

# Indigenous Peoples Planning Framework

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March 2014

## Democratic Socialist Republic of Sri Lanka: Green Power Development and Energy Efficiency Improvement Investment Program

Prepared by Ceylon Electricity Board for the Asian Development Bank.

## CURRENCY EQUIVALENTS

(as of 10 March 2014)

|               |   |                               |
|---------------|---|-------------------------------|
| Currency unit | – | Sri Lanka rupee/s (SLRe/SLRs) |
| SLRe1.00      | = | \$0.00766                     |
| \$1.00        | = | SLRs130.58                    |

## ABBREVIATIONS

|      |   |                                       |
|------|---|---------------------------------------|
| ADB  | – | Asian Development Bank                |
| AP   | – | affected persons                      |
| CEB  | – | Ceylon Electricity Board              |
| DP   | – | displaced person                      |
| EA   | – | executing agency                      |
| EED  | – | Energy and Environment Division       |
| GoSL | – | Government of Sri Lanka               |
| GRC  | – | Grievance Redressal Committee         |
| GRM  | – | grievance redress mechanism           |
| HH   | – | households                            |
| IA   | – | implementing agency                   |
| IP   | – | indigenous people                     |
| IPPF | – | indigenous peoples planning framework |
| IPP  | – | indigenous peoples plan               |
| IR   | – | involuntary resettlement              |
| LA   | – | land acquisition                      |
| MoPE | – | Ministry of Power and Energy          |
| PIU  | – | project implementation unit           |
| PMU  | – | project management unit               |
| RF   | – | resettlement framework                |
| RP   | – | resettlement plan                     |
| SIA  | – | social impact assessment              |
| SPS  | – | Safeguard Policy Statement            |

## WEIGHTS AND MEASURES

|    |   |           |
|----|---|-----------|
| km | – | kilometer |
| kV | – | kilovolt  |
| MW | – | megawatt  |

## NOTE

In this report, “\$” refers to US dollars.

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## I. INTRODUCTION

### A. Overview

1. The Sri Lanka Green Power Development and Energy Efficiency Improvement Investment Program (the Investment Program) is intended to finance a series of investments via a \$460 million Multi-tranche Financing Facility (MFF) of Asian Development Bank (ADB). It includes generation capacity enhancement, transmission capacity addition, medium voltage distribution network efficiency improvement, and energy efficiency measures.. The Investment Program will also finance a number of “softer” activities, including operational capacity building and implementation supervision. The objective of the investment will be to achieve increased adequacy and efficiency of power system, including renewable energy in Sri Lanka. The MFF will combine finance to support physical and nonphysical investments, including energy efficiency and capacity building. Funding will be structured into two tranches<sup>1</sup>. The Investment Program will be implemented during 2014 – 2021.

2. The Sri Lanka government’s development framework envisions sustainable development of energy resources, enabling access to and use of energy services by the entire population, and reliable delivery of such services at a competitive price. To achieve the goal of meeting the growing demand for electricity at sufficiently low cost and acceptable reliability to widen access to growth opportunities and attain sustainability in the long term, the government plans to increase supply capacity of the system including through raising share of renewable energy sources (e.g., hydro, wind, etc.), reducing total technical and commercial losses of the transmission and distribution networks, and undertaking energy efficiency and conservation measures. The impact of the investment program will be increased access to clean, reliable, and affordable power supply. This will contribute to sustainable economic growth. The outcome will be enhanced clean power generation, system efficiency and reliability. The outputs of the investment program are:

- (i) **Hydropower generation developed and connected to the grid in the Central Province.** This includes a 30 MW, run-of-river hydropower station at Moragolla in the Central Province, including a 132 kV associated transmission infrastructure to connect the station to the grid, that will increase clean and low cost base load power generation.
- (ii) **Transmission infrastructure capacity enhanced.** This comprises the construction and augmentation of a 220/132 kV and 132/33 kV grid substations and 220 kV and 132 kV transmission lines in Eastern, Northern, North Central, North Western, Southern, Western and Uva provinces that will absorb increase in power demand and ensure system’s stable operation with addition of intermittent wind and solar generation.
- (iii) **Efficiency of medium voltage network improved.** This involves the construction of 33 kV lines and reactive power management through installation of switched capacitor banks in the MV network to address overloading of conductors, voltage drop in MV lines and poor power factor.
- (iv) **Demand-side management for energy efficiency improved.** Demand-side management (DSM) interventions will be introduced, resulting to energy savings (e.g. efficient lighting, improved domestic metering, and use of smart grid technologies).

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<sup>1</sup> In comparison with the MFF financing modality, policy-based lending helps with policy reforms, but does not finance investments. Sector development program loans combine policy reforms with financing for generally smaller projects. A sector loan provides financing for a series of repetitive small investment projects spread over a shorter period. The subprojects financed by a sector loan are generally "anticipated" or profiled in advance, based on a study of sample subprojects. Tranches of the MFF will finance slices of the Investment Program, but each tranche is substantial and clearly identified at the outset.

- (v) **Capacity development support provided to CEB.** The investments will be reinforced by financing for non-physical capacity development components including: (a) energy efficiency related institutional capacity of CEB, (b) preparation of new sub-projects (for the second tranche), and (c) implementation supervision.

## B. Investment Program and Financing Plan

3. The long term investment program is estimated at \$4.8 billion for the period of 2014 – 2020. The government requests ADB to help finance a slice of the investment program in an amount of \$440 million and to do so through the MFF. The MFF will have two tranches of \$180 million each, including \$150 million from ADB and \$30 million of co-financing. The first tranche (2014) will include construction of the hydropower plant, transmission facilities, MV sub-projects (distribution), and small pilot DSM sub-projects, as well as the non-physical components. The second tranche (2016) will focus on transmission and MV network sub-projects and energy efficiency component. The tentative investment plan and financing plan are given in **Table 1** and **Table 2**, respectively.

**Table 1: Program Investment Plan**  
(\$ million)

| Item   | Amount <sup>a</sup> |
|--|---------------------|
| <b>A. Base Cost<sup>b</sup></b>  |                     |
| 1. Construction of Moragolla Hydropower Plant  | 113.18              |
| 2. Transmission Infrastructure Development and Medium Voltage Network Efficiency Improvement | 242.58              |
| 3. Energy Efficiency Pilot Projects  | 14.04               |
| 4. Project Management and Capacity Building <sup>c</sup>                                     | 12.31               |
| <b>Subtotal (A)</b>  | <b>382.11</b>       |
| <b>B. Contingencies<sup>d</sup></b>  | <b>44.22</b>        |
| <b>C. Financing Charges During Implementation<sup>e</sup></b>                                | <b>13.67</b>        |
| <b>Total (A+B+C)</b>   | <b>440.00</b>       |

<sup>a</sup> Includes taxes and duties of \$18.57 million and incremental (e.g., land, environmental and social mitigation) cost of \$3.54 million to be financed from Government resources.

