



*Sustainability Assessment  
Guideline and Toolkits  
for Investment Project*

*New Development Project*



# GREEN INVESTMENT PROCEDURE

[Project Development]

## Green Investment Procedure

<b>Objectives:</b>	To mitigate potential risks and opportunities associated with a project
<b>Phase:</b>	Project Development
<b>Limitation</b>	Ability to assess issues may depend on the quality of the information on the business that was made available from management, and availability in the public domain.

### Scope of Environmental and Social Assessment Criteria

Environmental issues	<ul style="list-style-type: none"> <li>• Climate Change Risk Area</li> <li>• Internal Carbon Pricing</li> <li>• Biodiversity</li> <li>• Air Pollutions</li> <li>• Soil and Groundwater</li> <li>• Water Scarcity</li> </ul>
Social issues (which include broader health and safety issues)	<ul style="list-style-type: none"> <li>• Security</li> <li>• Land Acquisition, &amp; Involuntary Resettlement</li> <li>• Community Health, Safety and Security</li> <li>• Conflicts with Local Communities</li> <li>• Human Rights</li> </ul>
Permitting	<ul style="list-style-type: none"> <li>• Permitting / Compliance / Monopoly</li> </ul>

**Instructions:**

- 1) Obtain project information including project scope and siting from Business Development.
- 2) Assess Environmental and Social (ES) risks and opportunities related to the project development (e.g. feasibility, construction and operation) using the assessment criteria stated in the "Risk Review" in which the criteria takes into consideration Legal, Operation, Reputation aspects.

**Step 1: Assessment (Without Controls in Place)**

1. Review assessment criteria to verify if it is applicable to the Project.
2. Assess ES risks related to the project by following guidance stated in 'Approach' and 'Supporting Document'

The assessment outcome is used to determine risks rating. The highest risk amongst the three criteria will be selected to represent the overall risk. At this step, the risk rating for each ES issue is assessed based on the assumption of having no controls in place.

**Step 2: Consideration of Opportunities/Mitigation**

1. Review the recommended risk mitigations/opportunities according to the hierarchy (e.g. avoidance (Tier 1), mitigation (Tier 2), restoration, offset, opportunity (Tier 3)). This should include a in-depth assessment of ES issue in order to determine a more accurate risk rating.
2. Determine status as "YES" if the risk mitigation is implemented for the project execution OR "NO" if the risk mitigation is not practical for the project.
3. Provide the supporting description to explain the status determination and estimated cost for risk mitigation implementation.

**Step 3: Assessment (Residual Risk)**

1. Assess the risks for each ES issues by consideration of recommended risk mitigations/opportunities (i.e. results from Step 2) to determine level of residual risk (legal/operational/reputational risks) rating. The highest risk residual amongst the three criteria will be selected to represent overall residual risk.
  2. Consult with external assistance particularly for any international project which project information might be not known.
- 3) Results are automatically summarized in 'Risk & Opportunity Dashboard' Worksheet. If any item still remains at Extreme and/or High, Project Team should be informed and strongly consider actions to mitigate extreme and high risk ratings.

The Risk Rating is determined from considering the three factors of legal, operational and reputation risk.

[Figure 4.1 Risk Rating]


Rating (score)				
Very High (5)	High (4)	Medium (3)	Low (2)	Very Low (1)

[Figure 4.2 Examples of ES Risk & Opportunity Review]

CLIMATE CHANGE RISK AREA							
STEP 1 ASSESSMENT (Without Controls in Place)							
#	Criteria	Applicable? [Pick-list]	Legal	Operation	Reputation	Risk Rating [Auto]	Findings
1							
<i>Approach</i>						<i>Reference Points</i>	
11							
12							
13							
STEP 2 CONSIDERATION OF OPPORTUNITIES/ MITIGATIONS (by Hierarchy)							
<i>Recommended Mitigations/ Opportunities</i>		<i>Status</i> [Pick-list]	<i>Description</i>		<i>Estimated Cost</i>		
Tier I							
Tier II							
Tier III							
Tier IV							
Tier V							
Other							

STEP 3 RESIDUAL			
Legal	Operation	Reputation	Risk Rating [Auto]



## Green Investment Risk and Opportunity Dashboard

Investment (Project Name):

Sector:

Country:

**AUTO POPULATED CONTENT - DO NOT FILL IN**

**ENVIRONMENTAL ISSUES**






- Climate Change Risk Area
- Internal Carbon Pricing
- Biodiversity
- Air Pollution
- Soil and Groundwater
- Water Scarcity

**SOCIAL ISSUES**

- Security
- Land Acquisition & Involuntary Resettlement
- Community Health, Safety and Security
- Conflicts with Local Communities
- Human Rights

**PERMITTING ISSUES**

- Permitting/ Compliance/ Monopoly

Rating	Action	Rating	Action
 Very High	No go	 Medium	Mitigate
 High	Alternative / Mitigate	 Low	Monitor
		 Very Low	No action required

**Actions:**

If any item still remains at Extreme and/or High, it should be an information to the Project Team to consider. Insert action for issues rated as extreme and high in below box.

User to key in