health, diversity and productivity of the environment.

### **Principle 2: Identify, assess and manage environmental and social impacts**

- Identify potential environmental and social risks and impacts early in the design process, and ensure they are adequately assessed and managed in investment concepts, designs and implementation.
- Avoid, or where avoidance is not possible, minimize, mitigate or as a last resort, compensate for negative impacts.
- Manage risks and impacts of the investment through management plans, and monitor and report on their delivery.

### **Principle 3: Engage effectively with stakeholders**

- Provide affected people with access to all information about the investment, its risks, and potential social and environmental impacts in a way that is timely, accessible, and culturally and socially suitable for the affected group.
- Engage with affected parties and other stakeholders early in identifying and managing environmental and social risks and impacts, and continue this throughout the investment.
- Ensure consultations include directly and indirectly affected parties, are inclusive, free of external manipulation, interference, coercion, or intimidation, and enable meaningful participation.
- Provide accessible and culturally appropriate grievance redress mechanisms in accordance with CWSA Safeguard Policy
- Disclose information about the social and environmental performance of interventions in accordance with CWSA transparency commitments.

### **Principle 4: Work effectively with partners**

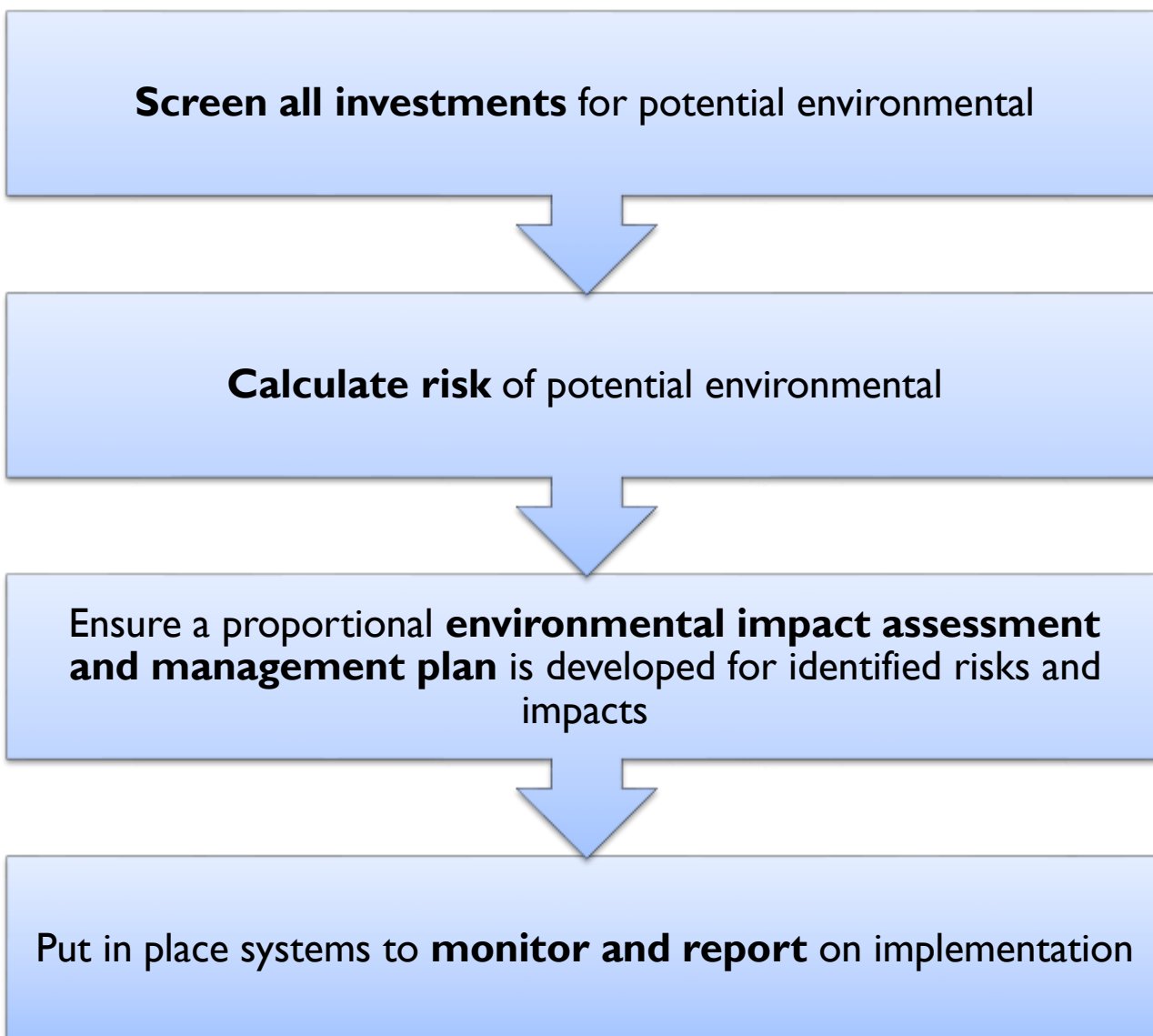
- Comply with environmental and safeguard policies of implementing partners and policies and where possible build partners' capacity to develop and implement environmental and social governance systems.
- Work with partners to ensure environmental and social impacts are managed in a way that is consistent with this policy.
- Work with partners to manage safeguard risks in a way that maximizes the sustainable use of existing systems and avoids imposing duplicate or unnecessary safeguard assessment and management planning requirements.