<sup>b</sup> In the first quarter 2014 prices.

<sup>c</sup> Includes overhead costs associated with project management, implementation, and monitoring.

<sup>d</sup> Physical contingencies computed at 5% of base cost. Price contingencies computed using ADB's forecasts of international and domestic inflation.

<sup>e</sup> Financial charges during implementation include interest from all financing sources. For ADB financing, the financial charges during implementation has been computed at the 6-month London interbank offered rate plus an effective contractual spread of 50 basis points for ordinary capital resources (OCR) loan components and at a base rate of 2.0% for Asian Development Fund loan components. Commitment charges for an OCR loan have been computed at 0.15% per year to be charged on the undisbursed loan amount.

Source: Ceylon Electricity Board and Asian Development Bank estimates.

**Table 2: Tentative Financing Plan**  
(\$ million)

| Source                        | Project 1     | Project 2     | Project 1 and 2 | Share of Total (%) |
|-------------------------------|---------------|---------------|-----------------|--------------------|
| <b>Asian Development Bank</b> |               |               |                 |                    |
| OCR loan                      | 121.00        | 95.00         | 216.00          | 49.09              |
| ADF loan                      | 29.00         | 55.00         | 84.00           | 19.09              |
| Subtotal                      | 150.00        | 150.00        | 300.00          | 68.18              |
| <b>Co-financing</b>           |               |               |                 |                    |
| AFD loan <sup>a</sup>         | 30.00         | 30.00         | 60.00           | 13.64              |
| <b>Government</b>             | 40.00         | 40.00         | 80.00           | 18.18              |
| <b>Total</b>                  | <b>220.00</b> | <b>220.00</b> | <b>440.00</b>   | <b>100.00</b>      |

ADF = Asian Development Fund, AFD = Agence Francaise de Developpement, OCR = ordinary capital resources.

<sup>a</sup> AFD confirmed that it will co-finance Project 1 and expressed interest in co-financing Project 2 subject to their Management decision at the later stage.

Source: Asian Development Bank estimates.

1. **Table 3** provides a list of ADB funded sub-projects for both Tranches.

**Table 3: Investment Sub-Projects Funded under Investment Program**

| Item                       | Type         | Province                      | Project Name   | Cost (in \$ million) |
|----------------------------|--------------|-------------------------------|--|----------------------|
| <b>Tranche I Projects</b>  |              |                               |  |                      |
| 1                          | Generation   | Central                       | Moragolla Hydro Project  | 125.51               |
| 2                          | Transmission | Western                       | Kerewalapitiya GSS   | 8.24                 |
| 3                          | Transmission | Eastern                       | Construction of Kappalturai GSS  | 12.48                |
| 4                          | Transmission | North                         | Augmentation of Old Anuradhapura GSS   | 10.35                |
| 5                          | Transmission | Central<br>Western            | Construction of Kesbewa GSS (Construction of 2x31.5MVA 132/33kV GSS GSS & SIO connection from Pannipitiya-Matugama 132kV TL, Reconstruction of Pannipitiya-Panadura T 12.3 km TL with Zebra) | 10.51                |
| 6                          | Transmission | Western                       | Augmentation of Katunayaka GSS   | 2.52                 |
| 7                          | Distribution | R1                            | Lynx D/C Tower line from Madampe GSS to Bowatte  | 2.78                 |
| 8                          | Distribution | R1                            | SBB Gantry at Bowatte  | 0.17                 |
| 9                          | Distribution | R2                            | Lynx D/C Tower line from Vavunathivuv GSS to Urani   | 0.46                 |
| 10                         | Distribution | R2                            | DBB Gantry at Urani  | 0.09                 |
| 11                         | Distribution | R2                            | Lynx D/C Tower line from Vavunathivuv GSS to Kaluwanchikudy  | 2.08                 |
| 12                         | Distribution | R2                            | DBB gantry at Kaluwanchikudy   | 0.09                 |
| 13                         | Distribution | R2                            | Lynx D/C Tower line from Vavunathivuv GSS to Karadiyanaru  | 1.00                 |
| 14                         | Distribution | R2                            | DBB Gantry at Karadiyanaru   | 0.09                 |
| 15                         | Distribution | R2                            | Lynx D/C Tower line from Vavunathivuv GSS to Thalankuda  | 1.62                 |
| 16                         | Distribution | R2                            | DBB Gantry at Thalankuda   | 0.09                 |
| <b>Tranche II Projects</b> |              |                               |  |                      |
| 1                          | Transmission | Southern                      | Construction of New Polpitiya-Hambantota(Via Embilipitiya) Transmission line with Hambantota GSS 220kV development   | 76.98                |
| 2                          | Transmission | Western                       | Augmentation of grid substations - (Kotugoda, Biyagama, Kolonnawa)   | 8.45                 |
| 3                          | Transmission | Northern                      | Construction of Chemmuni GSS   | 10.21                |
| 4                          | Transmission | Western                       | Construction of Kalutara GSS   | 8.79                 |
| 5                          | Transmission | Western                       | Augmentation of Kukule GS  | 2.50                 |
| 6                          | Transmission | Northern,<br>North<br>Central | Vavunia GSS 220kV Development  | 13.53                |
| 7                          | Transmission | Uva                           | Construction of Samanalawewa-Embilipitiya 132kV TL & Rehabilitation of Embilipitiya GSS  | 10.48                |
| 8                          | Transmission | Western                       | Augmentation of Madampe GSS  | 2.50                 |
| 9                          | Transmission | Southern                      | Construction of Thissamaharama GSS   | 13.00                |
| 10                         | Distribution | R3                            | 33kV Lynx D/C Pole line from Wellampitiya to Ambathale Gantry  | 0.29                 |
| 11                         | Distribution | R3                            | 33kV Lynx S/C steel Pole line from Maharagama PSS to Nawinna PSS   | 0.28                 |
| 12                         | Distribution | R3/R2                         | DC Lynx 33kV Tower Line From Kegalle GSS to Kotiyakumbura via Moronthota   | 3.47                 |
| 13                         | Distribution | R3                            | Construction of New Gantry at Kotiyakumbura  | 0.19                 |
| 14                         | Distribution | R3                            | Construction of New Gantry at Choicy, Tawalantenna   | 0.19                 |
| 15                         | Distribution | R1                            | Lynx D/C Tower Line From Polonnaruwa to  | 2.50                 |

