

COOLING FACILITY

ANNEX 6

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY FRAMEWORK

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1. INTRODUCTION

The present document describes the Environmental and Social Sustainability Framework (ESSF) that will be followed under the *Cooling Facility*. As such, the framework: (i) describes the standards, procedures, processes, and tools applicable to all the projects supported by the Cooling Facility; (ii) presents the main steps to be taken by the Borrowers to manage the environmental and social issues associated with the projects to meet the World Bank Environmental and Social Standards (ESSs), as presented under the World Bank Environmental and Social Framework (ESF);¹ and (iii) includes indicative templates and outlines of potential environmental and social documents that may be required for the proposed projects under the Cooling Facility.

The activities that the Cooling Facility may support have potential limited adverse environmental and social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures. Accordingly, the activities are likely to vary from Low/Moderate to Substantial risk according to the environmental and social risk classification system set out in Section III.C of the World Bank's Environmental and Social Directive for Investment Project Financing.² This assessment corresponds to the GCF's environmental and social risk classification: B (I-2).

For each supported project, the World Bank will assist Borrowers in their application of specific Environmental and Social Standards (ESSs) described in section 3.2 of this document. The ESSs are designed to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects in accordance with the World Bank's Environmental and Social Policy for Investment Project Financing (Policy). For each of the supported projects, the Bank will undertake its own due diligence, and will require Borrowers to conduct environmental and social assessment in accordance with ESS1 (Assessment and Management of Environmental and Social Risks and Impacts). Depending on the nature and potential significance of the environmental and social risks and impacts related to the project, the Bank will request the Borrower to prepare additional project-specific plans (for example, environmental and social management plan, land acquisition or resettlement plan, indigenous peoples plan, cultural heritage management plan, biodiversity management plan, etc.) as appropriate. The budget to implement the underlying actions will be provided in the relevant project environment and social document.

Based on, *inter alia*, the findings of the environmental and social assessment, the Bank's environmental and social due diligence, and the results of engagement with stakeholders, the Bank will agree with the Borrower on a specific E&S Commitment Plan (ESCP), setting out measures and actions required for the project to achieve compliance with the ESSs over a specified timeframe. It will be a summary of the material measures and actions required to avoid, minimize, reduce or otherwise mitigate the potential environmental and social risks and impacts of the project and include in the legal agreement between the Bank and the Borrower.

¹ <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>

² <https://ppfdocuments.azureedge.net/698faa01-d052-4eb3-a195-055e06f7f3fd.pdf>

2. FACILITY CONTEXT

2.1 Rationale

Greater and rapid access to affordable cooling has become a development necessity. In 2019, the Intergovernmental Panel on Climate Change (IPCC) reported that at 1.5° C of warming, 2.3 billion people could be both exposed and vulnerable to heatwave events – a threshold that could be reached as early as 2030. SEforALL (2019) estimates over 1 billion people in developing countries are already facing immediate risk from lack of access to cooling, which includes 680 million slum dwellers living in hotter-climate urban areas where electricity services do not exist, are intermittent or are too expensive; and about 365 million people living in poor rural areas without access to cold chains for food and medicine. The World Health Organization (WHO) estimates that, largely due to inadequate refrigeration and unreliable energy supply, an estimated 19.4 million children were not reached with routine immunization, including temperature sensitive DPT vaccine despite global vaccination efforts. Another source of rising demand for cooling is in the vehicle air conditioning sector, or “mobile cooling”, expected to triple from almost 2 million barrels of oil equivalent per day (Mboe/d) in 2019 to over 5.7 Mboe/d by 2050 (IEA, 2019).

The scale of the challenge is significant. Conventional cooling technologies already account for as much as 10% of all global emissions and if left unchecked, cooling emissions are expected to at least double by 2030 and triple by 2100. Moving to best available technologies would reduce cumulative emissions by 38 -60 GtCO₂eq by 2030 and up to 130-260 GtCO₂eq by 2050. Additionally, the FAO estimates food lost or wasted globally due to inadequate refrigeration and cold chains creating greenhouse gas (GHG) emissions of about 4.4 GtCO₂-eq per year, equivalent to about 8% of the total global emissions of GHGs (FAO 2011).

The onset of the global pandemic due to COVID 19 and its impact across economies, further heightens the importance of sustainable cooling. This is reflected, for example, in the need for proper cooling and ventilation in health (as well as other) facilities, as well as the need for efficient cold chains to safely store vaccines, as well as to support food value chains from harvest to markets. Cooling solutions also have a role to play in support of COVID recovery efforts.

The Cooling Facility is proposed as an innovative, multi-sector and multi-country programmatic financing mechanism with the aim of supporting a paradigm shift that will help raise high-level political commitments and scale up public- and private-sector investments in the cooling sector.

Nine countries, namely **El Salvador, Kenya, Malawi, North Macedonia, Panama, Sao Tome and Principe, Somalia, Sri Lanka, and Bangladesh** are proposed to be part of the Cooling Facility. These countries are experiencing an increase in their cooling demand mainly driven by growing populations, urbanization and climate change. The use of air conditioning and refrigeration equipment is expected to increase further over the next years resulting in rising their electricity consumption and putting pressure on their already strained energy systems and hampering efforts to curb climate change. There is also a recognition of the challenges faced in these countries with regards to limited access to cooling especially by vulnerable and rural populations, as well as the predominant use of cooling technology that is energy inefficient or contains high GWP refrigerant in buildings and in the cold supply chains. This situation has implications for the health and well-being of people, food security, productivity

and economic development and livelihoods. Some of these countries have begun preparing cooling action plans to provide an integrated vision towards managing cooling energy needs while meeting their sustainable development goals and their international climate change commitments under the Paris Agreement (2015) and the Kigali Amendment (2016) to the Montreal Protocol.

In addition, the countries have now prioritized immediate emergency response to manage the current Covid-19 crisis. COVID-19 will likely have long-lasting impacts on healthcare systems globally, especially in developing countries where health facilities are already lacking in capacity and reach, but also in other sectors and across the economy. A multi-pronged approach will be needed to respond to the crisis and help address the strains put on health, food, energy, housing, and other systems and plan a recovery. The World Bank Group is responding aggressively to meet these needs and has initiated emergency operations in 100 developing countries home to 70 percent of the world's population. The cooling solutions supported by this Facility will contribute to those efforts, and help "green" the response and recovery.

2.2 Facility Objectives

The Cooling Facility aims to accelerate the deployment of affordable, efficient and sustainable cooling investments and in doing so to both mitigate the climate impacts of the projected increased cooling demand and improve climate change resilience.

To achieve this goal, the Facility will channel concessional climate finance from the Green Climate Fund (GCF) and the World Bank for cooling projects and operations that (i) support investments in efficient, sustainable cooling; (ii) catalyze technology and business innovations across cooling value chains and sectors to reduce barriers for private sector investment; and (iii) help build an enabling environment for sustained, long-term systemic changes for productive uses of energy for cooling and refrigeration in rural areas, and the lock-in of efficient and climate friendly cooling and refrigeration solutions across sectors, including for buildings, food, health, agriculture, industry, fisheries, as well for urban heat mitigation.

2.3 Facility Overview

The Facility will: (i) support activities that aim to strengthen policy/ regulatory/institutional environments for efficient clean cooling investments, (ii) build the capacity of key stakeholders, and (iii) finance efficient clean cooling investments

Component 1: Policy, regulatory and enabling environment support. This component will support activities that aim to strengthen institutional, policy and regulatory frameworks, raise awareness and stimulate behavior changes, as well as build the capacity of key stakeholders. It will also support activities linked to the Facility's Gender Action Plan.

Component 2 - Financing and risk mitigation for cooling investments. The Facility will provide financing to eligible projects for cooling-informed investments that support and help lock-in more resilient, climate-friendly as well as affordable development paths.

Component 3: Project management. This component will support the Executing Entities in performing the project management activities.

The **main expected outcomes** under the Cooling Facility are:

- a. Additional financing mobilized for cooling market transformation;
- b. Improved access to low carbon emitting cooling services;
- c. Strengthened institutional and regulatory systems

2.4 Approach to E&S Risk Management

The aim of the Cooling Facility Environmental and Social Sustainability Framework's risk management approach is to:

- Assess the environmental and social risks and impacts of each proposed project;
- Propose appropriate measures to avoid, minimize, and/or offset these risks and their impacts;
- Monitor the implementation of these measures during the implementation phase for the operation
- Continued stakeholder engagement throughout the project cycle;
- Provide for management of unforeseen events and;
- Improve the quality of projects and the environmental and social performance of counterparts.

The environmental and social (E&S) risks and impacts of all projects under the Cooling Facility will be assessed and managed in accordance with the World Bank's Environmental and Social Framework (ESF). In accordance with the ESF, the Bank will agree on a specific E&S Commitment Plan (ESCP) with the Borrower for each proposed project under the Cooling Facility. The ESCP will set out the material measures and actions required for the project to meet the ESSs over a specified timeframe, including the specific E&S plans or other instruments to be developed for the project. The legal agreement for each project will include the obligations of the Borrower to implement the measures and actions specified in the ESCP, including obligations of contractors and subcontractors to be reflected in the procurement bidding documents and contracts.

The Bank will provide project implementation support to the Borrower to implement the measures and actions identified in the ESCP, in accordance with the timeframes specified in the ESCP, and review the status of implementation of the ESCP as part of project monitoring and reporting. The draft ESCP will be disclosed as early as possible, and before the appraisal of each project.

The ESCP will also embed a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The ESCP will specify how such changes or circumstances are to be managed and reported, and how any necessary changes will be made to the ESCP and the management tools used by the Borrower.

Similarly, the Borrower will be required to develop a Stakeholder Engagement Plan (SEP) as part of the project.

3. FACILITY APPROACH TO E&S RISK MANAGEMENT

3.1 Potential E&S Risks and Impacts

In line with World Bank's ESF, the potential E&S risks and impacts that will be taken into account in conducting due diligence under the Cooling Facility are project specific and include the following:

- a. Environmental risks and impacts, including: (i) those identified in the World Bank Group Environmental, Health, and Safety Guidelines (EHSGs); (ii) those related to community safety; (iii) those related to climate change and other transboundary or global risks and impacts; (iv) those entailing any material threat to the protection, conservation, maintenance and restoration of natural habitats and biodiversity; and (v) those related to ecosystem services and the use of living natural resources, such as fisheries and forests; and
- b. Social risks and impacts, including: (i) threats to human security through the escalation of personal, communal or inter-state conflict, crime or violence; (ii) risks that project impacts fall disproportionately on individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable; (iii) any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable; (iv) negative economic and social impacts relating to the involuntary taking of land or restrictions on land use; (v) risks or impacts associated with land and natural resource tenure and use, including (as relevant) potential project impacts on local land use patterns and tenurial arrangements, land access and availability, and land values, and any corresponding risks related to conflict or contestation over land and natural resources; (vi) impacts on the health, safety and well-being of workers and project-affected communities; and (vii) risks to cultural heritage.

3.2 E&S Standards

This section describes the policy framework that will be followed in E&S risk management. This body of policies includes relevant national laws and policies, as well as the World Bank ESSs, which form part of the ESF. Where national laws and policies have gaps with ESF, the ESF is to be followed.

The Environmental and Social Standards (ESSs) set out the requirements for Borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing, including proposed projects under the Cooling Facility. The application of these standards, by focusing on the identification and management of environmental and social risks seeks to support Borrowers in their goal to reduce poverty and increase prosperity in a sustainable manner for the benefit of the environment and their citizens. The standards : (a) support Borrowers in achieving good international practice relating to environmental and social sustainability; (b) assist Borrowers in fulfilling their national and international environmental and social obligations; (c) enhance nondiscrimination, transparency, participation, accountability and governance; and (d) enhance the sustainable development outcomes of projects through ongoing stakeholder engagement. The ESSs are applied to both the physical investment and technical assistance.

The ten ESSs establish the applicable standards for the proposed projects under the Cooling Facility through the project life cycle, as follows:

- a. **Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts.** ESS1 sets out the Borrower’s responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the ESSs.
- b. **Environmental and Social Standard 2 (ESS2): Labor and Working Condition.** ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions.
- c. **Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention and Management.** ESS3 recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The current and projected atmospheric concentration of GHG threatens the welfare of current and future generations. At the same time, more efficient and effective resource use, pollution prevention and GHG emission avoidance, and mitigation technologies and practices have become more accessible and achievable.
- d. **Environmental and Social Standard 4 (ESS4): Community Health and Safety.** ESS4 recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change may also experience an acceleration or intensification of impacts due to project activities.
- e. **Environmental and Social Standard 5 (ESS5): Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.** ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.
- f. **Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources.** ESS6 recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development. Biodiversity is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems. Biodiversity often underpins ecosystem services valued by humans. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services.
- g. **Environmental and Social Standard 7 (ESS7): Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.** ESS7 applies to a distinct social and cultural group identified. The terminology used for such groups varies from country to country, and often reflects national considerations. ESS7 uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities,” recognizing that groups identified may be referred to in different countries by different terms. Such terms include “Sub-Saharan African historically underserved traditional local communities,” “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “vulnerable and

marginalized groups,” “minority nationalities,” “scheduled tribes,” “first nations” or “tribal groups.” ESS7 applies to all such groups, providing they meet the criteria set out in ESS7. For the purposes of this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” includes all such alternative terminology.

- h. **Environmental and Social Standard 8 (ESS8): Cultural Heritage.** ESS8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. Cultural heritage, in its many manifestations, is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people’s cultural identity and practice. ESS8 sets out measures designed to protect cultural heritage throughout the project life cycle.
- i. **Environmental and Social Standard 9 (ESS9): Financial Intermediaries.** ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector development and enhancing the role of domestic capital and financial markets. ESS9 will not be triggered under Cooling Facility.
- j. **Environmental and Social Standard 10 (ESS10): Stakeholder Engagement and Information Disclosure.** ESS10 recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

ESS1 establishes the importance of: (a) the Borrower’s existing environmental and social framework in addressing the risks and impacts of the project; (b) an integrated environmental and social assessment to identify the risks and impacts of a project; (c) effective community engagement through disclosure of project-related information, consultation and effective feedback; and (d) management of environmental and social risks and impacts by the Borrower throughout the project life cycle. The Bank requires that all environmental and social risks and impacts of the project be addressed as part of the environmental and social assessment conducted in accordance with ESS1.

