

Annex 10 (SD-tool)

“Clear definition of “feasible”- Feasible now refers to “technically and financially feasible””

AND

Footnote for 28. P2.2.1 ‘27 Technical feasibility is based on whether the proposed measures and actions can be implemented with commercially available skills, equipment, and materials, taking into consideration prevailing local factors such as climate, geography, infrastructure, security, governance, capacity, and operational reliability. Financial feasibility is based on financial considerations, including relative magnitude of the incremental cost of adopting such measures and actions compared to the activity’s investment, operating and maintenance costs.’

Comment 1: This statement is very vague—finances and what is financially feasible change constantly. With this wording, anything could be deemed infeasible if it is not profitable. This does not uphold the principle of ‘no harm’ because it allows harmful practices as soon as preventing them becomes too costly. Moreover, no exact profit margin has been determined as an adequate one. Although technological solutions exist for most environmental side effects, they can sometimes be expensive. This tool should establish clear standards and specify unacceptable levels of social and environmental impacts when not addressed. Currently, such standards are completely lacking.

Comment 2: Following up on comment 1, clear guidelines and rules need to be established to determine when an activity cannot be implemented. The conclusion that “the activity cannot be performed” must be a viable outcome if high-integrity activities are the goal.

Comment 3: The footnote explaining technical and financial feasibility is used after the terms have been used several times. It should be used when the terms are first introduced to make it clear that this definition applies throughout the text.

16. (o) *“A6.4 Environmental and Social Management Plan: a management tool that details the set of mitigation measures and monitoring to be taken during its entire crediting period to avoid and/or, where avoidance is not possible, mitigate adverse environmental and social impacts, prevent them, and/or reduce them to acceptable levels as per host Party regulations.”*

18. *“If harm cannot be avoided, activity participants are required to prevent and minimize identified risks and provide evidence that the activities are consistent with host party regulations by completing the A6.4 Environmental and Social safeguards risk assessment form and the A6.4 Environmental and Social Management Monitoring Plan Form for addressing environmental and/or social risks identified in A6.4 Environmental and Social Safeguards Risk Assessment Form.”*

Comment: Again, this is the mitigation hierarchy here, but it is unclear what an ‘acceptable’ level is. Acceptable to whom? Like this ‘no harm’ is not ensured and depends entirely on the host countries regulation

19. (b) (i) *“The do-no-harm risk assessment shall compare the activity scenario to the environmental and social baseline”*

Comment: Environmental and social baseline scenarios are not defined nor is there a tool to develop these.

“In addition to host party regulations, activity participants are encouraged to apply relevant standards, industry best practices and their own voluntary corporate policies.”

Comment: This document repeatedly refers to the regulations of the host party instead of establishing its own regulations. This places a lot of emphasis on the host party's regulations, which in some cases may not be very strict. Binding minimum standards should be set instead. It should be ensured that host party regulations, which have low requirements, are not used to create activities with low integrity.

34. P2.3.2: *“The activity participants shall avoid the release of pollutant to water. or, When complete avoidance is not technically and financially feasible, the activity participants shall minimize and/or control the intensity and mass flow of their release in accordance with host country party regulations. This applies to the release of pollutants due to routine, nonroutine and accidental circumstances with the potential for local, regional and transboundary impacts. 30 A6.4 activities that include carbon storage in proximity to groundwater resources, or carbon dioxide removal methods that entail the release or discharge of materials into the environment, shall take appropriate measures to control water pollution risks.”*

Comment: This statement is very vague—finances and what is financially feasible change constantly. With this wording, anything could be deemed infeasible if it is not profitable. This does not uphold the principle of ‘no harm’ because it allows harmful practices as soon as preventing them becomes too costly. Moreover, no exact profit margin has been determined as an adequate one. Although technological solutions exist for most environmental side effects, they can sometimes be expensive. This tool should establish clear standards and specify unacceptable levels of social and environmental impacts when not addressed. Currently, such standards are completely lacking.

“When the proposed activity is a potentially significant consumer of water, in addition to applying the resource efficiency requirements of this principle, the activity participants shall adopt measures that avoid or reduce water usage so that the activity’s water consumption does not have significant adverse negative impacts on people and biodiversity in terms of availability, accessibility, reliability and quality as the same level to the environmental and social baseline.”

Comment: More precise definitions of terms and rules are needed here. For example, the terms 'significant consumer of water' and 'significant adverse negative impacts' are not defined, leaving room for interpretation and misuse of these unclear statements.

35. P2.3.3.: P2.3.3: *“[...]. These measures include, but are not limited to, the use of additional, technically and economically feasible water conservation measures, the use of alternative water supplies, the reuse of water, and evaluation of alternative activity locations and relocation, as appropriate.”*

Comment: It is not clear if the alternative location and relocation refers to the activity or the measurement. This need clarification e.g. "evaluation of alternative A6.4 activity locations and relocation"

35. P2.3.3.: P2.3.3: *"When the proposed activity is a potentially significant consumer of water, in addition to applying the resource efficiency requirements of this principle, the activity participants shall adopt measures that avoid or reduce water usage so that the activity's water consumption does not have significant negative impacts on people and biodiversity in terms of availability, accessibility, reliability and quality as the same level to the environmental and social baseline. These measures include, but are not limited to, the use of additional, technically and economically feasible water conservation measures, the use of alternative water supplies, the reuse of water, and evaluation of alternative activity locations and relocation, as appropriate."*

AND

36. P.2.3.4: *"The activity participants shall implement technically and financially feasible and cost-effective measures for improving efficiency in its consumption of water, with a focus on the area of the proposed activity(ies)."*

Comment: As it is vital that the measures taken here mitigate the impact on people and biodiversity caused by the activity locally, the measures should explicitly be limited to those that can achieve this. This direct link as a criterion for an appropriate measure should be highlighted, while measures which would displace the mitigation effort and its benefits to other places (e.g. offsets), should be specifically excluded.

"P8.2: When physical displacement (i.e., relocation or loss of shelter) cannot be avoided, the activity shall mitigate the displacement impacts and risks of the displaced persons and host communities to at minimum least restore the livelihoods and/or living standards to pre- 29 of 80 project levels. If the proposed activity involves Indigenous Peoples, their free, prior and informed consent (FPIC) must be obtained in accordance with the section 5.3.6 of Principle 9 and the principle's criteria of P9.5."

Comment 1: How will it be monitored that the life quality of displaced people is at least equal after involuntary resettlement?

Comment 2: In relation to involuntary resettlement (5.3.5.) it is still unclear what unavoidable resettlements are.