### Principle 5: Promote improved environmental and social outcomes

- Where possible, promote improved environmental and social outcomes by integrating ecologically sustainable development into projects. Improve the implementation and outcomes of interventions by effectively identifying and managing environmental and social risks thus contributing in the attainment of Sustainable Development Goals.

### Applying the Environmental Policy

The mandatory safeguard steps that must be taken to address safeguards when implementing an investment are summarized in figure below:



## Screening and Categorization

It is essential to screen all interventions, regardless of the monetary worth or delivery mechanism, for environmental as well as social impacts against the following:

1. Environmental protection
2. Children
3. Vulnerable and disadvantaged groups
4. Displacement and resettlement
5. Indigenous peoples and
6. Health and safety

If during screening, some aspect is noticed to be relevant, it can be studied in more depth and detail.

Where screening indicates that an environmental or social impact may occur, the level of risk must be assessed and rated. If a negative environmental or social impact is likely, an effective environmental and social impact assessment must be completed which is proportional to the magnitude of loss.

Observations made in the environmental and social impact assessment must be managed through an environmental and social management plan: a document that sets out details of how impacts will be managed, including schedules, budget, roles and responsibilities.

Steps in the safeguard process must be completed in a way that is consistent with the environmental and social safeguard principles, including effective engagement with stakeholders and coordination with partners.

Any or all of these steps may be carried out by implementing partners, with agreement from or as part of the partner's own safeguard processes. However, it must be made sure that the safeguarding principle applied by partners are consistent with the policies practiced at CWSA.

In some circumstances, the potential environmental and social impacts of the investment may not be clear at the time of design. Under such circumstances, it must be ensured that a framework exists, which is referred to when the need arises.

For humanitarian assistance provided during crises, post-crisis, relief phases of disaster or conflict, it may not be possible to complete the safeguard process. In these instances, reasonable effort should be taken to apply the safeguard principles.

Specific methods and tools may need to be used to identify, assess and manage impacts relevant to different safeguards. For example, a resettlement action plan, indigenous peoples plan, or a health and safety management plan may be required.



## The Environmental Safeguards

The following safeguards cover key issues to be addressed in order to ensure potential environmental and social impacts of interventions are identified and managed:

### Environmental Protection

Negative impacts on the environment from interventions can harm the people they are intended to help and undermine development outcomes. Protecting and conserving biodiversity, maintaining ecosystems and managing natural resources are fundamental to sustainable development and integral to the economic prosperity of many developing countries. In addition, environmental degradation can increase the vulnerability of communities to disasters and the impacts of climate change.

In order to cope with the potential risks, interventions will seek to:

- Protect and conserve biodiversity and natural habitats, and avoid damaging or degrading ecosystem services and natural resources
- Adopt a precautionary approach to the protection, conservation, management and sustainable use of living natural resources
- Avoid the release of pollutants to air, water, and land due to routine and non-routine, and accidental circumstances
- Manage the generation of wastes, where waste cannot be avoided, reduce, recover and reuse waste. As a final option, treat, destroy, or dispose of waste in a manner that is safe for human health and the environment
- Where feasible use less hazardous substitutes for hazardous materials not subject to an international ban (such as chemical lubricants, pesticides and herbicides).
- promote the sustainable management of natural resources including through cleaner production and efficient use of resources
- Avoid impacts on natural and cultural heritage, including historical sites, landscapes and traditions and apply internationally recognized practices to manage potential impacts.