ESS2–10 set out the obligations of the Borrower in identifying and addressing environmental and social risks and impacts that may require particular attention. These Standards establish objectives and requirements to avoid, minimize, reduce and mitigate risks and impacts, and where significant residual impacts remain, to compensate for or offset such impacts.

3.3 Potential E&S Risks and Impacts of Projects and Mitigation

The main aspects considered from an E&S perspective are summarized below. However, each project under the Cooling Facility will have its own assessment completed at concept/appraisal stage. The ESMF will include a list of expected environmental and social impacts and suggest mitigation and monitoring measures for each potential impact due to the project activities.

3.3.1 ESS1

The Facility’s cooling-informed projects are expected to generate substantial direct social and environmental benefits by increasing energy efficiency in buildings and cold chain infrastructure and deploying climate-friendly

cooling equipment including off-grid cooling solutions that use renewable energy. Environmental benefits include, inter alia: (i) reduced greenhouse gas emissions due to energy savings and reduction or avoidance of food losses/waste which will ultimately contribute to climate change mitigation; (ii) reduced local air pollutants (fine particulates, SOX, NOX); and (vi) reduced emissions of ozone depleting substances and/or high GWP chemicals used as refrigerants in cooling equipment.

The projects are also expected to generate significant positive social impacts through job creation and market development for energy efficiency products and services; reduction in consumer electricity bills thus, improving affordability and increasing competitiveness and income of small businesses/farmers; increased comfort and well-being including a better overall working environment in buildings. By improving and expanding access to cooling solutions including cold chain, the projects will reduce the vulnerability to extreme heat events, increase access to vaccines and medicines as well as to nutritional food; hence generating positive impacts on health and food security.

Some of the projects may cover geographically remote, politically sensitive and socially marginalized areas and communities. The projects therefore benefit not only mainstream communities, but also those that are often marginalized or maybe subject to discrimination. Improved cooling services and access to affordable energy efficient cooling products and increased employment opportunities are likely to also provide benefits to women and disadvantaged or vulnerable individuals or groups. The E&S risks and impacts assessment of the projects will include impacts on gender and disadvantaged or vulnerable individuals or groups. Differentiated measures will be adopted so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and that they are not disadvantaged in sharing development benefits and opportunities resulting from the project, which would enhance project development outcomes by promoting inclusion, equality and non-discrimination. The Facility will work with countries to collect data and generate crucial knowledge of actions and design interventions needed to avoid or minimize gender impacts and impacts on the poor and vulnerable. Particularly, the actions will be guided by the WB Good Practice Notes (GPNs) on: (i) Gender; (ii) Non-Discrimination and Disability; (iii) Non-Discrimination: Sexual Orientation and Gender Identity (SOGI)³.

If not properly managed, construction of new buildings and cold chain facilities may result in potential adverse environmental and social impacts associated with land acquisition or land conversion. During the construction or retrofitting of buildings, common risks are safety and health hazards on workers and the community, which are due to noise, dust, handling and disposal of old parts and equipment which may contain hazardous waste and materials.

However, these potential impacts can vary in terms of intensity/significance and are localized in nature. For each project, an assessment of environmental and social risks and impacts will be carried out and measures to address them will be identified in accordance with the mitigation hierarchy as described in the previous section. For example, some of the impacts can be prevented by aligning site selection for buildings with ESF requirements and mitigated by sound operational practice and consistency with ESS3 principles during operation.

³ <http://pubdocs.worldbank.org/en/158041571230608289/Good-Practice-Note-Gender.pdf><http://documents1.worldbank.org/curated/en/573841530208492785/Environment-and-Social-Framework-ESF-Good-Practice-Note-on-Disability-English.pdf>
<http://pubdocs.worldbank.org/en/590671570796800429/Good-Practice-Note-SOGI.pdf>

3.3.2 ESS2

Project workers are expected to be mobilized under most projects. This will include direct workers and contracted workers. The Government will have to comply with the ESS2 requirements as specified in Labor Management Procedures (LMP) to be prepared for each project. Occupational health and safety (OHS) plans will need to be prepared as per the World Bank Group EHS guidelines. The labor influx would have a series of impacts, including labor conditions, health, safety, GBV, conflict etc., not only among the project workers but also upon local communities. These risks need to be assessed as part of the E&S assessment and managed in accordance with the LMP and other E&S documents. All relevant measures will be reflected in the bidding and contractual documents. A dedicated grievance redress mechanism for project workers needs to be established under each project. This mechanism is separate from the overall project Grievance Redress Mechanism.

3.3.3 ESS3

Construction of new buildings or retrofitting existing buildings are expected to generate typical construction impacts such as, dust; construction waste generation, transportation, transfer and disposal due to demolition; and handling, and disposal of asbestos waste, resulting in negative impacts on air quality and occupational and community health and safety. These risks will be assessed for each project. However, most of these potential impacts are low to moderate in intensity/significance and are reversible and localized in nature, and therefore can be mitigated.

Other hazardous waste generation is specifically associated with the dismantling and disposal of old cooling equipment and refrigerant gases. These gases could be ozone depleting substances or have a high GWP and if not properly handled, they risk being released into the atmosphere. These impacts require appropriate mitigation assessments and management measures and include adequate and safe management of refrigerants (e.g. recovery, recycling or storage) in line with national legislation and countries' obligations under the Protocol of Montreal and relevant Good International Industry Practice (GIIP).

3.3.4 ESS4

ESS4 requirements will be taken into account in the implementation of project's activities. During the construction works of the buildings (including cold chain buildings), potential risks may arise from noise, dust, labor safety, and disposal of old parts and equipment which may contain hazardous waste. In the case where the construction works are carried out in existing facilities used by employees or neighboring communities, there may be a temporary transitional impact for these users. These impacts require appropriate mitigation assessment and management measures to contain them.

Additional risks are associated with the type of refrigerants used in cooling equipment. Some can be toxic and/or flammable and may result in accidents during their handling and installation. These safety risks can be minimized through proper mitigation assessments and management measures to contain them.

3.3.5 ESS5

Land acquisition for construction of new buildings or cold storage facilities will need to be done in a consistent manner with ESS5 requirements - to avoid, minimize, reduce/mitigate and compensate at replacement cost land acquisition based on due diligence and plans prepared in accordance with ESS5. An indicative outline of a resettlement policy framework is presented in Annex 5. The Borrowers will be responsible for preparing, in a manner and substance satisfactory to the Bank, the project-specific resettlement policy frameworks and/or resettlement action plans in line with ESS5 requirements

3.3.6 ESS6

Impacts, arising out of the siting and selection of land for the future cold storage facilities, may include loss of habitats and other adverse encroachment impacts, depending on the scale of the projects. Care should be taken by these future projects to ensure that their impacts on natural habitats, terrestrial and aquatic ecosystems and species are well assessed and managed.

3.3.7 ESS7

The presence of indigenous people in the areas identified for the projects will be screened and confirmed by the World Bank in consultation with the national authorities. Once it is confirmed, consistency with ESS7 objectives and requirements will be integrated into the design of the project and E&S documents, including the development of an indigenous peoples' plan or other types of plans depending on the country and project context, and Free, Prior and Informed Consent in the circumstances specified in ESS7.

3.3.8 ESS8

The project will screen the project area and assess potential impacts on cultural heritage, both tangible and intangible. The site selection for each project will be mindful of cultural heritage and the application of ESS8 will be further assessed under each project. In case of no apparent cultural heritage in civil works sites, a chance find procedure will be a part of the E&S instrument

3.3.9 ESS9

The deployment of funds under the Cooling Facility will be tailored to the needs of the projects. Some projects are expected to channel financing to Financial Intermediaries (FI) that, e.g., provide credit lines to energy service companies (ESCOs) or cooling equipment suppliers. For such projects, ESS9 (Financial Intermediaries) or OP/BP 4.03 (World Bank Performance Standards for Private Sector Activities) may be applied to the FIs that receive financial support under the Cooling Facility.

Under ESS9, FIs include public and private financial services providers, including national and regional development banks. The requirements of this ESS apply to all FIs that receive support from the Cooling Facility, either directly or through the Borrower or other FIs, as follows: (a) Where support is provided to the FI to fund clearly defined FI subprojects, the requirements of this ESS will apply to each of the FI subprojects; and (b) where support is provided to the FI for a general purpose (i.e., the support cannot be traced to a specific FI subproject or specific types of financing), the requirements of this ESS will apply to the entire portfolio of the FI's future subprojects from the date on which the legal agreement becomes effective. Where an FI receiving support from the Cooling Facility provides financing or guarantees to other FIs, the FI will apply the requirements of this ESS and will cause each subsequent FI to apply the requirements of this ESS. FIs will be required to put in place and maintain an environmental and social management system (ESMS) to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis. Where the FI can demonstrate that it already has an ESMS in place, it will provide adequate documented evidence of such an ESMS. Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.

OP/BP 4.03 "World Bank Performance Standards for Private Sector Activities" is applied in lieu of the World Bank's safeguard policies for projects that are designed, owned, constructed and/or operated by a Private Entity, which is defined as any natural or legal person, whether privately or publicly owned: (a) which is carrying out or

is established for a business purpose, and is operating on a commercial basis; (b) which is financially and managerially autonomous; and (c) whose day-to-day management is not controlled by the government. The OP sets forth the circumstances under which the World Bank Performance Standards may be applied, the roles and responsibilities of the Private Entity implementing the project, and of the Bank in supporting environmental and social sustainability aspects of the project.

3.3.10 ESS10

The Project affected parties include implementing agencies at national level, regional level, local authorities of participating provinces, private investors and concerned communities. In addition, other interested parties include media, local/international NGO and development partners working in the same region.

A Stakeholder Engagement Plan (SEP) will be developed for each project, to ensure transparency and meaningful consultation with the affected and interested parties. Stakeholder engagement and consultations will be conducted throughout the project cycle. This will include discussions of project design and impacts as well as multi-stakeholder discussions on these issues during the preparation phase. The SEP, along with other social and environmental instruments, will be subject to public consultation and disclosure per requirements of ESS10 and will be treated as a live document to be regularly updated along the pace of project implementation.

4. E&S RISK MANAGEMENT SCHEME FOR THE FACILITY

The nine country's projects under the Cooling Facility are at different steps in the process of project development. The following presents the main E&S due diligence steps to be taken for each project, in accordance with the Bank's Environmental and Social Policy and its Policy on Investment Project Financing.

4.1 Project Preparation

The Bank conducts environmental and social due diligence of all projects proposed for support through Investment Project Financing under the Facility, in accordance with its policies and procedures. The purpose of the environmental and social due diligence is to assist the Bank in deciding whether to provide support for the proposed project and, if so, the way in which environmental and social risks and impacts will be addressed in the assessment, development and implementation of the project. The Bank's environmental and social due diligence will be appropriate to the nature and scale of the project and proportionate to the level of environmental and social risks and impacts, with due regard to the mitigation hierarchy. The due diligence will assess whether the project is capable of being developed and implemented in accordance with the ESSs. The Bank will conduct environmental and social due diligence of all projects proposed for support through Investment Project Financing under the Facility, in accordance with its policies and procedures. The purpose of the environmental and social due diligence is to assist the Bank in deciding whether to provide support for the proposed project and, if so, the way in which environmental and social risks and impacts will be addressed in the assessment, development and implementation of the project.

The Bank's environmental and social due diligence will be appropriate to the nature and scale of the project and proportionate to the level of environmental and social risks and impacts, with due regard to the mitigation hierarchy. The due diligence will assess whether the project is capable of being developed and implemented in accordance with the ESSs.

The Bank's due diligence responsibilities will include, as appropriate: (a) reviewing the information provided by the Borrower relating to the environmental and social risks and impacts of the project and requesting additional and relevant information where there are gaps that prevent the Bank from completing its due diligence; and (b) providing guidance to assist the Borrower in developing appropriate measures consistent with the mitigation hierarchy to address environmental and social risks and impacts in accordance with the ESSs. The Borrower is responsible for ensuring that all relevant information is provided to the Bank so that the Bank can fulfill its responsibility to undertake environmental and social due diligence in accordance with the ESF.

At concept stage, the Bank will prepare and disclose an Environmental and Social Review Summary (ESRS), providing information on the type and scope of the proposed project, its potential risks and impacts, the type of environmental and social assessment to be conducted and information on the provisional timeframe for the conduct of the assessment. This includes any preliminary information on the identity of stakeholders, and the nature of stakeholder engagement. In the concept stage ESRS, the Bank will classify all projects into one of four ESF classifications:

- High,
- Substantial,

- Moderate and
- Low.

In determining the appropriate risk classification, the Bank will take into account relevant issues, such as the type, location, sensitivity, and scale of the project; the nature and magnitude of the potential environmental and social risks and impacts; and the capacity and commitment of the Borrower (including any other entity responsible for the implementation of the project) to manage the environmental and social risks and impacts in a manner consistent with the ESSs. Other areas of risks may also be relevant to the delivery of environmental and social mitigation measures and outcomes, depending on the specific project and the context in which it is being developed. These could include legal and institutional considerations; the nature of the mitigation and technology being proposed; governance structures and legislation; and considerations relating to stability, conflict or security. The Bank will disclose the project's classification and the basis for that classification on the Bank's website and in project documents.

The Bank will review the risk classification assigned to the project on a regular basis, including during implementation, and will change the classification where necessary, to ensure that it continues to be appropriate for the potential environmental and social risks of the project. Any change to the classification will be disclosed on the Bank's website.