| Item | Type         | Province | Project Name  | Cost (in \$ million) |
|------|--------------|----------|---|----------------------|
| 16   | Distribution | R1       | Medirigiriya<br>SBB Gantry with 02 incoming & 03 outgoing feeders, Medirigiriya | 0.17                 |
| 17   | Distribution | R1       | Lynx D/C Tower Line, From Kegalle GSS to Polgahawela                            | 1.25                 |
| 18   | Distribution | R1       | Gantry,SBB with 02 incoming & 02 outgoing feeders, Polgahawela                  | 0.17                 |
| 19   | Distribution | R4       | Lynx S/C Tower Line From Suriyawewa GS to Mattala airport                       | 0.98                 |
| 20   | Distribution | R4       | Lynx S/C pole line from Panadura GSS to Pallimulla PSS                          | 0.13                 |
| 21   | Distribution | R4       | Lynx S/C Pole Line From Pannipitiya GSS to Kesbewa                              | 0.20                 |
| 22   | Distribution | R4       | Lynx D/C Tower line from Tissa Gantry to Kataragama                             | 2.01                 |
| 23   | Distribution | R4       | DBB Gantry with 02 incoming & 03 outgoing feeders, Kataragama                   | 0.19                 |
| 24   | Distribution | R1       | 33kV Capacitor Banks  | 0.02                 |
| 25   | Distribution | R2       | 33kV Capacitor Banks  | 0.23                 |
| 26   | Distribution | R3       | 33kV Capacitor Banks  | 0.99                 |
| 27   | Distribution | R4       | 33kV Capacitor Banks  | 1.26                 |

4. Based on Table 3 above, the type of infrastructure components for the above sub-projects under the 2 tranches of proposed MFF is presented in **Table 4**.

**Table 4: Type of sub-projects and their components**

| Type of Sub-projects                             | Main Components                     | Infrastructure   |
|--|-------------------------------------|--|
| 1. 33/132/220 kV Transmission lines, substations | Electrical and Mechanical Equipment | Generators, Control Room Panels, Turbines, Switchyard equipment, Transformers.   |
| 2. 30 MW Hydropower project                      | Steel/Concrete structures           | Transmission towers, water conductor, Powerhouse, conductors, oil, and distribution lines.   |
| 3. Facilities, buildings                         |                                     |  |
| 4. Energy Efficiency                             | Civil Works                         | Barrage, water diversion structures, Buildings-power house, control rooms, storage for water and new and used oil, other equipment housing facilities. |
| 5. Capacity Building                             |                                     |  |

5. The Indigenous Peoples Planning Framework (IPPF) provides guidance in formulating Indigenous Peoples Plans (IPPs), where necessary, for subprojects under the future tranches of the MFF. Government of Sri Lanka's (GoSL) Ministry of Power and Energy (MoPE) is the Executing Agency (EA) for overall coordination, whereas Ceylon Electricity Board (CEB) is also the EA and Implementing Agency (IA) for the generation, transmission and distribution components. CEB has set up an Energy and Environment Division (EED) for dealing with environment and social issues at the corporate level to monitor and implement environmental and social good practices. CEB has ongoing ADB-financed projects and will use the existing project management structure complemented by additional staff dedicated exclusively to implementing the MFF. Project Implementation Units (PIUs) including experienced staff and headed by senior officers will be set up in CEB to undertake day-to-day tranche specific project implementation activities. The PIUs will be responsible for overall project planning and implementation, including procurement, accounting, quality assurance, social and environmental issues and coordination with concerned agencies. The

PIUs will be responsible for conducting the social analyses and formulating IPPs (where necessary and if applicable) for subprojects, as outlined in the IPPF.

6. The physical work associated with subprojects will take place primarily in geographic locations outside areas where most indigenous peoples (IPs) live. Transmission and distribution components subprojects generally have less negative safeguard impacts and specifically no significant impacts on IPs due to the nature of physical construction activities. However, the MFF does have a hydro components under tranche-1 for which assessment is underway and it is found that the subproject area does not belong to IP groups and thus having no impact on them. The Project will not locate any major subproject interventions in locations where identified indigenous people reside. A due diligence has already been carried out for the tranche-1 subprojects with thorough social screening and social impact assessment for hydro components and other transmission and distribution components. A screening on potential impacts of IP was carried out through inventory and social impact assessment and through public consultation which reveal that there will be no impact on Indigenous Peoples, Also, as a standard practice of CEB will be committed to select subprojects in the future tranches which will avoid any impacts on IPs. However, in the event of unavoidable circumstances (which are unknown at the moment), necessary mitigation measures will be taken. Therefore, an Indigenous Peoples Planning Framework (IPPF) which is a policy and procedural framework has been prepared for future use to screen subprojects and minimize any negative impacts of subprojects on indigenous people. Initial field consultations in Local Authorities and subprojects sites did not identify any indigenous peoples. However, since the Project will use an MFF approach and most subprojects will be prepared after project appraisal, the IPPF applies to future subprojects prepared by CEB which apply for funding.

## **II. OBJECTIVES AND POLICY FRAMEWORK**

7. The objectives of the IPPF are to ensure that if IPs are affected by a subproject that they: i) are adequately and fully consulted, ii) receive benefits and compensation equal to that of the mainstream population, (iii) are provided with special assistance as per laws and policies because of their vulnerabilities vis-à-vis the mainstream population, and (iv) receive adequate protection against project adverse impacts on their culture identities. The IPPF specifies requirements that will be followed with regard to subproject selection, screening and categorization, assessment, and preparation and implementation of Indigenous Peoples Plans (IPP). Subprojects consistent with the IPPF will ensure design and implementation of subprojects and foster full respect of indigenous peoples identity, dignity, human rights, livelihood systems, and cultural uniqueness so that they (i) receive culturally appropriate social and economic benefits; (ii) do not suffer from adverse impacts as a result of subprojects; and (iii) can participate actively in subprojects that affect them. This is consistent with the Asian Development Bank's (ADB) Safeguards Policy Statement, 2009 (SPS). The bases of the preparation of IPPs if any subproject affects indigenous peoples are government laws, policies, and regulations (where applicable) on indigenous peoples, and ADB's SPS.

8. Sri Lanka does not have a national policy or a legal framework that exclusively safeguards the interests and the rights of Veddha populations. The issues and concerns of the Veddha communities are addressed within the general policies and the legal framework in the country. However, they receive State patronage at times when they raise their grievances with the relevant authorities. For example, any claims on external interference with the territorial boundaries of their traditional homelands are immediately addressed and redress is granted. The Veddhas are also allowed to engage in their traditional livelihood practices in a limited way ('limited human activities') such as hunting and gathering forest



resources. However, the country's forest and wildlife ordinances prohibit them from encroaching into any State land other than what was demarcated for them. Hence, there is no specific legislative provision available to protect the rights of indigenous people that can be directly compared to the SPS and applied to subprojects. Indigenous peoples have maintained a distinct lifestyle and their way of life have brought up a verbal systems from generation to generation which is not being obstructed by contemporary successive governments. For example, even at present, the Constitution of Sri Lanka provides that all citizens are equal before the law, but activities of indigenous people in their traditional areas such as hunting in jungles are not penalized, whereas other citizens are punished through the courts for such activities. The Government's approach in safeguarding the rights of indigenous peoples is largely issues based and it adapts resolutions when issues related to indigenous people arise.