Different people including children, people of different gender, indigenous peoples and other vulnerable or disadvantaged groups may be affected by environmental impacts in different ways. They may also value different aspects of the environment. To be effective, the identification, assessment and management of environmental impacts needs to consider these differences.

### Climate Change and disaster risk

The project can increase the vulnerability of people and the environment to the short and long-term impacts of climate change and disasters. The potential impacts of climate change and disaster risk reduction must be considered in environmental and social impact assessments and associated management plans.

The interventions will seek to:

- Consider technically feasible and cost-effective options to reduce greenhouse gas emissions
- Where possible avoid, otherwise reduce adverse impacts on vulnerable people caused by the risks of a changing climate or disasters (for example by supporting infrastructure vulnerable to flooding, or livelihoods that are inappropriate for changing climatic conditions)
- Avoid creating new or exacerbating climate and disaster risks
- Create incentives that will increase rather than reduce people's ability to adapt to climate change, such as water and energy conservation mechanisms
- Avoid setting directions that limit future climate adaptation choices, such as, large capital and institutional commitment reducing future adaptation options.

### **Assessment and Management of risks**

Consistent with its policies on protecting children, vulnerable and disadvantaged groups through its interventions, will:

- Seek to avoid negative environmental impacts on children and other vulnerable and disadvantaged groups
- Implement measures so that any negative impacts do not fall disproportionately on children and other vulnerable and disadvantaged groups
- Avoid unintended consequences, such as exacerbating existing risks of conflict or disasters that may affect children and other vulnerable and disadvantaged groups.

Potential impacts on people, including children and other vulnerable and disadvantaged groups must be identified and assessed through an environmental impact assessment. Practical measures to avoid or mitigate adverse impacts should be included in an Environmental Management Plan.

### **Displacement and Resettlement**

Interventions, such as the building of economic or social infrastructure, sometimes require the use of land occupied or used by local communities. If not properly addressed the physical or economic displacement of people from such land may lead to long-term hardship and poverty. The poor, and other vulnerable groups, are particularly at risk in interventions involving displacement.

Resettlement is a process that helps people build new lives in a different location while mitigating the effects of displacement on their standard of living. When done well, resettlement can ensure displaced communities share the benefits of development.

While designing resettlement projects, implementing partner is responsible for ensuring that partner government agencies are aware of, agree to, and fully implement the national and international environmental standards. .

## **Assessment and Management of associated risks**

Where implementing partner supports an investment that may displace people, the investment will:

- Avoid or minimize forced physical and economic displacement wherever possible by considering all possible alternative actions or design options
- Avoid negative impacts on those affected by the development, including vulnerable and disadvantaged groups
- Provide respectable opportunities for affected people including displaced poor and other vulnerable groups to improve, or restore their livelihoods
- Ensure timely provisions of infrastructure and essential services at resettlement sites

## **Indigenous People**

Indigenous people often experience disproportionate rates of poverty, and are at increased risk of exclusion and marginalization. Implementers are committed to providing opportunities to assist indigenous peoples, to overcome social and economic disadvantages.

Social, economic and political power imbalances as well as spoken language may prevent indigenous peoples' equitable participation and access to benefits resulting from interventions. In addition, indigenous peoples may have diverse concepts of development based on traditional values, visions, needs and priorities; something that needs to be addressed proactively.

## **Assessment and Management of risks**

Potential impacts on indigenous peoples must be identified and assessed through an environmental and social impact assessment. Practical measures to avoid or mitigate adverse impacts should be included in an Indigenous Peoples Plan or Environmental and Social Management Plan, and enable equitable access, participation and benefit from the investment's development impacts.

## **Health and Safety**

Implementing Partner aims to avoid negative impacts on the health and safety of people from its interventions. Interventions can expose communities and people, including children, people of different gender, indigenous peoples and other vulnerable or disadvantaged groups to risks on their health and safety. Some interventions may exacerbate underlying environmental and/or social vulnerabilities experienced by communities.

As a minimum, projects and interventions will seek to:

- Identify, assess and eliminate or mitigate so far as is reasonably practicable, potential health and safety hazards and risks

- Ensure that workers are provided with adequate information, instruction and training to enable them to perform the work safely
- Ensure that workers are provided with personal protective equipment to enable them to perform the work safely
- Include mechanisms for reporting and recording health and safety incidents and management responses
- All applicable national and international regarding safe workplace and occupational health are implemented.