Before the Bank commences appraisal of each project, the Bank will prepare and disclose the appraisal stage ESRS for such project and any draft documentation disclosed by the Borrower relating to the environmental and social assessment of the Project. The draft documentation identifies and considers, in adequate detail, the key environmental and social risks and impacts of the Project. It provides accurate and relevant information about such risks and impacts, including a summary of key findings and proposed mitigation measures. Where aspects of the draft documentation are to be developed at a later stage, the draft documentation includes an outline of what will be done, including any studies or assessment to be completed, and this will be recorded in the ESCP. For appraisal, the Borrower will need to prepare and disclose an ESCP and a Stakeholder Engagement Plan (SEP) for each project. The ESCP will describe the different management tools that the Borrower will use to develop and implement the agreed measures and actions. These management tools will include, as appropriate, environmental and social management plans, environmental and social management frameworks, operational policies, operational manuals, management systems, procedures, practices and capital investments. All management tools will apply the mitigation hierarchy and incorporate measures so that the project will meet the requirements of applicable laws and regulations and the ESSs in accordance with the ESCP throughout the project life cycle. Both templates are present in the annexes. Any other E&S instrument, if prepared, will also be disclosed before appraisal.

4.2 Project implementation

The Bank will manage the environmental and social risks of the Facility at the project-level on an ongoing basis as required by the Bank policy and procedure on Investment Project Financing, and will consolidate the results at the level of the Facility, for reporting purposes (i.e., Annual Performance Reports to the GCF). For each project, the Bank will monitor the environmental and social performance in accordance with the requirements of the legal agreement, including the ESCP, and assist the Borrower in identifying appropriate risk management methods and tools. It will also review any revision of the ESCP including

changes resulting from changes in the design of a project or project circumstances. The extent and mode of Bank monitoring with respect to environmental and social performance will be proportionate to the potential environmental and social risks and impacts of the project.

For each project, the Borrower will monitor the environmental and social performance of the project in accordance with the legal agreement (including the ESCP). Monitoring will normally include recording information to track performance, and establishing relevant operational controls to verify compliance and progress. Monitoring will be adjusted according to performance experience, as well as actions requested by relevant regulatory authorities and feedback from stakeholders such as community members, as relevant. The Borrower will document monitoring results. The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs. Such reports will include information on stakeholder engagement conducted during project implementation in accordance with ESS10. Based on the results of the monitoring, the Borrower may identify any necessary corrective and preventive actions, and may incorporate these in an amended ESCP or the relevant management tool, in a manner acceptable to the Bank, as relevant and necessary. The Borrower will implement the agreed corrective and preventive actions in accordance with the amended ESCP or relevant management tool, and monitor and report on these actions. The World Bank, then will aggregate all of the relevant results of the monitoring for each Project, and report the progress of Program implementation (including environmental and social performance) at the Facility level to GCF.

5. INFORMATION DISCLOSURE, STAKEHOLDER ENGAGEMENT AND GRIEVANCE REDRESS

5.1 Stakeholder Engagement and Information Disclosure

Relevant information will be disclosed in a language and forms accessible to target communities and wider public; and culturally appropriate, taking into account any specific needs of groups that maybe differently or disproportionately affected by the sub-project or groups of the population with specific information needs (such as disability, literacy, gender, differences in language or accessibility). Project information will be disclosed to allow stakeholders to understand the indirect risks and impacts of the project, and potential opportunities, proposal for mitigating the impacts, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize the impacts.

Stakeholders can include community or individual affected by the project and their formal and informal representatives, national or local government authorities, politicians, religious or community, organizations and civil society groups with special interest, academic communities, or other business. The identification of those project-affected parties (individuals or groups) will also include who, because of their circumstances, may be disadvantaged or vulnerable; i.e. those who may be more likely to be adversely affected by the project impacts and/or or limited than others in their ability to take advantage of the project benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the consultation process and as such may require specific measures and/or assistance to do so. It is necessary to ensure broad and inclusive participation of community in project areas with a particular focus on women who are often excluded from decision-making processes in target countries. Such participation will be conducted through a culturally sensitive approach and is based on a meaningful engagement and Free, Prior and Informed Consent (FPIC) in the event of adverse impacts on Indigenous Peoples in the circumstances specified in ESS7. Communities will be provided with options to enable them to access project benefits, with a targeted outreach for vulnerable groups.

A full stakeholder analysis will be conducted for each project. The level of analysis for stakeholder identification is informed by the level of potential risks and impacts affecting them. The analysis of stakeholder will be carried out for all project component.

The stakeholder groups that are expected to be impacted by Cooling projects based on a preliminary assessment are as follows:

- a. People, social groups, and organization that will gain direct and/or indirect benefit from the project. These target beneficiaries include: (i) potential new users of cooling services, including indigenous people communities, (ii) potential project workers.
- b. Interested groups include: (i) local government agencies, (ii) non-governmental organizations/NGOs, Civil Society Organizations/CSOs and other development institutions working on cooling, (iii) indigenous people representative organizations, and (iv) private companies.
- c. Implementing agencies and agencies with authorities for the management of environmental and social risks include institutions and agencies that influence and make decisions on the sub-project implementation. This groups includes: (i) central government agency, and (ii) sub-national government. The level of engagement

will be contingent upon their respective roles and authorities in the management of environmental and social risks.

5.2 E&S Grievance Redress Mechanisms

As part of the project-level SEP for each of the proposed project under the Cooling Facility, a Grievance Redress Mechanism (GRM) is to be prepared and implemented by each implementing agency to receive and facilitate resolution of concerns and grievances of project-affected communities as well as broader stakeholders who may be affected or have interest in the project, related to the projects' activities. The aim of GRM is generally (a) to strengthening accountability to the beneficiaries, and (b) to provide a way for project stakeholders to provide feedback and/or express complaints related to project activities. GRM is meant to serve as an accessible and reliable mechanism that allows issues to be identified and addressed in a coordinated and timely fashion and it utilizes existing formal or informal grievance mechanisms. The mechanism is not only to receive and record complaints but also to solve and communicate the status of resolution back to the complainants to ensure transparency and accountability. The grievance mechanism may include the following:

- a. Different ways in which users can submit their grievances, which may include submission in person, by phone, text message, mail, e-mail or via a web site, etc.;
- b. A log where grievances are registered in writing and maintained as a database;
- c. Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgment, response and resolution of their grievances;
- d. Transparency about the grievance procedure, governing structure and decision makers;
- e. An appeal process to which unsatisfied grievances may be referred when resolution of grievance has not been achieved.
- f. A mediation will be provided as an option where users are not satisfied with the proposed resolution.

5.3 World Bank Grievance Redress Services

Communities and individuals who believe that they are adversely affected by a World Bank supported project (including any prospective project under the Cooling Facility) may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

APPENDIX 1: INDICATIVE TEMPLATE E&S COMMITMENT PLAN

[Borrower name/Project Implementing Entity]

[Project Title and Number]

[Draft/Negotiated/Revised]

ENVIRONMENTAL and SOCIAL COMMITMENT PLAN (ESCP)

[Date]

1. [Borrower name] [will implement] [is implementing] the [name] Project (the **Project**), with the involvement of the following Ministries/agencies/units: [name] [add other Ministries/agencies/units involved]. The [International Bank for Reconstruction and Development/International Development Association] (hereinafter the [Bank/the Association]) [has agreed to provide] [is providing] financing for the Project.
2. [Borrower name] will implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (**ESSs**). This Environmental and Social Commitment Plan (**ESCP**) sets out material measures and actions, any specific documents or plans, as well as the timing for each of these.
3. [Borrower name] will also comply with the provisions of any other E&S documents required under the ESF and referred to in this ESCP, such as Environmental and Social Management Plans (ESMP), Resettlement Action Plans (RAP), Indigenous Peoples Plans (IPPs), and Stakeholder Engagement Plans (SEP), and the timelines specified in those E&S documents.
4. [Borrower name] is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the Ministry, agency or unit referenced in 1. above.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the [Bank/Association] by [Borrower name] as required by the ESCP and the conditions of the legal agreement, and the [Bank/Association] will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
6. As agreed by the [Bank/Association] and [Borrower name], this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, [Borrower name/ or delegate(s)] will agree to the changes with the [Bank/Association] and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the [Bank/Association] and the [Borrower name/ or delegate(s)]. The [Borrower name/ or delegate(s)] will promptly disclose the updated ESCP.