9. Though there is no specific law to safeguard the rights of indigenous people, various Parliament statements and regulations have been put forward by the government from time to time. Such statements and regulations recognize the culture and rights for access to natural resources by the indigenous people. Some of these apply to the Project and provide necessary guidelines to mitigate resettlement impacts as a result of subproject implementation. These are also largely consistent with indigenous peoples safeguard measures. In 1990s, Cabinet approval was granted to demarcate an area of approximately 1500 acres as a national park under the flora and fauna ordinance and to set up a 'Wanniya la-aeto Trust' under the Director Wildlife Conservation with representation from the Ministry of Cultural Affairs to preserve the culture of the Veddha community. However, it has been pointed out that the wildlife sanctuary demarcated for Veddha community was hardly adequate to provide a sustainable livelihood for the entire Veddha population while the Trust established showed only limited achievements over the years. After 1948, Sri Lanka established "The Backward Communities Welfare Board." This Board facilitated the Government's plan to move and mainstream indigenous people, but naturally, some were reluctant to embrace these changes. Today indigenous peoples are threatened by development programs undertaken in areas that they have traditionally owned utilized, and considered as ancestral domains.

10. ADB's Safeguards Policy Statement (SPS), 2009 ensures equality of opportunity for indigenous peoples. It aims to ensure that any Bank-assisted development interventions which will have any impact on indigenous peoples will be consistent with the needs and aspirations of affected indigenous peoples and compatible in substance and structure with affected IP's culture and social and economic institutions. The IPPF recognizes the vulnerability of indigenous peoples and it specifically ensures that any project intervention, whether positive or adverse will be addressed by the implementing agencies. Moreover, the implementing agencies will ensure that affected IPs will have opportunities to participate in and benefit equally from such project interventions. An overview on ADB's SPS-2009 related to Indigenous Peoples is given in **Appendix-1**.

11. This IPPF bridges the gap between these existing statements and regulations and the SPS. The IPPF will ensure that subprojects are undertaken consistent with ADB requirements. The subproject selection criteria incorporates screening for indigenous people impacts prior to selection, and subprojects will not (i) involve commercial development of the cultural resources and knowledge of indigenous peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of indigenous peoples. Subprojects will not include components that impact forest rights and occupation in forest land for forest dwelling indigenous peoples and other traditional forest dwellers (who have been residing in such forests for generations but whose rights are not recorded). Displacement of indigenous

peoples will be avoided during subproject design. If unavoidable, land for land provisions and other assistance will be provided consistent with ADB and government policies.

### III. IDENTIFICATION OF AFFECTED INDIGENOUS PEOPLES

12. ADB's SPS uses the following characteristics in varying degrees to define indigenous people (i) maintenance of cultural and social identities separate from dominant societies and cultures; (ii) self identification and identification by others as being part of a distinct cultural group; (iii) linguistic identity different from that of dominant society; (iv) social, cultural, economic, and political traditions and institutions distinct from dominant culture; (v) economic systems oriented more towards traditional production systems rather than mainstream; and (vi) unique ties and attachments to traditional habitats and ancestral territories.

13. 'Veddhas' or 'Wanniya-laeto' has been recognized as the Indigenous Population of Sri Lanka who have been traditionally living in the forest reserves and dependent on hunting, gathering forest resources and chena cultivation (slash and burn agriculture). Since the Government does not have specific policies to assist Veddhas preserve traditional identities as indigenous peoples, it is difficult to obtain information regarding their population, location, livelihood, and other socio-economic characteristics. According to historic data, Veddhas inhabited Sri Lanka long before other ethnic groups in the country. Though historically, Veddha settlements were spread throughout the country, their present habitats are confined to scattered areas in three out of nine Provinces in the country, namely Uva, East and North-Central. The districts where isolated pockets of Veddha communities are found within these three Provinces include Ampara, Batticaloa, and Trincomalee in the eastern province, Badulla, and Monaragala in the Uva province, Polonnaruwa and Anuradhapura in the north-central province. Several Veddha populations have integrated into the Sinhalese and Tamil and the Buddhist and Hindu communities leaving aside their traditional cultures, languages and rituals. There is no official enumeration of the Veddha population in Sri Lanka. For numerous reasons, Veddhas are identified as either Sinhalese or Tamil in the national census.

14. The traditional livelihoods and consumption patterns of Veddhas have changed dramatically over the years and a majority has gradually moved away from their past activities of hunting, gathering and chena cultivations and is largely dependent on external sources for their survival. These Veddhas are now engaged in labour work - both agriculture and non-agriculture -, labour work in the construction industries in the urban areas particularly the Veddha youth who migrate from their communities due to lack of economic opportunities, paddy cultivation introduced through the dry zone resettlement schemes and in the fishery industry. In the fishery sector, they are employed as labourers by the businessmen in the fishing industry.

15. Most of their houses are still temporary or semi-permanent houses with space of about 101-500 square feet that have a single room or two. These houses are mostly built with clay or bricks. However, with their exposure to new developments and consumerist environments, many Veddha households have begun to acquire household furniture, televisions and mobile phones. Use of Veddha language is fast disappearing from among their communities due to increased interaction and assimilation with Sinhalese and Tamil communities. Their religious beliefs and practices too are fast disappearing from animistic beliefs in demons and spirits and the majority of the Veddhas identify themselves as Buddhists and Hindus.

16. Potential impact on IPs of the Investment Program's Tranche 1 sub-project was evaluated. There will be no impact on Indigenous peoples.. No IPs or Veddha people are found in the sub project area. The project will involve construction of hydro electric project, transmission lines and substations, distribution lines and gantries and upgrading & augmentation of existing substations. Land acquisition will be required for hydro components, transmission substations and distribution gantries which have adequate accessibility and are proposed out of the IPs/Veddha area. Transmission and distribution lines will pass through wider area with no impact on indigenous people. Therefore, Tranche-1 is categorized as ' C' for indigenous peoples.

