

**Guidance Note C: Outline of an  
Environmental Action Plan (EAP)**

1. Every IFC Category A project must have an EAP. An EAP consists of the set of mitigation, management, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. The plan also includes the actions needed to implement these measures.<sup>1</sup> Action plans are essential elements of EIA reports for Category A projects; for many Category B projects, the EA may result in an action plan only. In the case of a project specific environmental audit, the result may be termed a “corrective action plan”. To prepare an action plan, project sponsors and their environmental assessment team (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.<sup>2</sup> More specifically, the EAP includes the following components:

- a) **Environmental Management:** Effective implementation of an EAP begins with sound company policies on environmental and social issues, together with senior management commitment to their effective implementation. The goal should be to continually improve performance in these areas. This section of the EAP should detail the project sponsor’s environmental and social policies and the arrangements in place to ensure these policies are implemented effectively and in a timely fashion. To support timely and effective implementation of environmental and social project components and mitigation measures, the EAP draws on the EA’s determination of the existence, role, and capability of environmental staff on site.<sup>3</sup> If necessary,

the EAP recommends the establishment or expansion of such units, and the training of staff, to allow implementation of EA recommendations. Specifically, the EAP provides a specific description of the project company’s arrangements - who is responsible for carrying out the mitigation, management and monitoring measures (e.g., for operation, supervision, monitoring of implementation, remedial action, financing, reporting, and staff training). To strengthen the project company’s environmental management capability, most EAPs cover one or more of the following additional topics: (a) technical assistance programs, (b) procurement of equipment and supplies, and (c) organizational changes.

- b) **Mitigation and Development:** The EAP identifies feasible and cost-effective measures that may reduce potentially significant adverse environmental and social impacts to acceptable levels and promote development benefits. The plan includes compensatory measures if mitigation measures are not feasible, cost-effective or sufficient. Specifically, the EAP:
  - i) identifies and summarizes all anticipated significant adverse impacts (including those involving indigenous peoples or involuntary resettlement);
  - ii) describes - with technical details - each mitigation or development measure, including the kind of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
  - iii) estimates any potential environmental and social impacts of these measures; and
  - iv) provides linkage with any other mitigation plans (e.g., for involuntary resettlement or indigenous peoples) required for the project.
- c) **Monitoring:** Environmental monitoring during project implementation provides

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budget and professional staffing strong in expertise relevant to the project.

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<sup>1</sup> The action plan is sometimes known as a “mitigation and management plan” or “corrective action plan”.

<sup>2</sup> For projects involving rehabilitation, upgrading, expansion, or privatization of existing facilities, remediation of existing environmental problems may be more important than mitigation and monitoring of expected impacts. For such projects, the action plan focuses on cost-effective measures to remediate and manage these problems.

<sup>3</sup> For projects having significant environmental implications, it is particularly important that the project company have an in-house environmental unit with adequate

information about key environmental and social aspects of the project, particularly the impacts of the project and the effectiveness of mitigation measures. Such information enables the project company and IFC to evaluate the success of mitigation as part of project supervision, and allows corrective action to be taken when needed. Therefore, the EAP identifies monitoring objectives and specifies the kind of monitoring, with linkages to the impacts assessed in the EA report and the mitigation measures described in the EAP. Specifically, the monitoring section of the EAP provides:

- i) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and
  - ii) monitoring and reporting procedures to (a) ensure early detection of conditions that necessitate particular mitigation measures, and (b) furnish information on the progress and results of mitigation. IFC requires, at a minimum, annual monitoring reports - these reports should be submitted to the Investment Officer no later than 90 days after the end of the project company's fiscal year.
- d) **Implementation Schedule and Cost Estimates:** For all three aspects (environmental management, mitigation and monitoring), the EAP should provide (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the EAP.
- e) **Integration of EAP with Project:** The project sponsor's decision to proceed with a project, and IFC's decision to support it, are predicated in part on the expectation that the EAP will be executed effectively. Consequently, IFC expects the plan to be specific in its description of the individual

mitigation and monitoring measures and its assignment of responsibilities, and it must be integrated into the project's overall planning, design, budget and implementation. Such integration is achieved by establishing the EAP within the project so that the plan will receive the necessary resources and supervision along with the other components.

- f) **Consultation and Disclosure:** The EAP should include the measures the sponsor will take to achieve ongoing consultation with stakeholders affected by the project as outlined in the Public Consultation and Disclosure Plan (PCDP).
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