7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the *[Borrower name]* shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts, which may include *[specify risks and impacts that are relevant to the Project, such as environmental, health, and safety impacts, labor influx, gender-based violence]*.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING [Environmental, social, health and safety (ESHS) performance needs to be monitored and reported to the World Bank. This needs to be reflected in the ESCP, see an example below]</p> <p>Prepare and submit to the [Bank/Association] regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S documents required under the ESCP, stakeholder engagement activities, functioning of the grievance mechanism(s).</p>	<p><i>[Indicate frequency of reporting, e.g. quarterly, six-monthly, annual throughout Project implementation].</i></p>	
B	<p>INCIDENTS AND ACCIDENTS [Incidents and accidents notification is an important requirement of ESS1. See example below].</p> <p>Promptly notify the [Bank/Association] of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers [including] [specify examples of incidents and accidents, as appropriate for the type of operation]. Provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. Subsequently, as per the [Bank/Association]'s request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p>	<p><i>[Specify a timeframe to notify, e.g. Notify the Bank within 48 hours after learning of the incident or accident] [timing on the submission of subsequent report would be specified by the Bank, e.g. A report would be provided within a timeframe acceptable to the Bank/Association, as requested]</i></p>	
C	<p>CONTRACTORS MONTHLY REPORTS [In contracts for works using the Bank's standard procurement documents, contractors are required to provide monthly monitoring reports to the Project Implementing Unit. If needed, teams can include an action indicating that such monthly reports would be submitted to the Bank by the Borrower upon request]</p>		
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
1.1	<p>ORGANIZATIONAL STRUCTURE [Specify whether additional staff need to be assigned/hired to work on the Project as in the example below].</p> <p>Establish and maintain an organizational structure with qualified staff and resources to support management of E&S risks [including] [where relevant, identify specific positions for ESHS management that are a part of the organizational structure e.g. a biodiversity specialist and a health and safety specialist].</p>	<p>[Specify by when organizational structure/staff need to be in place e.g. An organizational structure including the two (2) additional specialist will be established within 30 days after Project effectiveness. The organizational structure, including the specialists, should be maintained throughout Project implementation]</p>	
1.2	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENT [Borrowers are required to carry out environmental and social assessment (ESA), which may involve different methods and documentation, as indicated in ESS1 Annex 1 para. 5. If the ESA is a draft that needs to be updated, a commitment to make that update should be reflected in the ESCP. If no further assessment is required as per Project screening, no additional action need be included in the ESCP. See example of an action below].</p> <p>Update, adopt, and implement, the Environmental and Social Impact Assessment that has been prepared for the Project, in a manner acceptable to the [Bank/Association].</p>	<p>[Indicate timing for preparing the ESA or, if already prepared, the need for implementing the mitigation measures contained in the ESA throughout the Project implementation].</p>	
1.3	<p>MANAGEMENT TOOLS AND INSTRUMENTS [Specify here any other E&S documents and/or plans developed or to be developed under ESS1, such as ESMF, ESMPs. See example below].</p> <p>Screen any proposed subproject in accordance with the Environmental and Social Management Framework (ESMF) prepared for the Project, and, thereafter, draft, adopt, and implement the subproject Environmental and Social Management Plan (ESMP), as required, in a manner acceptable to the Bank/Association.</p>	<p>[Indicate timing for instruments preparation. Once prepared, tools and instruments apply throughout Project implementation. Indicate whether the E&S documents and/or plans require the Bank's prior review and approval, e.g. ESMPs submitted for the Bank/Association approval before launching the bidding process for the respective subproject. Once approved, the ESMPs are carried out throughout Project implementation].</p>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
1.4	<p>MANAGEMENT OF CONTRACTORS [Some project activities may involve contractors/subcontractors to carry out physical works. In those cases, the ESCP should require the tender documents to reflect the relevant aspects of the ESCP. See example below].</p> <p>Incorporate the relevant aspects of the ESCP, including the relevant E&S documents and/or plans, and the Labor Management Procedures, into the ESHS specifications of the procurement documents with contractors. Thereafter ensure that the contractors comply with the ESHS specifications of their respective contracts.</p>	<p><i>[Indicate timing: e.g. Prior to the preparation of procurement documents. Supervise contractors throughout Project implementation].</i></p>	
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES [LMP may have been developed or may need to be developed by the Borrower within a specified timeframe. This should be reflected in the ESCP. See example below]</p> <p>Update, adopt, and implement the Labor Management Procedures (LMP) that have been developed for the Project.</p>	<p><i>[Indicate timing e.g. Throughout Project implementation].</i></p>	
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS [The grievance mechanism required under ESS2 should be described in the LMP. See example below].</p> <p>Establish, maintain, and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	<p><i>[Indicate timing – e.g. grievance mechanism operational prior engaging Project workers and maintained throughout Project implementation].</i></p>	
2.3	<p>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES [OHS measures, including emergency preparedness and response measures, can be set out in a separate E&S document (e.g. ESMP) already mentioned in the section under ESS1 above. In that case, the commitment can refer to that document. See an example below].</p> <p>Prepare, adopt, and implement occupational, health and safety (OHS) measures specified in the ESMP.</p>	<p><i>[Indicate timing e.g. Same timeframe than for the implementation of the ESMP].</i></p>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT [the relevance of ESS3 is established during the ESA process. ESS3 may require the adoption of specific measures to cover energy, water and raw materials use, management of air pollution, hazardous and nonhazardous wastes, chemicals and hazardous materials and pesticides. Depending on the project, these measures may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS3-related measures are covered under an existing document or as stand-alone actions. See <u>examples</u> below].			
3.1	E-WASTE MANAGEMENT PLAN: Prepare, adopt, and implement an E-Waste Management Plan.	<i>[Indicate timing e.g. Developed three months after Project effectiveness and thereafter implemented throughout Project implementation].</i>	
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT: Resource efficiency and pollution prevention and management measures will be covered under the ESMP to be prepared under action XX above.	<i>[Indicate timing e.g. Same timeframe than for the preparation and implementation of the ESMPs]</i>	
ESS 4: COMMUNITY HEALTH AND SAFETY [the relevance of ESS4 is established during the ESA process. As with ESS3, ESS4 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS4-related measures are covered under an existing document or as stand-alone actions. See <u>examples</u> below].			
4.1	TRAFFIC AND ROAD SAFETY: Adopt and implement measures and actions to assess and manage traffic and road safety risks as required in the ESMPs to be developed under action XX above.	<i>[Indicate timing e.g. Same timeframe than for the preparation and implementation of the ESMPs].</i>	
4.2	COMMUNITY HEALTH AND SAFETY: Prepare, adopt, and implement measures and actions to assess and manage specific risks and impacts to the community arising from Project activities [, including, inter alia,] [specify any areas of risks that may require emphasis, e.g. behavior of Project workers, risks of labor influx, response to emergency situations], and include these measures in the ESMPs to be prepared in accordance with the ESMF, in a manner acceptable to the Bank.	<i>[Indicate timing e.g. Same timeframe than for the preparation and implementation of the ESMPs].</i>	
4.3	GBV AND SEA RISKS: [For projects with a moderate, substantial, or high prevalence of GBV risk] Prepare, adopt, and implement a stand-alone Gender-Based Violence Action Plan (GBV Action Plan), to assess and manage the risks of gender-based violence (GBV) and sexual exploitation and abuse (SEA).	<i>[Indicate timing e.g. Submit the GBV Action Plan for the Bank's approval before the preparation of the procurement documents. Once approved, the GBV Action Plan is implemented throughout Project implementation].</i>	
4.4	GBV AND SEA RISKS DURING PROJECT IMPLEMENTATION: [If necessary, specify additional funds available to implement measures to address GBV and SEA risks and impacts that may arise during Project implementation.]		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
4.4	SECURITY PERSONNEL: Prepare, adopt, and implement a stand-alone Security Personnel Management Plan consistent with the requirements of ESS4, in a manner acceptable to the Bank	<i>[Indicate timing e.g. Prior to engaging security personnel and thereafter implemented throughout Project implementation].</i>	
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT [the relevance of ESS5 is established during the ESA process. If during Project preparation, it is determined that resettlement documents need to be prepared, this should be reflected in the ESCP. See <u>examples</u> below]			
5.1	RESETTLEMENT PLANS: Prepare, adopt, and implement resettlement plans (RAPs) in accordance with ESS 5 and consistent with the requirements of the Resettlement Policy Framework (RPF) that has been prepared for the Project, and thereafter adopt and implement the respective RAPs before carrying out the associated activities, in a manner acceptable to the [Bank/Association].	<i>[Indicate timing e.g. RAPs submitted for the Bank's approval and, once approved, implemented prior to commencing Project activities that involve land acquisition and resettlement].</i>	
5.2	GRIEVANCE MECHANISM [The grievance mechanism (GM) to address resettlement related complaints should be described in the RPF, RAPs and SEP. However, if there is a distinctive feature as to how ESS5 related grievances will be handled, this can be specified as an action in the ESCP].	<i>[Indicate timing e.g. Prior to commencement of resettlement activities]</i>	
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES [the relevance of ESS6 is established during the ESA process. As with other ESSs, ESS6 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS6-related measures are covered under an existing document or as stand-alone actions. See <u>examples</u> below].			
6.1	BIODIVERSITY RISKS AND IMPACTS: [Where biodiversity-related risks and impacts cannot be comprehensively covered as part of the ESMP] Prepare, adopt, and implement a stand-alone Biodiversity Management Plan, in accordance with the guidelines of the ESIA prepared for the Project, and in a manner acceptable to the Bank.	<i>[Submit for the Bank's prior approval by: [date][three months after Project effectiveness][prior to construction of [structure] that may affect biodiversity]]. [Once approved the plan is implemented throughout Project implementation].</i>	
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES [See examples of possible actions below, if determined that ESS7 is relevant].			
7.1	INDIGENOUS PEOPLES PLAN: Prepare, adopt, and implement Indigenous Peoples Plans (IPPs) consistent with the requirements of the Indigenous Peoples Planning Framework (IPPF) that has been prepared for the Project and ESS7, in a manner acceptable to the Bank.	<i>[Indicate timing e.g. Submit the respective IPP for the Bank's approval prior to the carrying out of any activity that requires the preparation of an IPP. Once approved, implement the IPP throughout Project implementation.]</i>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
7.2	GRIEVANCE MECHANISM: Prepare, adopt, and implement the arrangements for the grievance mechanism for indigenous people, as required under the IPPF and further describe such arrangements in the respective IPPs (if the grievance mechanism is distinctive from the one established under ESS10).	<i>[Indicate timing]</i>	
ESS 8: CULTURAL HERITAGE [the relevance of ESS6 is established during the ESA process. As with other ESSs, ESS6 may require the adoption of specific measures that may be set out in an E&S document (e.g. ESMP) already mentioned in the section under ESS1 above or as a stand-alone document or a separate action. Indicate whether ESS8-related measures are covered under an existing document or as stand-alone actions. See <u>examples</u> below].			
8.1	CHANCE FINDS: Prepare, adopt, and implement the chance finds procedure described in the ESMP developed for the Project.	<i>[Indicate timing e.g. Throughout Project implementation].</i>	
ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs). See below a couple of examples of actions that should be considered when FIs are involved.]			
9.1	ESMS: Prepare, adopt, and maintain an environmental and social management system (ESMS).	<i>[Indicate timing e.g. Before carrying out screening of any FI subproject. Once established, the ESMS is maintained and operated throughout Project implementation].</i>	
9.2	FI ORGANIZATIONAL CAPACITY: Establish and maintain an organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities [where relevant, identify specific positions/resources for E&S management that are a part of the organizational structure].	<i>[Indicate timing, e.g. Specify by [date] when organizational capacity need to be in place, including specific positions/resources].</i>	
9.3	SENIOR MANAGEMENT REPRESENTATIVE: Designate a senior management representative to have overall accountability for environmental and social performance of FI subprojects.	<i>[Specify by when the senior management representative needs to be designated].</i>	
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION [A draft SEP should have been prepared and disclosed before appraisal. The ESCP should indicate whether the plan was already prepared or needs to be updated and require its implementation. See example below]. Update, adopt, and implement Stakeholder Engagement Plan (SEP).	<i>[Indicate timing: e.g. Before [insert date or milestone]]</i>	

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE AUTHORITY
10.2	PROJECT GRIEVANCE MECHANISM: Prepare, adopt, maintain and operate a grievance mechanism, as described in the SEP.	<i>[Indicate timing: e.g. Prior to [insert date]].</i>	
CAPACITY SUPPORT (TRAINING)			
CS1	<p>[Specify Training to be provided and targeted groups For example, training may be required for [e.g. PIU staff, stakeholders, communities, Project workers] on:</p> <ul style="list-style-type: none"> • stakeholder mapping and engagement • specific aspects of environmental and social assessment • emergency preparedness and response • community health and safety.] 		
CS2	[Specify training for Project workers on occupational health and safety including on emergency prevention and preparedness and response arrangements to emergency situations.]		

APPENDIX 2: STAKEHOLDER ENGAGEMENT PLAN CHECKLIST

This Checklist provides guidance for the Borrower on the application of the Environmental and Social Standards, which form part of the World Bank's 2016 Environmental and Social Framework. Checklists help to illustrate the requirements of the ESSs and propose sample approaches to implement some of the requirements of the ESSs; they are not Bank policy, nor are they mandatory. Checklists do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Checklists and the ESSs, the provisions of the ESSs prevail.

The appropriate level of complexity of a project's Grievance Redress Mechanism (GRM) depends on the risks and impacts of the project and the project context. The following checklist describes a complex GRM that adheres to good international practice, which may not be necessary for all projects. Nevertheless, this checklist helps to determine whether a grievance mechanism conforms to good international practice.

A. System issues

1. Does the project invite feedback/grievances?
2. Does the organization have a policy on grievance redress?
 - a. Is the policy available to all staff, beneficiaries, and potential users?
 - b. Is the policy written in the local language(s)?
3. Does the grievance mechanism have the following features?
 - a. A clearly understood procedure for people to provide feedback and/or submit grievances.
 - b. A statement of who is responsible for dealing with feedback/ grievances.
 - c. Procedures for resolving or mediating and investigating grievances depending on their seriousness and complexity.
 - d. A system for keeping complainants informed of status updates.
 - e. A system for recording feedback/grievances and outcomes.
 - f. Procedures for protecting confidentiality of complainants.

B. Staff management

1. Is there a grievance manual for staff?
2. Do the grievance policy and/or procedures provide guidance on:
 - a. What is a grievance/feedback?
 - b. What information to collect from complainants?
 - c. What remedies can or should be used to resolve grievances?

3. Are the grievance policy and procedures communicated to all staff?
4. Are adequate resources allocated for the grievance mechanism to function effectively?
5. Does the organization provide training on grievance management to staff?

C. Communication to grievance mechanism users

1. Are users told how to submit grievances/feedback?
 - a. Is an information brochure on the grievance mechanism available to users?
 - b. Are feedback/grievance forms available to users?
 - c. Are grievance forms or signs displayed prominently and readily accessible?
 - d. Are contact details of staff receiving feedback/grievance published and displayed in public areas?
 - e. Is information on grievance management available in local languages?
2. Are users able to submit grievances/feedback:
 - a. In writing
 - b. By email
 - c. By fax
 - d. By telephone
 - e. In person
3. Are users provided with assistance to submit feedback/grievances where needed?
4. Can the grievance mechanism be accessed free of charge?
5. Are users promised confidentiality?
6. Are users informed about the appeals process?

D. Feedback/grievance recording

1. Are all feedback/grievances recorded?
 - a. Are grievances/feedback logged and documented?
 - b. Are inquiries/suggestions and recommendations recorded?
 - c. Are the outcomes and responses to all grievances/feedback recorded?

E. Business standards

1. Are there business standards in place for the process and timing with which grievances/feedback are dealt with?
 - a. Is receipt acknowledged within a stipulated time frame?
 - b. Are the grievances supposed to be resolved within a stipulated time frame?
2. Is there a quality control system in place to:
 - a. Check if all grievances have been dealt with or acted upon.
 - b. Check if all aspects of a grievance have been addressed.
 - c. Check if all necessary follow-up action has been taken.

F. Analysis and feedback

1. Are regular internal reports on grievances/feedback produced for senior management?
2. Grievances/feedback reports include data on:
 - Numbers of grievances/feedback received.
 - Compliance with business standards.
 - Issues raised in grievances/feedback.
 - Trends in grievances/feedback over time.
 - The causes of grievances/feedback.
 - Whether remedial action was warranted.
 - What redress was actually provided?
 - Recommendations/strategies to prevent or limit future recurrences.
3. Are reports about grievances/feedback made public, periodically?

APPENDIX 3: INDICATIVE TEMPLATE STAKEHOLDER ENGAGEMENT PLAN

This template provides guidance for the Borrower on specific aspects of the application of the Environmental and Social Standards (ESSs), which form part of the World Bank's 2016 Environmental and Social Framework. Templates help to illustrate the requirements of the ESSs and propose sample approaches to fulfilling the requirements; they are not Bank policy and are meant to be a useful and voluntary tool. In case of any inconsistency or conflict with the ESSs, the provisions of the ESSs prevail.

The scope and level of detail of the plan should be commensurate and proportionate with the nature and scale, potential risks, and impacts of the project and the concerns of the stakeholders who may be affected by or are interested in the project. Depending on the nature of the scale of the risks and impacts of the project, the elements of an SEP may be included as part of the Environmental and Social Commitment Plan (ESCP), and preparation of a stand-alone SEP may not be necessary.

The SEP should be clear and concise and focus on describing the project and identifying its stakeholders. It is key to identify what information will be in the public domain, in what languages, and where it will be located. It should explain the opportunities for public consultation, provide a deadline for comments, and explain how people will be notified of new information or opportunities for comment. It should explain how comments will be assessed and taken into account. It should also describe the project's grievance mechanism and how to access this mechanism. The SEP should also commit to releasing routine information on the project's environmental and social performance, including opportunities for consultation and how grievances will be managed.

The following presents the standard outline of an SEP:

1. Introduction/Project Description

Briefly describe the project, the stage of the project, its purpose, and what decisions are currently under consideration on which public input is sought.

Describe location and, where possible, include a map of the project site(s) and surrounding area, showing communities and proximity to sensitive sites, and including any worker accommodation, lay-down yards, or other temporary activities that also may impact stakeholders. Provide a link to, or attach a nontechnical summary of, the potential social and environmental risks and impacts of the project.

2. Brief Summary of Previous Stakeholder Engagement Activities

If consultation or disclosure activities have been undertaken to date, including information disclosure and informal or formal meetings/or consultation, provide a summary of those activities (no more than half a page), the information disclosed, and where more detailed information on these previous activities can be obtained (for example, a link, or physical location, or make available on request).

3. Stakeholder identification and analysis

Identify key stakeholders who will be informed and consulted about the project, including individuals, groups, or communities that:

- a. Are affected or likely to be affected by the project (project-affected parties); and

- b. May have an interest in the project (other interested parties).

Depending on the nature and scope of the project and its potential risks and impacts, examples of other potential stakeholders may include government authorities, local organizations, NGOs, and companies, and nearby communities. Stakeholders may also include politicians, labor unions, academics, religious groups, national social and environmental public-sector agencies, and the media.

3.1. Affected parties

Identify individuals, groups, local communities, and other stakeholders that may be directly or indirectly affected by the project, positively or negatively. The SEP should focus particularly on those directly and adversely affected by project activities. Mapping the impact zones by placing the affected communities within a geographic area can help define or refine the project's area of influence. The SEP should identify others who think they may be affected, and who will need additional information to understand the limits of project impacts.