#### **IV. SOCIAL IMPACT ASSESSMENT AND IPP FOR SUBPROJECTS AND/OR COMPONENTS**

17. An indigenous peoples plan (IPP) is required if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of the IPs or affects the territories or natural or cultural resources that IPs own, use, occupy, or claim as their ancestral domain. In accordance with SPS, in case the physical relocation of IPs results in adverse impacts on their identity, culture and customary livelihoods and if such avoidance is impossible then the EA/IA in consultation with ADB could formulate a combined Indigenous Peoples Plan and resettlement plan to address both involuntary resettlement and Indigenous Peoples issues. If indigenous people are the majority of the direct project beneficiaries and when only positive impacts are identified, the elements of the IPP could be included in the overall project design in lieu of preparing a separate IPP. In such cases the project documents should explain the requirements of meaningful consultations are fulfilled in accordance with the requirements of SPS. The main features of the IPP will be a preliminary screening process, a social impact assessment to determine the degree and nature of impact of each additional project, and an action plan developed if needed. Meaningful consultations with and participation of IP communities, their leaders, and local government representatives will be an integral part of the overall IPP.

##### **1. Preliminary Screening**

18. The EA/IA (CEB in this case) through its PMU and PIUs will study all IP communities and villages within and in the vicinity of the proposed sub-project area. The PMU and PIU will arrange public meetings at IP communities to provide information regarding the proposed sub-project. During these meetings, community leaders and other participants will be given an opportunity to present their views and concerns. An initial screening will check for the following:

- (i) Name(s) of IP community group(s) in the area;
- (ii) Total number of IP community groups in the area;
- (iii) Percentage of IP community population in the area compared with the total population; and
- (iv) Number and percentage of IP households to be affected by the sub-project site.

19. A project's Indigenous Peoples category is determined by the category of its most sensitive component in terms of impacts on Indigenous Peoples. The significance of impacts of an ADB supported project on Indigenous Peoples is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health,

education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected Indigenous Peoples community. The level of detail and comprehensiveness of the IPP are commensurate with the significance of potential impacts on Indigenous Peoples. A proposed project is assigned to one of the following categories depending on the significance of the potential impacts on Indigenous Peoples:

**Category A:** A proposed project is classified as category A if it is likely to have significant impacts on Indigenous Peoples. An Indigenous Peoples plan (IPP), including assessment of social impacts, is required.

**Category B:** A proposed project is classified as category B if it is likely to have limited impacts on Indigenous Peoples. An IPP, including assessment of social impacts, is required.

**Category C:** A proposed project is classified as category C if it is not expected to have impacts on Indigenous Peoples. No further action is required.

20. An IP assessment checklist will be prepared. If the results of the preliminary screening show that there are IP households in the proposed sub-project area, a social impact assessment (SIA) will be conducted to capture IP issues and development opportunities that exist in the area. A checklist format for screening of IPs in the sub projects is in **Appendix-2**.

## **2. Social Impact Assessment**

21. The policy on indigenous people ensures that the process of initial social assessment includes specific consideration of indigenous peoples as a potentially affected population. If the initial social assessment identifies indigenous peoples specifically as a significantly and adversely affected population, or vulnerable to being so affected, it is required that an indigenous peoples plan acceptable to ADB is prepared by the project proponent. The SIA will gather relevant information on demographic data; social, cultural, and economic situation; and both positive and negative social, cultural and economic impacts.

22. Information will be gathered from separate group meetings within the tribal community, including tribal leaders; group of tribal men and women, especially those who live in the zone of influence of the proposed subproject under the investment program. Discussions will focus on the positive and negative impacts of the subproject as well as recommendations on the design of the subproject. The information to be gathered for the SIA should include (i) a baseline socioeconomic profile of the indigenous groups in the project area and project impact zone; (ii) assessment on their access to and opportunities they can avail of the basic and socio economic services; (iii) assessment of the short and long term, direct and indirect, positive and negative impacts of the project on each group's social, cultural and economic status; (iv) assessing and validating which indigenous groups will trigger the Indigenous peoples policy principles; and (v) assessing the subsequent approaches and resource requirements for addressing the various concerns and issues of projects that affect them. SPS Requirement 3 para 26, outlines that special considerations apply if the project affects IP's ties to lands, natural resources and ancestral domains. The SIA will make provisions for the identification of such ties and impacts. The EA/IA through its will prepare the SIA and will be responsible for analyzing the SIA and preparation of an action plan with the support of IP community leaders. If the SIA indicates that the potential impact of the proposed sub-project will be significantly adverse—threatening the cultural

practices and IP sources of livelihood, or that the IP community rejects the sub-project works—the EA/IA will consider other design options to minimize such adverse impacts. If IP communities support the sub-project an IPP will be formulated.

### 3. Benefits Sharing and Mitigation Measures

23. Where impacts on indigenous households are potentially positive, measures will be undertaken to ensure that benefits are equally shared. This will be through ensuring indigenous peoples as stakeholders take part during all stages of the investment program. Where impacts are potentially negative, all affected indigenous households will be provided with assistance, which would help them to improve their living standards without exposing their communities to disintegration. As vulnerable groups, they are entitled to receive special assistance not only to restore and improve their income and livelihood, but also to maintain their distinct cultural identity.

24. As indigenous peoples, they are likely to have traditional land rights; these will be honored and the absence of land titles will not be a bar for receiving compensation and alternate land. Their compensation entitlements will be the same that are listed in the approved Resettlement Framework (RF) of the Investment Program. The RF defines IPs as vulnerable people/ households.

### 4. Outline of Indigenous Peoples Plan

25. The IPP is time-bound, with an adequate budget for its implementation. An acceptable IPP addresses the (i) aspirations, needs, and preferred options of the affected indigenous peoples; (ii) local social organization, cultural beliefs, ancestral territory, and resource use patterns among the affected indigenous peoples; (iii) potential positive and negative impacts on indigenous peoples; (iv) measures to avoid, mitigate, or compensate for the adverse project effects; (v) measures to ensure project benefits will accrue to indigenous peoples; (vi) measures to strengthen social, legal, and technical capabilities of government institutions to address indigenous peoples issues; (vii) the possibility of involving local organizations and non-governmental organizations with expertise in indigenous peoples issues; (viii) budget allocation; and (ix) monitoring. Where there is land acquisition in IP communities, the Project will ensure their rights will not be violated and that they be compensated for the use of any part of their land in a manner that is culturally acceptable to the affected IPs.<sup>2</sup> The IPP will include:

- (i) **Baseline data:** Base line data will be collected both from the primary and secondary sources. The survey will be designed to collect the baseline data on their socio-economic and cultural aspect which will help in identifying the intensity of impact on indigenous people.
- (ii) **Land tenure information:** Land holding among the IPs is very less compared to other section of mainstreamed people. Tribal people use the public land and forest land for their various uses. Therefore, details on the land tenure and usage pattern will be collected in order to measure the dependency of tribal people on the land.
- (iii) **Local participation:** The plan will be developed in a participatory approach with due consultation with the local IP communities. The views of the IP will be recorded and will be incorporated in the plan.

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<sup>2</sup> The compensation will follow the Resettlement Policy Framework of the investment program (MFF).

