

SAFEGUARDS AND SOCIAL DIMENSIONS SUMMARY

A. Environmental and Social Safeguards

1. In compliance with the Safeguard Policy Statement (2009) of the Asian Development Bank (ADB), the project is classified category A for environment and category C for both involuntary resettlement and indigenous peoples. The project involves the construction and operation of a 3 million ton per annum liquefied natural gas (LNG) regasification facility that includes a jetty, trestle, mooring dolphins, and associated facilities; and a long-term leased floating storage and regasification unit (FSRU). The FSRU and other facilities are located in an industrial seaport at Port Qasim, Karachi, about 5 kilometers (km) from the nearest residential community. The regasified LNG (RLNG) will be transported via a 23 km pipeline, buried at a minimum depth of 1 meter. The majority of the pipeline right of way is within the Port Qasim area. There are no major population centers along the route. The pipeline does not cross main navigational channels or any major road or rail crossings and follows the same route as existing Sui Southern Gas Company Limited (SSGC) pipelines.

2. The potential environmental and social impacts of the project have been identified; and effective measures to avoid, minimize, mitigate, and compensate for the adverse impacts are incorporated in the safeguard reports and plans. An environmental impact assessment has been prepared to comply with local and ADB Safeguard Policy Statement requirements. The draft environmental impact assessment was publically disclosed on the ADB website on 14 July 2014. A quantitative risk assessment was conducted by Lloyd's Register, the United Kingdom, for the regasification facility—taking into consideration marine failure and regasification system operating failure. The assessment found that none of the scenarios assessed gave rise to a high risk to members of the public, and that the permanent exclusion zone remains within the facility's berthing pocket. Construction of the project has required marine dredging of about 1.6 million cubic meters of marine sediments for the berth basin of the LNG jetty. Dredged materials will be piped directly and will be utilized for the reclamation of about 41 hectares of mangrove area (dominantly populated by *Avicenna marina*), which was identified by the Port Qasim Authority (PQA) as a disposal site as well as for the construction of shore protection structures along the perimeter of the reclaimed land. Engro Elengy Terminal Private Limited (EETPL) has committed to a mangrove replacement program—replanting 10 plants for every mangrove removed—to be carried out in consultation with an independent monitoring consultant and the International Union for Conservation of Nature.

3. Air emissions from turbine stack and effluents from the facility will meet applicable National Environmental Quality Standards and the World Bank Group's Environmental, Health and Safety Guidelines. Thermal discharge is projected to be within 3°C of the seawater's ambient temperature at the edge of the mixing zone. Jetty and ship operations will be required to account for environmental, health, and safety management measures, including compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) standards. EETPL will adopt the existing environmental, health, and safety management system of Engro-Vopak Terminal Limited (EVTL), which has acquired certifications for ISO 9001, ISO 14001, and OHSAS 18001 standards; and will allocate sufficient personnel to implement and monitor the project's environmental and social management plan.

4. The environmental compliance audit confirmed that EETPL has complied with national regulatory requirements of applicable laws and regulations, and acquired the necessary permits. The audit also determined that the ongoing construction activities were generally in accordance

with ADB's safeguard principles and requirements. EETPL commits to implement the environmental management and monitoring program as well as the corrective action plan. Environmental as well as occupational health and safety management and monitoring and emergency preparedness and response programs are in place.

5. Information disclosure and consultations with affected people are conducted in accordance with ADB requirements. Stakeholder consultations—consisting of meetings and discussions with relevant organizations, government departments, and fishing community representatives—have been held. Consultations will continue during the project and a grievance mechanism is in place with a specially recruited grievance officer (selected by the project sponsor, fisher folks and locally present civil society organizations) as the main point of contact with the local community to ensure that feedback and concerns are addressed during project construction and operations. The institutional capacity and commitment of EETPL to manage the project's social and environmental impacts are deemed adequate. During project implementation, EETPL will submit to ADB semiannual environmental and social monitoring reports verified by an experienced external expert; during operations, externally verified reporting will continue on an annual basis.

B. Other Social Dimensions

6. The proposed project is categorized C both for involuntary resettlement and indigenous peoples. A new high-pressure pipeline of about 23 km will be constructed to transport the RLNG from the jetty to SSGC's existing gas distribution network. The lease agreement entered into by EETPL with PQA covers the area where facilities will be established, including right-of-way for the pipeline. Pipeline outside the PQA passes through government land, and no individual or household will be physically or economically impacted by the project. The project is located in a designated industrial zone of the PQA where no communities reside or carry out subsistence activities. Fishing is banned in the vicinity of the industrial zone. No indigenous peoples will be impacted by the project.

7. As EETPL will be engaging skilled and unskilled labor from the local population, it will ensure that contractors and subcontractors comply with national labor laws and internationally recognized core labor standards.

8. With respect to gender mainstreaming category, the proposed project is classified as having no gender elements. Women are not commonly engaged in construction activities in Pakistan. EETPL has no target in terms of the number of women that can be provided employment. Nevertheless, if women seek employment, particularly in mangrove replanting activities, they will not be subject to discrimination during hiring and selection will be based on applicants' qualifications.