3.2. Other interested parties

Identify broader stakeholders who may be interested in the project because of its location, its proximity to natural or other resources, or because of the sector or parties involved in the project. These may be local government officials, community leaders, and civil society organizations, particularly those who work in or with the affected communities. While these groups may not be directly affected by the project, they may have a role in the project preparation (for example, government permitting) or be in a community affected by the project and have a broader concern than their individual household.

Moreover, civil society and nongovernmental organizations may have in-depth knowledge about the environmental and social characteristics of the project area and the nearby populations, and can help play a role in identifying risks, potential impacts, and opportunities for the Borrower to consider and address in the assessment process. Some groups may be interested in the project because of the sector it is in (for example, mining or health care), and others may wish to have information simply because public finance is being proposed to support the project. It is not important to identify the underlying reasons why people or groups want information about a project—if the information is in the public domain, it should be open to anyone interested.

3.3. Disadvantaged / vulnerable individuals or groups

It is particularly important to understand project impacts and whether they may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project. The following can help outline an approach to understand the viewpoints of these groups:

- a. Identify vulnerable or disadvantaged individuals or groups and the limitations they may have in participating and/or in understanding the project information or participating in the consultation process.
- b. What might prevent these individuals or groups from participating in the planned process? (For example, language differences, lack of transportation to events, accessibility of venues, disability, lack of understanding of a consultation process).
- c. How do they normally get information about the community, projects, activities?
- d. Do they have limitations about time of day or location for public consultation?

- e. What additional support or resources might be needed to enable these people to participate in the consultation process? (Examples are providing translation into a minority language, sign language, large print or Braille information; choosing accessible venues for events; providing transportation for people in remote areas to the nearest meeting; having small, focused meetings where vulnerable stakeholders are more comfortable asking questions or raising concerns.)
- f. If there are no organizations active in the project area that work with vulnerable groups, such as persons with disability, contact medical providers, who may be more aware of marginalized groups and how best to communicate with them.
- g. What recent engagement has the project had with vulnerable stakeholders and their representatives?

3.4. Summary of project stakeholder needs

Example

Community	Stakeholder group	Key characteristics	Language needs	Preferred notification means (e-mail, phone, radio, letter)	Specific needs (accessibility, large print, child care, daytime meetings)
Village A	Parents with young children	Approximately 180 households affected; 300 children	Official language	Written information, radio	Child care for meetings—late afternoon preferred timing
Village A	Refugees	38 extended families, poverty level	Language alternative	Visit with translator and civil society representative	Graphics, education on process

4. Stakeholder Engagement Program

4.1. Purpose and timing of stakeholder engagement program

Summarize the main goals of the stakeholder engagement program and the envisaged schedule for the various stakeholder engagement activities: at what stages throughout the project's life they will take place, with what periodicity, and what decision is being undertaken on which people's comments and concerns. If decisions on public meetings, locations, and timing of meetings have not yet been made, provide specific information on how people will be made aware of forthcoming opportunities to review information and provide their views. Include the ESCP as part of such information. For some projects, a stand-alone SEP may not be necessary, and its elements may be incorporated into the ESCP.

4.2. Proposed strategy for information disclosure

Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups. Methods used may vary according to target audience. For each media example, identify the specific names (for example, The Daily News and The Independent, Radio News 100.6, television Channel 44). The selection of disclosure—both for notification and providing information—should be based on how most people in the vicinity of the project routinely get

information and may include a more central information source for national interest. A variety of methods of communication should be used to reach the majority of stakeholders. The project should select those that are most appropriate and have a clear rationale for their choices. The plan should include a statement welcoming comments on the proposed engagement plan and suggestions for improvement. For remote stakeholders, it may be necessary to provide for an additional newspaper outlet or separate meeting, or additional documents that should be placed in the public domain. The public domain includes:

- a. Newspapers, posters, radio, television;
- b. Information centers and exhibitions or other visual displays;
- c. Brochures, leaflets, posters, nontechnical summary documents and reports;
- d. Official correspondence, meetings;
- e. Website, social media.

The strategy should include means to consult with project-affected stakeholders if there are significant changes to the project resulting in additional risks and impacts. Following such consultation, an updated ESCP will be disclosed.

Example

Project stage	List of information to be disclosed	Methods proposed	Timetable: Locations/ dates	Target stakeholders	Percentage reached	Responsibilities
Construction	Traffic management plan	Notification Radio News 100.6 and copy in village hall Poster on community bulletin board	Radio twice daily in weeks of disclosure	Villagers, including pedestrians and drivers	Radio News 100.6 reaches 60% of village Poster on bulletin board reaches another percentage of the population	Community Liaison Officer

4.3. Proposed strategy for consultation

Briefly describe the methods that will be used to consult with each of the stakeholder groups. Methods used may vary according to target audience, for example:

- a. Interviews with stakeholders and relevant organization
- b. Surveys, polls, and questionnaires
- c. Public meetings, workshops, and/or focus groups on specific topic
- d. Participatory methods
- e. Other traditional mechanisms for consultation and decision making.

Example

Project stage	Topic of consultation	Method used	Timetable: Location and dates	Target stakeholders	Responsibilities
Construction	Traffic safety	Discussion with village schools Public meeting	ABC elementary school September 4, 3:00 p.m. Village A town hall September 8, 5:30 p.m.	Parents and children in village Community	Community Liaison Officer (CLO) Transportation Engineer, Manager, CLO

4.4. Proposed strategy to incorporate the view of vulnerable groups

Describe how the views of vulnerable or disadvantaged groups will be sought during the consultation process. Which measures will be used to remove obstacles to participation? This may include separate mechanisms for consultation and grievances, developing measures that allow access to project benefits, and so forth.

4.5. Timelines

Provide information on timelines for project phases and key decisions. Provide deadlines for comments.

4.6 Review of Comments

Explain how comments will be gathered (written and oral comments) and reviewed, and commit to reporting back to stakeholders on the final decision and a summary of how comments were taken into account.

4.7 Future Phases of Project

Explain that people will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and grievance mechanism. Projects should report at least annually to stakeholders, but often will report more frequently during particularly active periods, when the public may experience more impacts or when phases are changing (for example, quarterly reports during construction, then annual reports during implementation).

5. Resources and Responsibilities for implementing stakeholder engagement activities

5.1. Resources

Indicate what resources will be devoted to managing and implementing the Stakeholder Engagement Plan, in particular:

- What people are in charge of the SEP
- Confirm that an adequate budget has been allocated toward stakeholder engagement
- Provide contact information if people have comments or questions about the project or the consultation process; that is, phone number, address, e-mail address, title of responsible person (individual names may change).

5.2. Management functions and responsibilities

Describe how stakeholder engagement activities will be incorporated into the project's management system and indicate what staff will be devoted to managing and implementing the Stakeholder Engagement Plan:

- a. Who will be responsible for carrying out each of the stakeholder engagement activities and what are the qualifications of those responsible?
- b. How involved will management be in stakeholder engagement?
- c. How will the process be documented, tracked, and managed (for example, stakeholder database, commitments register, and so forth)?

6. Grievance Mechanism

Describe the process by which people affected by the project can bring their grievances and concerns to the project management's attention, and how they will be considered and addressed:

- a. Is there an existing formal or informal grievance mechanism, and does it meet the requirements of ESS10? Can it be adapted or does something new need to be established?
- b. Is the grievance mechanism culturally appropriate, that is, is it designed to take into account culturally appropriate ways of handling community concerns? For example, in cultures where men and women have separate meetings, can a woman raise a concern to a woman in the project grievance process?
- c. What process will be used to document complaints and concerns? Who will receive public grievances? How will they be logged and monitored?
- d. What time commitments will be made to acknowledge and resolve issues? Will there be ongoing communication with the complainant throughout the process?
- e. How will the existence of the grievance mechanism be communicated to all stakeholder groups? Are separate processes needed for vulnerable stakeholders?
- f. If a complaint is not considered appropriate to investigate, will an explanation be provided to the complainant on why it could not be pursued?
- g. Will there be an appeals process if the complainant is not satisfied with the proposed resolution of the complaint? Not all projects will necessarily have an appeals process, but it is advisable to include one for more complex projects. In all cases, complainants need to be reassured that they still have all their legal rights under their national judicial process.
- h. A summary of implementation of the grievance mechanism should be provided to the public on a regular basis, after removing identifying information on individuals to protect their identities. How often will reports go into the public domain to show that the process is being implemented?

7. Monitoring and Reporting

7.1. Involvement of stakeholders in monitoring activities

Some projects include a role for third parties in monitoring the project or impacts associated with the project. Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. The criteria for selection of third parties should be clear. For further information, see the World Bank's Good Practice Note on Third-Party Monitoring.

7.2. Reporting back to stakeholder groups

Describe how, when, and where the results of stakeholder engagement activities will be reported back to both affected stakeholders and broader stakeholder groups. It is advised that these reports rely on the same sources of communication that were used earlier to notify stakeholders. Stakeholders should always be reminded of the availability of the grievance mechanism.

APPENDIX 4: ENVIRONMENTAL AND SOCIAL ASSESSMENT, ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM AND INDICATIVE OUTLINES OF ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT, ENVIRONMENTAL AND SOCIAL AUDIT AND ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

1. Environment and Social Assessment

The Borrower will undertake an environmental and social assessment to assess the environmental and social risks and impacts of a project throughout the project life cycle. The term 'environmental and social assessment' is a generic term that describes the process of analysis and planning used by the Borrower to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced or mitigated.

The environmental and social assessment is the primary means of ensuring projects are environmentally and socially sound and sustainable and will be used to inform decision making. The environmental and social assessment is a flexible process, that can use different tools and methods depending on the details of the project and the circumstances of the Borrower.

The environmental and social assessment will be conducted in accordance with ESS1, and will consider, in an integrated way, all relevant direct, indirect and cumulative environmental and social risks and impacts of the project, including those specifically identified in ESS1–10. The breadth, depth, and type of analysis undertaken as part of the environmental and social assessment will depend on the nature and scale of the project, and the potential environmental and social risks and impacts that could result. The Borrower will undertake the environmental and social assessment at the scale and level of detail appropriate to the potential risks and impacts.

The manner in which the environmental and social assessment will be conducted and the issues to be addressed will vary for each project. The Borrower will consult with the Bank to determine the process to be used, taking into account a number of activities, including scoping, stakeholder engagement, potential environmental and social issues and any specific issues raised between the Bank and Borrower. The environmental and social assessment will include and take into account coordination and consultation with affected people and other interested parties, particularly at an early stage, to ensure that all potentially significant environmental and social risks and impacts are identified and addressed.

The different methods and tools used by the Borrower to carry out the environmental and social assessment and to document the results of such assessment, including the mitigation measures to be implemented, will reflect the nature and scale of the project. As specified in ESS1, these will include, as appropriate, a combination or elements of the following:

a. Environmental and Social Impact Assessment (ESIA) Environmental and social impact assessment (ESIA) is an instrument to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.

b. Environmental and Social Audit Environmental and social audit is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates

the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, the environmental and social assessment may consist of an environmental or social audit alone; in other cases, the audit forms part of the environmental and social assessment.

c. Hazard or Risk Assessment Hazard or risk assessment is an instrument for identifying, analyzing, and controlling hazards associated with the presence of dangerous materials and conditions at a project site. The Bank requires a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials when they are present in quantities above a specified threshold level. For certain projects, the environmental and social assessment may consist of the hazard or risk assessment alone; in other cases, the hazard or risk assessment forms part of the environmental and social assessment.

d. Cumulative Impact Assessment Cumulative Impact Assessment is an instrument to consider cumulative impacts of the project in combination with impacts from other relevant past, present and reasonably foreseeable developments as well as unplanned but predictable activities enabled by the project that may occur later or at a different location.

e. Social and Conflict Analysis Social and conflict analysis is an instrument that assesses the degree to which the project may (a) exacerbate existing tensions and inequality within society (both within the communities affected by the project and between these communities and others); (b) have a negative effect on stability and human security; (c) be negatively affected by existing tensions, conflict and instability, particularly in circumstances of war, insurrection and civil unrest.

f. Environmental and Social Management Plan (ESMP) Environmental and social management plan (ESMP) is an instrument that details (a) the measures to be taken during the implementation and operation of a project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.

g. Environmental and Social Management Framework (ESMF) Environmental and social management framework (ESMF) is an instrument that examines the risks and impacts when a project consists of a program and/or series of subprojects, and the risks and impacts cannot be determined until the program or subproject details have been identified. The ESMF sets out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts. It contains measures and plans to reduce, mitigate and/or offset adverse risks and impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project risks and impacts, including on its capacity to manage environmental and social risks and impacts. It includes adequate information on the area in which subprojects are expected to be sited, including any potential environmental and social vulnerabilities of the area; and on the potential impacts that may occur and mitigation measures that might be expected to be used.

Specific features of a project may require the Borrower to utilize specialized methods and tools for assessment, such as a Resettlement Plan, Livelihood Restoration Plan, Indigenous Peoples Plan, Biodiversity Action Plan, Cultural Heritage Management Plan, and other plans as agreed with the Bank.

Borrowers should initiate the environmental and social assessment as early as possible in project processing. Borrowers will consult with the Bank as early as possible, so the environmental and social assessment is designed from the outset to meet the requirements of the ESSs.

2. Environmental and Social Management System

Environmental and social policy

The environmental and social policy of the FI will be endorsed by the FI's senior management and will include organizational commitments, objectives, and metrics with regard to the FI's environmental and social risk management. The policy will clearly state applicable requirements for FI subprojects, and will include the following:

- a) All FI subprojects will be prepared and implemented in accordance with relevant environmental and social national and local laws and regulations;
- b) All FI subprojects will be screened against exclusions in the legal agreement;
- c) All FI subprojects will be screened for environmental and social risks and impacts;
- d) All FI subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.

Environmental and social procedures.