- (iv) **Technical identification of development enhancement or mitigation activities:** The survey and the engineering design should clearly reflect the impact of sub projects on the IPs. The sub project engineering plan, thus, be developed or modified based on these inputs so that negative impacts are mitigated or better benefits are distributed to the IPs.
- (v) **Institutional arrangement:** The detailed institutional arrangements will be prepared as per defined task for each stake holders.
- (vi) **Implementation schedule:** The implementation schedule has to be aligned with the overall project implementation schedule and all the compensation and mitigations will be done prior to the civil work.
- (vii) **Monitoring:** The IPP will be monitored both internally and externally.
- (viii) **Cost estimate and financing plan:** Based on the impacts, a budget will be prepared for the implementation of IPP and the EA/IA will be responsible for providing the budget.
- (ix) The IPP should also include provision for unanticipated impacts during the project implementation.

26. Where warranted, the IPP will be developed by the EA/IA through its PIU with technical assistance from other team members and the IPP will form part of the final report for each Tranche. The EA/IA will approve the IPP and provide the approved IPP to ADB for review and approval. The IPP policy and measures must comply with ADB's SPS, 2009. An outline of IPP is given in **Appendix-3**.

## V. CONSULTATION AND PARTICIPATION

27. The IPP will be prepared in consultation with the affected IP groups. Prior consultation will be held and no objection will be obtained from the IPs if they are affected by land acquisition. The mitigation measures and strategies will be presented to them by the EA/IA at various places which will be easily approachable to them. Inputs from the IPs through consultation will be considered in subproject design and the final IPP. The EA/IA will be involved in implementing the IPP and resolution of any dispute arising out of the implementation process. Consultations and information disclosure will be undertaken to ensure that needs, priorities and preferences of IPs are adequately dealt with. The strategy of IPP, therefore, would be to promote participation of the IPs, initiating and identifying people's need, priorities and preferences through participatory approaches. Consultations with and participation of IP communities, their leaders and representatives of EA / IA, hence, will be an integral part of the overall IPP. The strategy of the IPP therefore would be to promote participation of IPs, initiating and identifying people's needs, priorities and preferences through participatory approaches appropriate to the social and cultural values of the IPs. The affected IPs will be informed and consulted in preparing IPP. Their participation in planning will enable them to benefit from the project and to protect them from any potential adverse impacts of the project.

## VI. DISCLOSURE

28. The IPP prepared in consultation with affected IPs will be translated into local language or any other medium which will be understood by the IPs and made available to them before implementation with the assistance of EA/IA. The EA/IA will ensure that adequate funds will be made available for consultation and facilitation. Indigenous Peoples may be particularly vulnerable when project activities include (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. In deciding whether to proceed with a project involving such project activities, the EA/IA will seek the consent of affected Indigenous Peoples communities. The IPP will further be disclosed in the website of EA/IA and ADB. The EA/IA will submit to ADB the following documents to disclose on ADB's website:

- a draft IPP and/or Indigenous Peoples planning framework, including the social impact assessment, endorsed by the EA/IA, before appraisal;
- the final IPP upon completion;
- a new or updated IPP and a corrective action plan prepared during implementation, if any; and
- the monitoring reports.

29. The EA/IA will provide relevant information, including information from the above documents in a timely manner, in an accessible place and in a form and language(s) understandable to the affected Indigenous Peoples and other stakeholders. If the Indigenous Peoples are illiterate, other appropriate communication methods will be used.

## VII. GRIEVANCE REDRESS MECHANISM

30. The EA/IA will establish a mechanism to receive and facilitate resolution of the affected Indigenous Peoples communities' concerns, complaints, and grievances. The grievance redress mechanism will be the same as mentioned in the Resettlement Framework with an addition and special importance to indigenous peoples. ADB procedures require CEB to establish a project specific Grievance Redress Mechanism (GRM) having suitable grievance redress procedure to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the social and environmental performance at subproject level. The GRM will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the project. A common GRM will be in place for social, environmental or any other grievances related to the project. The GRM will provide an accessible and trusted platform for receiving and facilitating resolution of affected persons' grievances related to the project. The multi-tier GRM for the project is outlined below, each tier having time-bound schedules and with responsible persons identified to address grievances and seek appropriate persons' advice at each stage, as required.

31. The grievance mechanism will be scaled to the risks and adverse impacts on social and environment due the subproject type, size, type of area (sensitive area) and impacts. It should address affected people's concerns and complaints promptly, using a transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the affected people at no costs and without retribution. This GRM would consist of a Grievance Redress Committee (GRC) headed by the Project Head. The committee would consist of the following constitution as listed in **Table 5**.

**Table 5: Constitution of Grievance Redress Committee**

|   |  |
|---|--|
| 1 | Project Head, CEB                        |
| 2 | Division Secretary or their nominee      |
| 3 | Representative of Gram Niladhari/Council |
| 4 | Women representative of village/council  |
| 5 | Representative of EPC* contractor        |
| 6 | Environment Officer at PMU or nominee    |
| 7 | PIU head of CEB at project site          |

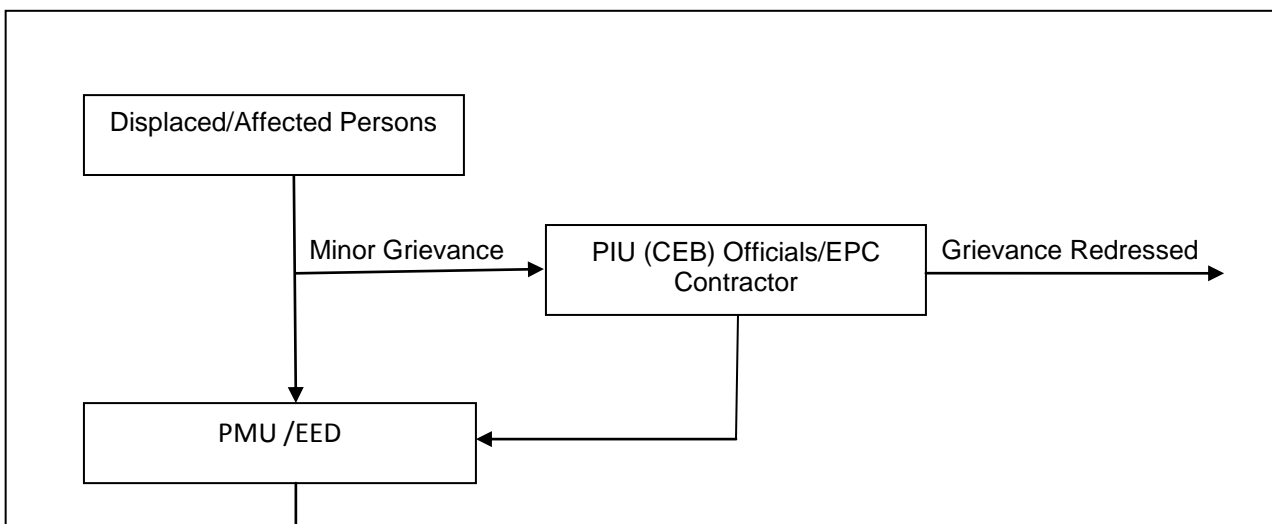
\* (EPC) - Engineering, Procurement and Construction Contractor