The FI will put in place and maintain clearly defined environmental and social procedures which reflect and implement the FI's Environmental and Social Policy. The procedures will be proportionate to the nature of the FI and the level of potential environmental and social risks and impacts associated with the FI subprojects.

The FI's environmental and social procedures will include measures to:

- a) Screen all FI subprojects against any exclusions in the legal agreement;
- b) Screen, review and categorize the FI subprojects according to their potential environmental and social risks and impacts;
- c) Require that all FI subprojects are assessed, prepared and implemented to meet national law and, in addition, where an FI subproject involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, the relevant requirements of the ESSs are applied;
- d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the FI and the sub-borrower;
- e) Monitor and keep and regularly update environmental and social information on FI subprojects;
- f) If the risk profile of an FI subproject increases significantly, apply relevant requirements of the ESSs¹² and document these appropriately; and
- g) Monitor the environmental and social risk of the FI portfolio.

Organizational capacity and competency

The FI will develop and maintain organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. The FI will designate a representative of the FI's senior management to have overall accountability for environmental and social performance of the FI subprojects and resources necessary to support such implementation.

Monitoring and reporting

The FI will monitor the environmental and social performance of the FI subprojects in a manner proportionate to the risks and impacts of the FI subprojects, and provide regular progress reports to the FI's senior management. The FI will submit to the Bank annual Environmental and Social Reports on the implementation of its ESMS, including its environmental and social procedures and the environmental and social performance of its portfolio of FI subprojects. The annual report will include details of how the requirements of this ESS are being met, the nature of the FI subprojects financed through the project, and the overall portfolio risk, profiled by sector.

3. Indicative outline of ESIA

Where an environmental and social impact assessment is prepared as part of the environmental and social assessment, it will include the following:

(a) Executive Summary

- Concisely discusses significant findings and recommended actions.

(b) Legal and Institutional Framework

- Analyzes the legal and institutional framework for the project, within which the environmental and social assessment is carried out, including the issues set out in ESS1¹.
- Compares the Borrower's existing environmental and social framework and the ESSs and identifies the gaps between them.
- Identifies and assesses the environmental and social requirements of any co-financiers.

(c) Project Description

- Concisely describes the proposed project and its geographic, environmental, social, and temporal context, including any offsite investments that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary suppliers.
- Through consideration of the details of the project, indicates the need for any plan to meet the requirements of ESS1 through 10.
- Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.

(d) Baseline Data

¹ ESS1, states that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSs, and other relevant GIIP.

- Sets out in detail the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures. This should include a discussion of the accuracy, reliability, and sources of the data as well as information about dates surrounding project identification, planning and implementation.
- Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions.
- Based on current information, assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences.
- Takes into account current and proposed development activities within the project area but not directly connected to the project.

(e) *Environmental and Social Risks and Impacts*

- Takes into account all relevant environmental and social risks and impacts of the project. This will include the environmental and social risks and impacts specifically identified in ESS2–8, and any other environmental and social risks and impacts arising as a consequence of the specific nature and context of the project, including the risks and impacts identified in ESS1.

(f) *Mitigation Measures*

- Identifies mitigation measures and significant residual negative impacts that cannot be mitigated and, to the extent possible, assesses the acceptability of those residual negative impacts.
- Identifies differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable.
- Assesses the feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of proposed mitigation measures, and their suitability under local conditions; and the institutional training, and monitoring requirements for the proposed mitigation measures.
- Specifies issues that do not require further attention, providing the basis for this determination.

(g) *Analysis of Alternatives*

- Systematically compares feasible alternatives to the proposed project site, technology, design, and operation—including the “without project” situation—in terms of their potential environmental and social impacts.
- Assesses the alternatives’ feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; and the institutional, training, and monitoring requirements for the alternative mitigation measures.
- For each of the alternatives, quantifies the environmental and social impacts to the extent possible, and attaches economic values where feasible.

(h) *Design Measures*

- Sets out the basis for selecting the particular project design proposed and specifies the applicable ESHGs or if the ESHGs are determined to be inapplicable, justifies recommended emission levels and approaches to pollution prevention and abatement that are consistent with GIIP.

(i) *Key Measures and Actions for the Environmental and Social Commitment Plan (ESCP)*

- Summarizes key measures and actions and the timeframe required for the project to meet the requirements of the ESSs. This will be used in developing the Environmental and Social Commitment Plan (ESCP).

(j) Appendices

- List of the individuals or organizations that prepared or contributed to the environmental and social assessment.
- References—setting out the written materials both published and unpublished, that have been used.
- Record of meetings, consultations and surveys with stakeholders, including those with affected people and other interested parties. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected people and other interested parties.
- Tables presenting the relevant data referred to or summarized in the main text.
- List of associated reports or plans.

4. Indicative outline of environmental and social audit

The aim of the audit is to identify significant environmental and social issues in the existing project or activities, and assess their current status, specifically in terms of meeting the requirements of the ESSs.

(a) Executive Summary

- Concisely discusses significant findings and sets out recommended measures and actions and timeframes.

(b) Legal and Institutional Framework

- Analyzes the legal and institutional framework for the existing project or activities, including the issues set out in ESS1 and (where relevant) any applicable environmental and social requirements of existing financiers.

(c) Project Description

- Concisely describes the existing project or activities, and the geographic, environmental, social, and temporal context and any Associated Facilities.
- Identifies the existence of any plans already developed to address specific environmental and social risks and impacts (e.g., land acquisition or resettlement plan, cultural heritage plan, biodiversity plan).
- Includes a map of sufficient detail, showing the site of the existing project or activities and the proposed site for the proposed project.

(d) Environmental and Social Issues Associated with the Existing Project or Activities

- The review will consider the key risks and impacts relating to the existing project or activities. This will cover the risks and impacts identified in ESSs1–10, as relevant to the existing project or activities. The audit will also review issues not covered by the ESSs, to the extent that they represent key risks and impacts in the circumstances of the project.

(e) Environmental and Social Analysis

- The audit will also assess (i) the potential impacts of the proposed project (taking into account the findings of the audit with regard to the existing project or activities); and (ii) the ability of the proposed project to meet the requirements of the ESSs.

(f) Proposed Environmental and Social Measures

- Based on the findings of the audit, this section will set out the suggested measures to address such findings. These measures will be included in the Environmental and Social Commitment Plan (ESCP) for the proposed Project. Measures typically covered under this section include the following:
 - specific actions required to meet the requirements of the ESSs;
 - corrective measures and actions to mitigate potentially significant environmental and/or social risks and impacts associated with the existing project or activities;
 - measures to avoid or mitigate any potential adverse environmental and social risks or impacts associated with the proposed project.

5. Indicative outline of ESMP

An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The Borrower will (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.

Depending on the project, an ESMP may be prepared as a stand-alone document² or the content may be incorporated directly into the ESCP. The content of the ESMP will include the following:

(a) Mitigation

- The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP:
 - i. identifies and summarizes all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement);
 - ii. describes—with technical details—each mitigation measure, including the type 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

² This may be particularly relevant where the Borrower is engaging contractors, and the ESMP sets out the requirements to be followed by contractors. In this case the ESMP should be incorporated as part of the contract between the Borrower and the contractor, together with appropriate monitoring and enforcement provisions.

- iv. takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, indigenous peoples, or cultural heritage).

(b) Monitoring

- The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP³. Specifically, the monitoring section of the ESMP provides (a) 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 (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

(c) Capacity Development and Training

- To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the agency and ministry level.
- Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
- To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

(d) Implementation Schedule and Cost Estimates

- For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (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 ESMP. These figures are also integrated into the total project cost tables.

(e) Integration of ESMP with Project

- The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.

APPENDIX 5: INDICATIVE RESETTLEMENT POLICY FRAMEWORK

ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition¹ or restrictions on land use may cause physical displacement (relocation, loss of residential land, or loss of shelter), economic displacement (loss of land, assets, or access to assets leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

1. Objectives

The objectives are:

- a. To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- b. To avoid forced eviction.
- c. To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- d. To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- e. To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- f. To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

2. Scope of Application

The applicability of ESS5 is established during the environmental and social assessment described in ESS1. This ESS applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:

- a. Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law;
- b. Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- c. Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or

recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;

- d. Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date;
- e. Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- f. Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;
- g. Land rights or claims to land, or resources relinquished by individuals or communities without full payment of compensation; and
- h. Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

This ESS does not apply to impacts on incomes or livelihoods that are not a direct result of land acquisition or land use restrictions imposed by the project. Such impacts will be addressed in accordance with ESS1.

3. Requirements

3.1 General

Eligibility classification

Affected persons may be classified as persons: (a) Who have formal legal rights to land or assets; (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use.

Project design

The Borrower will demonstrate that involuntary land acquisition or restrictions on land use are limited to direct project requirements for clearly specified project purposes within a clearly specified period of time. The Borrower will consider feasible alternative project designs to avoid or minimize land acquisition or restrictions on land use, especially where this would result in physical or economic displacement, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.

Compensation and benefits for affected persons

When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods.

Compensation standards for categories of land and fixed assets will be disclosed and applied consistently. Compensation rates may be subject to upward adjustment where negotiation strategies are employed. In all

cases, a clear basis for calculation of compensation will be documented, and compensation distributed in accordance with transparent procedures.

Where livelihoods of displaced persons are land-based, or where land is collectively owned, the Borrower will offer the displaced persons an option for replacement land in accordance with paragraph 35(a), unless it can be demonstrated to the Bank's satisfaction that equivalent replacement land is unavailable. As the nature and objectives of the project may allow, the Borrower will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project.

The Borrower will take possession of acquired land and related assets only after compensation in accordance with this ESS has been made available and, where applicable, displaced people have been resettled and moving allowances have been provided to the displaced persons in addition to compensation. In addition, livelihood restoration and improvement programs will commence in a timely fashion in order to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities as the need to do so arises.

In certain cases there may be significant difficulties related to the payment of compensation to particular affected persons, for example, where repeated efforts to contact absentee owners have failed, where project-affected persons have rejected compensation that has been offered to them in accordance with the approved plan, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings. On an exceptional basis, with prior agreement of the Bank, and where the Borrower demonstrates that all reasonable efforts to resolve such matters have been taken, the Borrower may deposit compensation funds as required by the plan (plus a reasonable additional amount for contingencies) into an interest-bearing escrow or other deposit account and proceed with the relevant project activities. Compensation placed in escrow will be made available to eligible persons in a timely manner as issues are resolved.

Community engagement

The Borrower will engage with affected communities, including host communities, through the process of stakeholder engagement described in ESS10. Decision-making processes related to resettlement and livelihood restoration will include options and alternatives from which affected persons may choose. Disclosure of relevant information and meaningful participation of affected communities and persons will take place during the consideration of alternative project designs, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process. Additional provisions apply to consultations with displaced Indigenous Peoples, in accordance with ESS7.

The consultation process should ensure that women's perspectives are obtained, and their interests factored into all aspects of resettlement planning and implementation. Addressing livelihood impacts may require intra-household analysis in cases where women's and men's livelihoods are affected differently. Women's and men's preferences in terms of compensation mechanisms, such as replacement land or alternative access to natural resources rather than in cash, should be explored.

Grievance mechanism

The Borrower will ensure that a grievance mechanism for the project is in place, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion. Where possible, such grievance

mechanisms will utilize existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial manner.

Planning and implementation

Where land acquisition or restrictions on land use are unavoidable, the Borrower will, as part of the environmental and social assessment, conduct a census to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits. The social assessment will also address the claims of communities or groups who, for valid reasons, may not be present in the project area during the time of the census, such as seasonal resource users. In conjunction with the census, the Borrower will establish a cutoff date for eligibility. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area at regular intervals in written and (as appropriate) nonwritten forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cutoff date may be subject to removal.

To address the issues identified in the environmental and social assessment, the Borrower will prepare a plan proportionate to the risks and impacts associated with the project:

- a. For projects with minor land acquisition or restrictions on land use, as a result of which there will be no significant impact on incomes or livelihoods, the plan will establish eligibility criteria for affected persons, set out procedures and standards for compensation, and incorporate arrangements for consultations, monitoring and addressing grievances;
- b. For projects causing physical displacement, the plan will set out the additional measures relevant to relocation of affected persons;
- c. For projects involving economic displacement with significant impacts on livelihoods or income generation, the plan will set out the additional measures relating to livelihood improvement or restoration; and
- d. For projects that may impose changes in land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.

The Borrower's plan will establish the roles and responsibilities relating to financing and implementation and include arrangements for contingency financing to meet unanticipated costs, as well as arrangements for timely and coordinated response to unforeseen circumstances impeding progress toward desired outcomes. The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project.

The Borrower will establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of this ESS. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with significant involuntary resettlement impacts, the Borrower will retain competent resettlement professionals to monitor the

implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with this ESS and produce periodic monitoring reports. Affected persons will be consulted during the monitoring process. Periodic monitoring reports will be prepared, and affected persons will be informed about monitoring results in a timely manner.

Implementation of the Borrower's plan will be considered completed when the adverse impacts of resettlement have been addressed in a manner that is consistent with the relevant plan as well as the objectives of this ESS. For all projects with significant involuntary resettlement impacts, the Borrower will commission an external completion audit of the plan when all mitigation measures have been substantially completed. The completion audit will be undertaken by competent resettlement professionals, will assess whether livelihoods and living standards have been improved or at least restored and, as necessary, will propose corrective actions to meet objectives not yet achieved.

Where the likely nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown during project preparation, the Borrower will develop a framework establishing general principles and procedures compatible with this ESS. Once the individual project components are defined and the necessary information becomes available, such a framework will be expanded into one or more specific plans proportionate to potential risks and impacts. No physical and/or economic displacement will occur until plans required by this ESS have been finalized and approved by the Bank.

3.2 Displacement

Physical displacement

In the case of physical displacement, the Borrower will develop a plan that covers, at a minimum, the applicable requirements of this ESS regardless of the number of people affected. The plan will be designed to mitigate the negative impacts of displacement and, as warranted, to identify development opportunities. It will include a resettlement budget and implementation schedule and establish the entitlements of all categories of affected persons (including host communities). Particular attention will be paid to gender aspects and the needs of the poor and the vulnerable. The Borrower will document all transactions to acquire land rights, provision of compensation and other assistance associated with relocation activities.

If people living in the project area are required to move to another location, the Borrower will:

- a. offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation; and
- b. provide relocation assistance suited to the needs of each group of displaced persons.

New resettlement sites will offer living conditions at least equivalent to those previously enjoyed, or consistent with prevailing minimum codes or standards, whichever set of standards is higher. If new resettlement sites are to be prepared, host communities will be consulted regarding planning options, and resettlement plans will ensure continued access, at least at existing levels or standards, for host communities to facilities and services. The displaced persons' preferences with respect to relocating in preexisting communities and groups will be respected wherever possible. Existing social and cultural institutions of the displaced persons and any host communities will be respected.

In the case of physically displaced persons under paragraph 10 (a) and (b), the Borrower will offer the choice of replacement property of equal or higher value, with security of tenure, equivalent or better characteristics, and advantages of location, or cash compensation at replacement cost. Compensation in kind should be considered in lieu of cash.

In the case of physically displaced persons under paragraph 10 (c), the Borrower will provide arrangements to allow them to obtain adequate housing with security of tenure. Where these displaced persons own structures, the Borrower will compensate them for the loss of assets other than land, such as dwellings and other improvements to the land, at replacement cost. Based on consultation with such displaced persons, the Borrower will provide relocation assistance in lieu of compensation for land sufficient for them to restore their standards of living at an adequate alternative site.

The Borrower is not required to compensate or assist those who encroach on the project area after the cutoff date for eligibility, provided the cut-off date has been clearly established and made public.

The Borrower will not resort to forced evictions of affected persons. “Forced eviction” is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this ESS. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this ESS, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).

As an alternative to displacement, the Borrower may consider negotiating in situ land development arrangements by which those to be affected may elect to accept a partial loss of land or localized relocation in return for improvements that will increase the value of their property after development. Any person not wishing to participate will be allowed to opt instead for full compensation and other assistance as required in this ESS.

Economic displacement

In the case of projects affecting livelihoods or income generation, the Borrower’s plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods. The plan will establish the entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner. The plan will incorporate arrangements to monitor the effectiveness of livelihood measures during implementation, as well as evaluation once implementation is completed. The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible and have been provided with adequate opportunity to reestablish their livelihoods.

Economically displaced persons who face loss of assets or access to assets will be compensated for such loss at replacement cost:

- a. In cases where land acquisition or restrictions on land use affect commercial enterprises, affected business owners will be compensated for the cost of identifying a viable alternative location; for lost net income during the period of transition; for the cost of the transfer and reinstallation of the plant,

machinery, or other equipment; and for reestablishing commercial activities. Affected employees will receive assistance for temporary loss of wages and, if necessary, assistance in identifying alternative employment opportunities;

- b. In cases affecting persons with legal rights or claims to land that are recognized or recognizable under national law (see paragraph 10 (a) and (b)), replacement property (e.g., agricultural or commercial sites) of equal or greater value will be provided, or, where appropriate, cash compensation at replacement cost; and
- c. Economically displaced persons who are without legally recognizable claims to land (see paragraph 10 (c)) will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land), at replacement cost. Additionally, the Borrower will provide assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish livelihoods elsewhere. The Borrower is not required to compensate or assist persons who encroach on the project area after the cutoff date for eligibility.

Economically displaced persons will be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living:

- a. For persons whose livelihoods are land-based, replacement land that has a combination of productive potential, locational advantages, and other factors at least equivalent to that being lost will be offered where feasible;
- b. For persons whose livelihoods are natural resource-based and where project-related restrictions on access apply, measures will be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility. Where common property resources are affected, benefits and compensation associated with restrictions on natural resource usage may be collective in nature; and
- c. If it is demonstrated that replacement land or resources are unavailable, the Borrower will offer economically displaced persons options for alternative income earning opportunities, such as credit facilities, skills training, business start-up assistance, employment opportunities, or cash assistance additional to compensation for assets. Cash assistance alone, however, frequently fails to provide affected persons with the productive means or skills to restore livelihoods.

Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living.

APPENDIX 6: INDICATIVE OUTLINE FOR A RESETTLEMENT ACTION PLAN

This Appendix describes the elements of the plans addressing physical and/or economic displacement in ESS5. For purposes of this Appendix, these plans shall be referred to as “resettlement plans.” Resettlement plans include measures to address physical and/or economic displacement, depending on the nature of the impacts expected from a project. Projects may use alternative nomenclature, depending on the scope of the resettlement plan—for example, where a project involves only economic displacement, the resettlement plan may be called a “livelihood plan” or where restrictions on access to legally designated parks and protected areas are involved, the plan may take the form of a “process framework.”

The scope of requirements and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

Minimum elements of a resettlement plan:

Description of the project. General description of the project and identification of the project area.

Potential impacts. Identification of:

- a. the project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project;
- b. the zone of impact of such components or activities;
- c. the scope and scale of land acquisition and impacts on structures and other fixed assets;
- d. any project-imposed restrictions on use of, or access to, land or natural resources;
- e. alternatives considered to avoid or minimize displacement and why those were rejected; and
- f. the mechanisms established to minimize displacement, to the extent possible, during project implementation.

Objectives. The main objectives of the resettlement program.

Census survey and baseline socioeconomic studies. The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures and other fixed assets to be affected by the project. The census survey also serves other essential functions:

- a. identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- b. information on vulnerable groups or persons for whom special provisions may have to be made;
- c. identifying public or community infrastructure, property or services that may be affected;
- d. providing a basis for the design of, and budgeting for, the resettlement program;

- e. in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and establishing baseline conditions for monitoring and evaluation purposes;
- f. As the Bank may deem relevant, additional studies on the following subjects may be required to supplement or inform the census survey;
- g. land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
- h. the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; and
- i. social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal framework. The findings of an analysis of the legal framework, covering:

- a. the scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
- b. the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance redress mechanisms that may be relevant to the project;
- c. laws and regulations relating to the agencies responsible for implementing resettlement activities; and
- d. gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.

Institutional framework. The findings of an analysis of the institutional framework covering:

- a. the identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;
- b. an assessment of the institutional capacity of such agencies and NGOs/CSOs; and
- c. any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.

Eligibility. Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates.

Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.

Community participation. Involvement of displaced persons (including host communities, where relevant):

- a. a description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;

- b. a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- c. a review of the resettlement alternatives presented, and the choices made by displaced persons regarding options available to them; and
- d. institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

Implementation schedule. An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

Costs and budget. Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

Grievance redress mechanism. The plan describes affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

Monitoring and evaluation. Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Arrangements for adaptive management. The plan should include provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

APPENDIX 7: INDICATIVE INDIGENOUS PEOPLES PLANNING FRAMEWORK

ESS7 applies to a distinct social and cultural group identified. The terminology used for such groups varies from country to country, and often reflects national considerations. ESS7 uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities,” recognizing that groups identified may be referred to in different countries by different terms. Such terms include “Sub-Saharan African historically underserved traditional local communities,” “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “vulnerable and marginalized groups,” “minority nationalities,” “scheduled tribes,” “first nations” or “tribal groups.” ESS7 applies to all such groups, providing they meet the criteria. For the purposes of this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” includes all such alternative terminology.

1. Objectives

The objectives are:

- a. To ensure that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.
- b. To avoid adverse impacts of projects on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts.
- c. To promote sustainable development benefits and opportunities for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in a manner that is accessible, culturally appropriate and inclusive.
- d. To improve project design and promote local support by establishing and maintaining an ongoing relationship based on meaningful consultation with the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities affected by a project throughout the project’s life cycle.
- e. To obtain the Free, Prior, and Informed Consent (FPIC) of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in the three circumstances described in this ESS.
- f. To recognize, respect and preserve the culture, knowledge, and practices of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.

2. Scope of application

This ESS applies to a distinct social and cultural group identified. In some countries, such groups are referred to as ‘Indigenous Peoples’. In other countries they may be referred to by other terms, such as “Sub-Saharan African historically underserved traditional local communities,” “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “vulnerable and marginalized groups,” “minority nationalities,” “scheduled tribes,” “first nations,” or “tribal groups.” As the applicability of the term “Indigenous Peoples” varies widely from country to country, the Borrower may request the Bank to use an alternative terminology for the Indigenous Peoples as appropriate to the national

context of the Borrower. Regardless of which terminology is used, the requirements of this ESS will apply to all such groups. This ESS uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” in recognition of the different terminology which may be used to refer to Indigenous Peoples in the national context.

This ESS applies whenever Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (as they may be referred to in the national context) are present in, or have collective attachment to a proposed project area, as determined during the environmental and social assessment. This ESS applies regardless of whether Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are affected positively or negatively, and regardless of the significance of any such impacts. This ESS also applies irrespective of the presence or absence of discernible economic, political or social vulnerabilities, although the nature and extent of vulnerability will be a key variable in designing plans to promote equitable access to benefits or to mitigate adverse impacts.

In this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” (or as they may be referred to in the national context using an alternative terminology) is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees:

- a. Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and
- b. Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; and
- c. Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and
- d. A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

This ESS also applies to communities or groups of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area. This ESS also applies to forest dwellers, hunter-gatherers, pastoralists or other nomadic groups, subject to satisfaction of the criteria.

Following a determination by the World Bank that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are present in, or have collective attachment to the project area, the Borrower may be required to seek inputs from appropriate specialists to meet the consultation, planning, or other requirements of this ESS. The World Bank may follow national processes during project screening for the identification, of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (as they may be referred to in the national context), where these processes meet the requirements of this ESS.8 Requirements.

General

A key purpose of this ESS is to ensure that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities present in, or with collective attachment to, the project area are fully consulted

about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements. The scope and scale of consultation, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential project risks and impacts as they may affect Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

The Borrower will assess the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities who are present in, or have collective attachment to, the project area. The Borrower will prepare a consultation strategy and identify the means by which affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will participate in project design and implementation. Subsequently, effective project design and documentation will be developed as set out below.

The Borrower's proposed measures and actions will be developed in consultation with the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and contained in a time-bound plan, such as an Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities plan. The scope and scale of the plan will be proportionate to the potential risks and impacts of the project. The format and title of the plan will be adjusted as appropriate to the project or country context and will reflect any alternative terminology for the Indigenous Peoples.

Avoidance of adverse impacts

Adverse impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be avoided where possible. Where alternatives have been explored and adverse impacts are unavoidable, the Borrower will minimize and/or compensate for these impacts in a culturally appropriate manner proportionate to the nature and scale of such impacts and the form and degree of vulnerability of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

When situations arise in which projects potentially affect remote groups with limited external contact, also known as peoples "in voluntary isolation," "isolated peoples" or "in initial contact," the Borrower will take appropriate measures to recognize, respect and protect their land and territories, environment, health and culture, as well as measures to avoid all undesired contact with them as a consequence of the project. The aspects of the project that would result in such undesired contact will not be processed further.

Mitigation and development benefits

The Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will identify mitigation measures in alignment with the mitigation hierarchy described in ESS1 as well as opportunities for culturally appropriate and sustainable development benefits. The scope of assessment and mitigation will include cultural impacts as well as physical impacts. The Borrower will ensure the timely delivery of agreed measures to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

The determination, delivery, and distribution of compensation and shared benefits to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will take account of the institutions, rules and customs of these Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities as well as their level of interaction with mainstream society. Eligibility for

compensation can either be individually or collectively-based or be a combination of both. Where compensation occurs on a collective basis, as far as practicable mechanisms that promote the effective distribution of compensation to all eligible members, or collective use of compensation in a manner that benefits all members of the group, will be defined and implemented.

Various factors including, but not limited to, the nature of the project, the project context and the vulnerability of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will determine how affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will benefit from the project. Identified opportunities will aim to address the goals and preferences of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.

Meaningful consultation tailored to indigenous peoples/Sub-Saharan African historically underserved traditional local communities

To promote effective project design, to build local project support or ownership, and to reduce the risk of project-related delays or controversies, the Borrower will undertake an engagement process with affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, as required in ESS10. This engagement process will include stakeholder analysis and engagement planning, disclosure of information, and meaningful consultation, in a culturally appropriate and gender and inter-generationally inclusive manner. For Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, the process of meaningful consultation will also:

- a. Involve Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' representative bodies and organizations (e.g., councils of elders or village councils, or chieftains) and, where appropriate, other community members;
- b. Provide sufficient time for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' decision-making processes; and
- c. Allow for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' effective participation in the design of project activities or mitigation measures that could potentially affect them either positively or negatively.

3. Circumstances requiring free, prior and informed consent (FPIC)

Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources. In recognition of this vulnerability, in addition to the General Requirements of this ESS (Section A) and those set out in ESSs1 and 10, the Borrower will obtain the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in which the project will:

- a. have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;
- b. cause relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from land and natural resources subject to traditional ownership or under customary use or occupation; or

- c. have significant impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' lives.

In these circumstances, the Borrower will engage independent specialists to assist in the identification of the project risks and impacts.

There is no universally accepted definition of FPIC. For the purposes of this ESS, FPIC is established as follows:

- a. The scope of FPIC applies to project design, implementation arrangements and expected outcomes related to risks and impacts on the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;
- b. FPIC builds on and expands the process of meaningful consultation described in ESS10, and will be established through good faith negotiation between the Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;
- c. The Borrower will document: (i) the mutually accepted process to carry out good faith negotiations that has been agreed by the Borrower and Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; and (ii) the outcome of the good faith negotiations between the Borrower and Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, including all agreements reached as well as dissenting views; and
- d. FPIC does not require unanimity and may be achieved even when individuals or groups within or among affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities explicitly disagree.