32. This Grievance Redress Mechanism (GRM) would provide an effective approach for resolution of complaints and issues of the affected person/community. Project Management Unit (PMU) shall formulate procedures for implementing the GRM, while the PIUs shall undertake GRM's initiatives that include procedures of taking/recording complaints, handling of on-the-spot resolution of minor problems, taking care of complainants and provisions of responses to distressed stakeholders etc. paying particular attention to the impacts on vulnerable groups. Regarding social safeguards, the main responsibilities of the GRC will be to: (i) provide support to DPs/APs on problems arising from land/property acquisition; (ii) record DP/AP grievances, categorise, and prioritise grievances and resolve them; (iii) immediately inform the EA/IA of serious cases; and (iv) report to DPs/APs on developments regarding their grievances and the decisions of the GRC and the PIU. Other than disputes relating to ownership rights under the court of law, GRC will review grievances involving all resettlement benefits, compensation, relocation, replacement cost and other assistance.

33. Grievances of affected persons (APs) will first be brought to the attention of the Project head of the PIU and EPC contractor. Grievances not redressed by the PIU will be brought to the PMU and its Energy and Environment Division (EED). Grievance not redressed by the PMU will be brought to the Grievance Redress Committee (GRC) set up to monitor subproject Implementation for each subproject affected area. The GRC will determine the merit of each grievance, and resolve grievances within an outer time limit of three months of receiving the complaint. The proposed mechanism does not impede access to the country's judicial or administrative remedies. The AP has the right to refer the grievances to appropriate courts of law if not satisfied with the redress at any stage of the process.

34. The PIU will keep records of all grievances received including: contact details of complainant, date that the complaint was received, nature of grievance, agreed corrective actions and the date these were effected, and final outcome. The flow chart showing Grievance Redress Mechanism is presented in **Figure 1**.

**Figure-1: Grievance Redress Mechanism**





Not Redressed

Not Addressed

Not Redressed

Not Redressed

Note: Affected Persons can approach the court of law at time during the Grievance redress process.

## **VIII. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS**

35. Government of Sri Lanka's (GoSL) Ministry of Power and Energy (MoPE) is the Executing Agency (EA) for overall coordination, whereas Ceylon Electricity Board (CEB) is also the EA and Implementing Agency (IA) for the generation, transmission and distribution components. CEB has set up an Energy and Environment Division (EED) for dealing with environment and issues at the corporate level to monitor and implement environmental and social good practices. Project management unit (PMU) and project implementation units (PIUs) will be set up for the project planning and implementation.

### **1. Project Management Unit (PMU)**

36. The PMU will be responsible for overseeing sub-project compliance with social safeguard requirements. The PMU head will be responsible for coordinating all external functions with ADB and MoPE as well as coordinating the internal functions for coordination of environment and social safeguard reporting, legal, finance and accounts, PIU monitoring and reporting. PMU has designated Environment Officer of EED who has oversight responsibilities for monitoring for all sub-projects in areas such as Environment and Social safeguards including issues related to indigenous peoples. To assist EED in these specialist functions, CEB will hire appropriate safeguard Consultants at PIU level having experience in IP related issues as deemed necessary. The duties of the EED will include at a minimum: (i) oversight of field offices and construction contractors for monitoring and implementing safeguards mitigation measures; (ii) liaising with the field offices and contractors and seeking their help to solve the safeguard-related issues of subproject implementation; and (iii)). EED must coordinate with PIUs for monitoring as well as designing appropriate mitigation measures to address environmental and social issues. PMU may also be assisted by project management consultant (PMC) for implementation. If required, an NGO may be hired to

assist the PMU and PIU for implementation of social safeguards activities, for category 'A' tranche subprojects which is considered to be highly sensitive and having significant social safeguard impacts. However, hiring of implementing NGO is subject to the decision of CEB and its PMU/PIU.

## **2. Project Implementation Unit**

37. The PMU shall implement the ADB loan at the corporate level and the PMU will be supported for implementation activities through the CEB field offices/ Project Implementing Units (PIUs). Separate PIUs will be created for hydro, transmission and distribution components. The PIU/field offices of CEB will assume primary responsibility for the social assessment as well as implementation of RPs in consultation with EED. The PIU/Project Head will be assisted by the EED. The PIU/field offices of CEB will have overall responsibility to manage the site activities. Project Implementation Units (PIUs), including experienced staff and headed by senior officers will be set up in CEB to undertake day-to-day project planning and implementation activities. Full-time project managers with qualified staff will be appointed to supervise sub-projects under each component. The PIUs will be responsible for overall project planning and implementation, including procurement, accounting, quality assurance, social and environmental issues and coordination with concerned agencies. For the land acquisition and implementation of RP or IPP (if required), PIU at CEB will take the overall responsibility with due coordination from the relevant government departments.

38. In the preparation of IPPs for each tranche (where applicable), the EA/IA will have overall coordination and financing responsibilities. The EA/IA through its PIU and EDD will prepare, implement, and monitor the IPP. Since IP issues are sensitive, the PIU will ensure that a social specialist or consultant or a designated official responsible for IPP will be deputed with knowledge and experience of working among IP groups. The specialist shall be available for assisting in the planning and implementation of IPPs for the Project. PIUs will ensure that the specialist hired or designated to assist the PIUs in planning and implementation of IPPs for subprojects is familiar with ADB policy and requirements for IPPs. The head of the EED will be responsible for the safeguards implementation of the Project with its due involvement in the CEB's PIU. Therefore, all the activities related to planning and implementation of safeguards components in this Project will be responsibility of CEB. However, MoPE will facilitate for higher level coordination as required.

39. The IPP implementation schedule will vary from subproject to subproject. The EA/IA will ensure that project activities are synchronized between the IPP implementation activities as well as the subproject implementation. The EA/IA will ensure that no physical/or economic displacement of affected households will occur until: (i) compensation at full replacement cost has been paid to each displaced person including IPs for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan and IPP are provided to the displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by adequate budget, is in place to help displaced persons, improve, or at least restore, their incomes and livelihoods. Furthermore, all RPs and IPPs will be revised during detailed design, and ADB will clear all RPs and IPPs prior to contract award. All land required will be provided free of encumbrances to the contractor prior to handing over of sub-project sites and the start of civil works.