For the purposes of this ESS, consent refers to the collective support of affected Indigenous Peoples communities/Sub-Saharan African Historically Underserved Traditional Local Communities for the project activities that affect them, reached through a culturally appropriate process. It may exist even if some individuals or groups object to such project activities.

When the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities cannot be ascertained by the Bank, the aspects of the project relevant to those affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities for which the FPIC cannot be ascertained will not be processed further. Where the Bank has made the decision to continue processing the project other than the aspects for which the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities cannot be ascertained, the Borrower will ensure that no adverse impacts result on such Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities during the implementation of the project.

Agreements reached between the Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be described, and actions necessary to accomplish agreements will be included, in the ESCP. During implementation, the Borrower will ensure that necessary actions are taken, and agreed benefits or improvements to services are delivered, so as to maintain Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' support for the project.

Impacts on lands and natural resources subject to traditional ownership or under customary use or occupation

Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are often closely tied to their land and related natural resources. Frequently, land is traditionally owned or under customary use or occupation. While Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities may not possess legal title to land as defined by national law, their use of the land, including seasonal or cyclical use, for their livelihoods, or for cultural, ceremonial, and spiritual purposes that define their identity and community, can often be substantiated and documented. Where projects involve (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities have traditionally owned or customarily used or occupied, or (b) the acquisition of such lands, the Borrower will prepare a plan for the legal recognition of such ownership, occupation, or usage, with due respect to the customs, traditions and land tenure systems of the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities concerned. The objective of such plans will be the following: (a) full legal recognition of existing customary land tenure systems of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; or (b) conversion of customary usage rights to communal and/or individual ownership rights. If neither option is possible under national law, the plan includes measures for the legal recognition of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' perpetual or long-term renewable custodial or use rights.

Relocation of indigenous peoples/Sub-Saharan African historically underserved traditional local communities from lands and natural resources subject to traditional ownership or under customary use or occupation

The Borrower will consider feasible alternative project designs to avoid the relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from communally held or attached land and natural resources subject to traditional ownership or customary use or occupation. If such relocation is unavoidable the Borrower will not proceed with the project unless FPIC has been obtained as described above; the Borrower will not resort to forced eviction, and any relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will meet the requirements of ESS5. Where feasible, the relocated Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be able to return to their traditional or customary land, should the cause of their relocation cease to exist.

APPENDIX 8: INDICATIVE TOR AND OUTLINE OF AN INDIGENOUS PEOPLES PLAN

An indicative TOR and outline for an IPP is presented as follow:

The following provides the key elements of a comprehensive IPP. In circumstances where Indigenous Peoples benefit from project and/sub-project activities and/or minor impacts are envisaged, elements of an IPP can be integrated in other instruments such as Land Acquisition and Relocation Plans or ESMPs. These elements include:

a. IPP Executive Summary. This section concisely describes the critical facts, significant findings, and recommended actions (required for a standalone IPP);

b. Assessments of project and/or sub-project activities with impacts on Indigenous Peoples. This section provides analysis of the nature and scale of such impacts, should:

- i. Review the legal and institutional framework applicable to Indigenous Peoples in the project context.
- ii. Provide baseline information on the demographic, social, cultural, and political characteristics of the affected communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- iii. Identify 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.
- iv. Assess, based on meaningful consultation with the affected communities, the potential adverse and positive effects of the project and sub-project activities. 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, given their 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.
- v. Include a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- vi. Identify and recommend, based on meaningful consultation with the affected communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identify measures to minimize, mitigate, and/or compensate for such effects and to ensure that Indigenous Peoples receive culturally appropriate benefits under the project.

c. Assessments of circumstances requiring FPIC and alternative project design/siting to avoid adverse impacts (refer to the Section on Free, Prior and Informed Consent).

d. Information disclosure, consultation and participation. This section should:

- i. Describes the information disclosure, consultation and participation process with the affected communities that can be carried out during project preparation;
- ii. Summarize their comments on the results of the social impact assessment and identify concerns raised during consultation and how these have been addressed in project design;

- iii. In the case of project activities requiring FPIC, document the process and outcome of consultations with affected communities and any agreement resulting from such consultations for the project activities and risk management measures addressing the impacts of such activities;
- iv. Describe consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- v. Confirm disclosure of the draft and final documents to the affected Indigenous Peoples;

e. Benefit sharing arrangements. this section specifies the measures to ensure that the affected communities receive social and economic benefits that are culturally appropriate, and gender responsive.

f. Mitigation measures. 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 community.

g. Capacity building. 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) affected communities' organizations in the project area to enable them to represent their communities more effectively and participate in the management of risks and impacts.

h. Feedback and Grievance Redress Mechanism. 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. 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 arrangements. this section describes institutional arrangement responsibilities and mechanisms for carrying out the various mitigation measures in the IPP. It also describes the process of including relevant local organizations and/or NGOs in carrying out the measures of the IPP.

k. Budget and financing. This section provides an itemized budget for all activities described in the IPP.

Where requirement for FPIC is identified as part of the ESIA's, independent specialists will be engaged in order to facilitate FPIC. A stakeholder grievance mechanism will be prepared, included requirements to allow indigenous peoples submit any feedbacks or grievances.

APPENDIX 9: INDICATIVE LABOR MANAGEMENT PROCEDURES

Under ESS2 on Labor and Working Conditions, Borrowers are required to develop labor management procedures (LMP). The purpose of the LMP is to facilitate planning and implementation of the project. The LMP identify the main labor requirements and risks associated with the project and help the Borrower to determine the resources necessary to address project labor issues. The LMP is a living document, which is initiated early in project preparation, and is reviewed and updated throughout development and implementation of the project.

The Template is designed to help Borrowers identify key aspects of labor planning and management. The content is indicative: where the issues identified are relevant in a project, Borrowers should capture them in the LMP. Some issues may not be relevant; some projects may have other issues that need to be captured from a planning perspective. Where national law addresses requirements of ESS2 this can be noted in the LMP, and there is no need to duplicate such provisions. The LMP may be prepared as a stand-alone document, or form part of other environmental and social management documents.

A concise and up to date LMP will enable different project-related parties, for example, staff of the project implementing unit, contractors and sub-contractors and project workers, to have a clear understanding of what is required on a specific labor issue. The level of detail contained in the LMP will depend on the type of project and information available. Where relevant information is not available, this should be noted and the LMP should be updated as soon as possible.

In preparing and updating the LMP, Borrowers refer to the requirements of national law and ESS2 and the Guidance Note to ESS2 (GN). The template includes references to both ESS2 and the GN.

Template Outline of an LMP:

1. OVERVIEW OF LABOR USE ON THE PROJECT

This section describes the following, based on available information:

- a. **Number of Project Workers:** The total number of workers to be employed on the project, and the different types of workers: direct workers, contracted workers and community workers. Where numbers are not yet firm, an estimate should be provided.
- b. **Characteristics of Project Workers:** To the extent possible, a broad description and an indication of the likely characteristics of the project workers e.g. local workers, national or international migrants, female workers, workers between the minimum age and 18.
- c. **Timing of Labor Requirements:** The timing and sequencing of labor requirements in terms of numbers, locations, types of jobs and skills required.
- d. **Contracted Workers:** The anticipated or known contracting structure for the project, with numbers and types of contractors/subcontractors and the likely number of project workers to be employed or engaged by each contractor/subcontractor. If it is likely that project workers will be engaged through brokers, intermediaries or agents, this should be noted together with an estimate how many workers are expected to be recruited in this way.

- e. Migrant Workers: If it is likely that migrant workers (either domestic or international) are expected to work on the project, this should be noted and details provided.

2. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

This section describes the following, based on available information:

- a. Project activities: The type and location of the project, and the different activities the project workers will carry out.
- b. Key Labor Risks: The key labor risks which may be associated with the project (see, for example, those identified in ESS2 and the GN). These could include, for example:
 - The conduct of hazardous work, such as working at heights or in confined spaces, use of heavy machinery, or use of hazardous materials
 - Likely incidents of child labor or forced labor, with reference to the sector or locality
 - Likely presence of migrants or seasonal workers
 - Risks of labor influx or gender-based violence
 - Possible accidents or emergencies, with reference to the sector or locality
 - General understanding and implementation of occupational health and safety requirements

3. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

This section sets out the key aspects of national labor legislation with regards to term and conditions of work, and how national legislation applies to different categories of workers identified in Section 1. The overview focuses on legislation which relates to the items set out in ESS2, paragraph 11 (i.e. wages, deductions and benefits).

4. BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

This section sets out the key aspects of the national labor legislation with regards to occupational health and safety, and how national legislation applies to the different categories of workers identified in Section 1. The overview focuses on legislation which relates to the items set out in ESS2, paragraphs 24 to 30.

5. RESPONSIBLE STAFF

This section identifies the functions and/or individuals within the project responsible for (as relevant):

- a. engagement and management of project workers
- b. engagement and management of contractors/subcontractors
- c. occupational health and safety (OHS)
- d. training of workers
- e. addressing worker grievances

In some cases, this section will identify functions and/or individuals from contractors or subcontractors, particularly in projects where project workers are employed by third parties.

6. POLICIES AND PROCEDURES

This section sets out information on OHS, reporting and monitoring and other general project policies. Where relevant, it identifies applicable national legislation.

Where significant safety risks have been identified as part of Section 2, this section outlines how these will be addressed. Where the risk of forced labor has been identified, this section outlines how these will be addressed (see ESS2, paragraph 20 and related GNs). Where risks of child labor have been identified, these are addressed in Section 7.

Where the Borrower has stand-alone policies or procedures, these can be referenced or annexed to the LMP, together with any other supporting documentation.

7. AGE OF EMPLOYMENT

This section sets out details regarding:

- a. The minimum age for employment on the project
- b. The process that will be followed to verify the age of project workers
- c. The procedure that will be followed if underage workers are found working on the project
- d. The procedure for conducting risk assessments for workers aged between the minimum age and 18

See ESS2, paragraphs 17 to 19 and related GNs.

8. TERMS AND CONDITIONS

This section sets out details regarding:

- a. Specific wages, hours and other provisions that apply to the project
- b. Maximum number of hours that can be worked on the project
- c. Any collective agreements that apply to the project. When relevant, provide a list of agreements and describe key features and provisions
- d. Other specific terms and conditions

9. GRIEVANCE MECHANISM

This section sets out details of the grievance mechanism that will be provided for direct and contracted workers and describes the way in which these workers will be made aware of the mechanism.

Where community workers are engaged in the project, details of the grievance mechanism for these workers is set out in Section 11.

10. CONTRACTOR MANAGEMENT

This section sets out details regarding:

- a. The selection process for contractors, as discussed in ESS2, paragraph 31 and GN 31.1.

- b. The contractual provisions that will put in place relating to contractors for the management of labor issues, including occupational health and safety, as discussed in ESS2, paragraph 32 and GN 32.1
- c. The procedure for managing and monitoring the performance of contractors, as discussed in ESS2, paragraph 32 and GN 32.1

11. COMMUNITY WORKERS

Where community workers will be involved in the project, this section sets out details of the terms and conditions of work and identifies measures to check that community labor is provided on a voluntary basis. It also provides details of the type of agreements that are required and how they will be documented. See GN 34.4.

This section sets out details of the grievance mechanism for community workers and the roles and responsibilities for monitoring such workers. See ESS2, paragraphs 36 and 37.

12. PRIMARY SUPPLY WORKERS

Where a significant risk of child or forced labor or serious safety issues in relation to primary suppliers has been identified, this section sets out the procedure for monitoring and reporting on primary supply workers.

APPENDIX 10: GENDER

The Bank's overall approach to gender is guided by the World Bank Group's Gender Strategy (FY16-23) and OP4.20: Gender and Development. The Gender Strategy is backed up by a number of country and sector-level instruments such as regional gender action plans, country diagnostics (and in some regions, with country action plans and platforms), and Global Practice Gender Strategy Follow Up Notes.

At the project-level, provisions on gender in the ESF are focused on gender equality and inclusion, particularly in the context of addressing disadvantaged or vulnerable groups, including the risks of gender-based violence. The 2018 Good Practice Note on GBV provides guidance on management of risks of sexual exploitation and abuse (SEA)/sexual harassment (SH) that can arise in the context of IPFs that involve major civil works¹. The ESF also promotes project-level opportunities to close key gender gaps.

The Borrower is responsible for meeting the requirements of the ESSs, while the Bank exercises its due diligence under the ESF. The Bank will assist Borrowers in their application of the ESSs to projects supported through Investment Project Financing in accordance with the ESF. The success of the ESF implementation is highly contingent on the borrowers' understanding and buy-in of the issues addressed under the ESF including gender gaps. To this end, as necessary, Bank assistance will include technical training for Project Implementation Unit staff on ESF requirements on gender and monitoring of the performance of the project throughout the project life.

Different stages of the project cycle - project identification, assessment of environmental and social risks and impacts, appraisal, implementation and monitoring - all provide opportunities for promoting gender equality and inclusion at the project level under five specific mechanisms:

- a. initial scoping of project risks and impacts, including those arising from gender inequality;
- b. assessment of environmental and social risks and impacts and designing mitigation measures in a manner that identifies and—to the extent possible—minimizes gender gaps (including ESIA, ESMP, RAP, LMP and SEP as set out in ESSs). A comprehensive gender analysis may be warranted;
- c. engaging stakeholders with specific needs and risks of gender inequality in meaningful consultation, information disclosure and responsive grievance redress throughout the project life (as set out in SEP);
- d. agreeing on key commitments relating to gender consideration in the ESCP;
- e. adaptive risk management and monitoring of project outcomes relating to gender.

¹ The Good Practice Note is available here: <https://thedocs.worldbank.org/en/doc/741681582580194727-0290022020/original/ESFGoodPracticeNoteonGBVinMajorCivilWorksv2.pdf>. In addition, examples of how to prevent and respond to gender-based violence through project design and implementation can be found in the online resource accessible here: <https://www.worldbank.org/en/programs/violence-against-women-and-girls/resources>.