## **IX. MONITORING AND REPORTING ARRANGEMENTS**

40. The EA/IA will monitor and measure the progress of implementation of the IPP. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording information to track performance, the EA/IA should use dynamic mechanisms, such as inspections and audits, to verify compliance with requirements and progress toward achieving the desired outcomes. For projects with significant adverse impacts on Indigenous Peoples, the EA/IA will retain qualified and experienced external experts or qualified NGO to verify monitoring information. The external experts engaged by the borrower/client will advise on compliance issues, and if any significant Indigenous Peoples issues are found, the borrower/client will prepare a corrective action plan or an update to the approved IPP. The borrower/client will implement the corrective actions and follow up on these actions to ensure their effectiveness. The EA/IA will prepare periodic monitoring reports on the progress of IPP implementation, highlighting compliance issues and corrective actions, if any. The EA/IA will submit semi-annual monitoring reports. The costs of monitoring requirements will be reflected in project budgets

41. Implementation of the IPP will be monitored regularly. The EA/IA will establish a semiannual monitoring system involving the PIUs staff, EDD, representative of affected IP groups, and local community to ensure participatory monitoring arrangements. A set of monitoring indicators will be determined during IPP implementation. The PIUs will also prepare appropriate monitoring formats for effective internal and external monitoring and reporting requirements. Monitoring will be carried out twice a year during project implementation. These reports will be submitted to ADB for review. The EA/IA through the PMU/PIU will be responsible for determining if any follow-up actions are necessary and ensuring any necessary actions are taken regarding the implementation of IPPs.

42. The PIUs will implement the IPP and carry out the monitoring and evaluation activities as prescribed in this section. The PIUs will be trained and motivated in carrying out these activities. IPP implementation will be closely monitored to assess IPP progress and identifying potential difficulties and problem areas. Monitoring will also cover the physical progress of implementation of IPP. Monitoring reports will be submitted to ADB for review and comments. Each IPP will be submitted by EA/IA to ADB for review and approval.

## **X. BUDGET AND FINANCING**

43. Each IPP will have its own budget. The EA/IA will provide sufficient resources to formulate an IPP for each sub-project that will have impacts on IPs. A detailed budget will be prepared by the PIU taking into account all activities associated with the formulation and implementation of the IPP. Such budgets will be an integral part of the program cost, and will be made available during program implementation. The EA/IA will be responsible for making the budget available in advance to its PMU and PIU for implementation of IPP

## APPENDIX 1: LEGAL FRAMEWORK

### A. ADB'S Safeguard Policy Statement on Indigenous Peoples Safeguards

1. The objectives are to design and implement projects in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of projects, and (iii) can participate actively in projects that affect them.

2. The Indigenous Peoples safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset. The term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under this policy.

3. The Policy Principles are as follows:

- Screen early on to determine (i) whether Indigenous Peoples are present in, or have collective attachment to, the project area; and (ii) whether project impacts on Indigenous Peoples are likely.
- Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the design of mitigation measures. Identify social and economic benefits for affected Indigenous Peoples that are culturally appropriate and gender and inter generationally inclusive and develop measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples.
- Undertake meaningful consultations with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations to solicit their participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner. To enhance Indigenous Peoples' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Indigenous Peoples' concerns.

- Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. For the purposes of policy application, the consent of affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for such project activities. Broad community support may exist even if some individuals or groups object to the project activities.
- Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared.
- Prepare an Indigenous Peoples plan (IPP) that is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected Indigenous Peoples communities during project implementation; specifies measures to ensure that Indigenous Peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.
- Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders.
- Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (i) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.
- Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.

## APPENDIX 2: INDIGENOUS PEOPLES IMPACT SCREENING CHECKLIST

| <b>KEY CONCERNS</b><br>(Please provide elaborations<br>on the Remarks column)  | <b>YES</b> | <b>NO</b> | <b>NOT<br/>KNOWN</b> | <b>Remarks</b> |
|--|------------|-----------|----------------------|----------------|
| <b>A. Indigenous Peoples Identification</b>  |            |           |                      |                |
| 1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?                            |            |           |                      |                |
| 2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities? |            |           |                      |                |
| 3. Do such groups self-identify as being part of a distinct social and cultural group?   |            |           |                      |                |
| 4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?   |            |           |                      |                |
| 5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?  |            |           |                      |                |
| 6. Do such groups speak a distinct language or dialect?  |            |           |                      |                |
| 7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?  |            |           |                      |                |
| 8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?   |            |           |                      |                |
| <b>B. Identification of Potential Impacts</b>  |            |           |                      |                |
| 9. Will the project directly or indirectly benefit or target Indigenous Peoples?   |            |           |                      |                |
| 10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)  |            |           |                      |                |

| <b>KEY CONCERNS</b><br>(Please provide elaborations<br>on the Remarks column)   | <b>YES</b> | <b>NO</b> | <b>NOT<br/>KNOWN</b> | <b>Remarks</b> |
|---|------------|-----------|----------------------|----------------|
| 11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)  |            |           |                      |                |
| 12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?  |            |           |                      |                |
| <b>C. Identification of Special Requirements</b><br><i>Will the project activities include:</i>   |            |           |                      |                |
| 13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?   |            |           |                      |                |
| 14. Physical displacement from traditional or customary lands?  |            |           |                      |                |
| 15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples? |            |           |                      |                |
| 16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?  |            |           |                      |                |
| 17. Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by indigenous peoples?  |            |           |                      |                |

#### Anticipated project impacts on Indigenous Peoples

| <b>Project component/<br/>activity/ output</b> | <b>Anticipated positive effect</b> | <b>Anticipated negative effect</b> |
|--|------------------------------------|------------------------------------|
|  |                                    |                                    |

## **APPENDIX 3: OUTLINE OF AN INDIGENOUS PEOPLES PLAN**

1. This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

### **A. Executive Summary of the Indigenous Peoples Plan**

2. This section concisely describes the critical facts, significant findings, and recommended actions.

### **B. Description of the Project**

3. This section provides a general description of the project; discusses project components and activities that may bring impacts on Indigenous Peoples; and identify project area.

### **C. Social Impact Assessment**

4. This section:
- Reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
  - Provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
  - Identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
  - Assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
  - Includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
  - Identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

### **D. Information Disclosure, Consultation and Participation**

5. This section:
- Describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;



- Summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- In the case of project activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- Describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- Confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

### **E. Beneficial Measures**

6. This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

### **F. Mitigative Measures**

7. This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

### **G. Capacity Building**

8. This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) Indigenous Peoples organizations in the project area to enable them to represent the affected Indigenous Peoples more effectively.

### **H. Grievance Redress Mechanism**

9. This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

### **I. Monitoring, Reporting and Evaluation**

10. This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.

### **J. Institutional Arrangement**

11. This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the IPP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the IPP.

### **K. Budget and Financing**

12. This section provides an itemized budget for all activities described in the IPP.