

AFRICA FINANCE CORPORATION

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

AFRICA SOVEREIGN CLIMATE FACILITY (ASCF)

September 2026

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ABBREVIATIONS

AFC	Africa Finance Corporation
BO	Business Originator
BoD	Board of Directors
BRIC	Board Risk and Investment Committee
CAESMR	Client Annual Environmental and Social Monitoring Report
CESAP	Client Environmental and Social Action Plan
CRO	Chief Risk Officer
DFI	Development Finance Institution
EIM	Early Investment Memorandum
EHS	Environmental Health and Safety
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESRO	Environmental and Social Risk Officer
ESDD	Environmental and Social Due Diligence
E&S Manager	Environmental and Social Manager
ESMS	Environmental and Social Management System
E&S Policy	Environmental and Social Policy
E&SR Procedures	Environment and Social Review Procedures
ESRS	Environmental and Social Review Summary
EXCO	AFC Executive Committee
FIM	Final Investment Memorandum
IFC	International Finance Corporation (subsidiary of World Bank)
ILO	International Labour Organisation
IM	Investment Memorandum
INVESTCO	Corporation's Sub Investment Committee
NGO	Non-Governmental Organisation (e.g. Greenpeace)
OECD	Organisation for Economic Cooperation and Development
SEAH	Sexual Exploitation, Abuse and Harassment
Sub INVESTCO	Corporation's Sub Investment Committee
WB	World Bank

1. Introduction

Africa Finance Corporation (“AFC” or the “Corporation”) is the foremost infrastructure provider in Africa with experience in identifying, developing, executing, and delivering transformational infrastructure projects on the continent.

Africa’s recognised climate vulnerabilities, i.e., rising temperatures, floods, and droughts threaten livelihoods and risking extreme poverty for over 118 million people by 2030 (IPCC AR6, 2022). The continent requires over US\$200 billion annually for climate action, including US\$52–86 billion for adaptation by 2030. Compounded by post-COVID-19 fiscal and external deficits, African governments struggle to fund critical climate mitigation and adaptation projects at the scale needed to meet their Nationally Determined Contributions (NDCs). To address this, AFC has developed the Africa Sovereign Climate Facility (ASCF), a blended finance initiative to mobilise transformative climate finance for vulnerable African nations.

The ASCF aims to channel critical funding to large-scale projects, targeting mitigation (energy access) and adaptation (health and well-being, food and water security and infrastructure and the built environment). By pooling private and concessional funding with technical support, the facility seeks to mobilise up to US\$20 million for capacity building and US\$670 million in blended finance, enabling governments to implement climate programmes that reduce long-term costs and budgetary strain. Initially focusing on Côte d’Ivoire, Benin, Nigeria and Angola, in collaboration with their Ministries of Finance and designated co-executing entities, the ASCF will expand to the Democratic Republic of Congo, South Africa, Botswana, and Cameroon in the second phase.

By prioritising capacity building and ensuring more sustainable long-term debt profiles, the ASCF empowers African governments to accelerate NDC implementation, foster climate resilience, and lead in climate-proof development, ensuring inclusive and impactful climate action across the continent.

This document presents the framework for the Environmental and Social Management System (ESMS) for the ASCF to ensure the facility adheres to robust Environmental and Social (E&S) tenets. It outlines the E&S tools, frameworks, and documentation required for project implementation. The ASCF will align with international standards, such as the IFC Performance Standards and Equator Principles, incorporating E&S due diligence frameworks, monitoring protocols, and reporting templates – all in line with AFC’s operational structure. This ESMS will adopt the Global Centre on Adaptation’s (GCA) Locally Led Adaptation principles (LLA) to guide its approach, particularly for projects with adaptation objectives, thereby fostering community engagement and durable, climate-resilient outcomes. These tools ensure that projects deliver positive environmental outcomes, safeguard vulnerable communities, and uphold social equity, reinforcing the facility’s commitment to sustainable and responsible climate action. It provides detailed policy and procedures to be followed in ensuring effective implementation of ESMS in all transactions and activities supported by the ASCF.

2. ASCF Programme Context

The principal objective of the ASCF is to pool critical private and concessional funding to large-scale projects across African nations, enabling governments to implement programmes that solve the climate crisis. The Facility will focus on investments in high-quality climate focused

infrastructure projects alongside AFC's priority investment sectors in line with the National Adaptation Plans (NAPs) and NDCs.

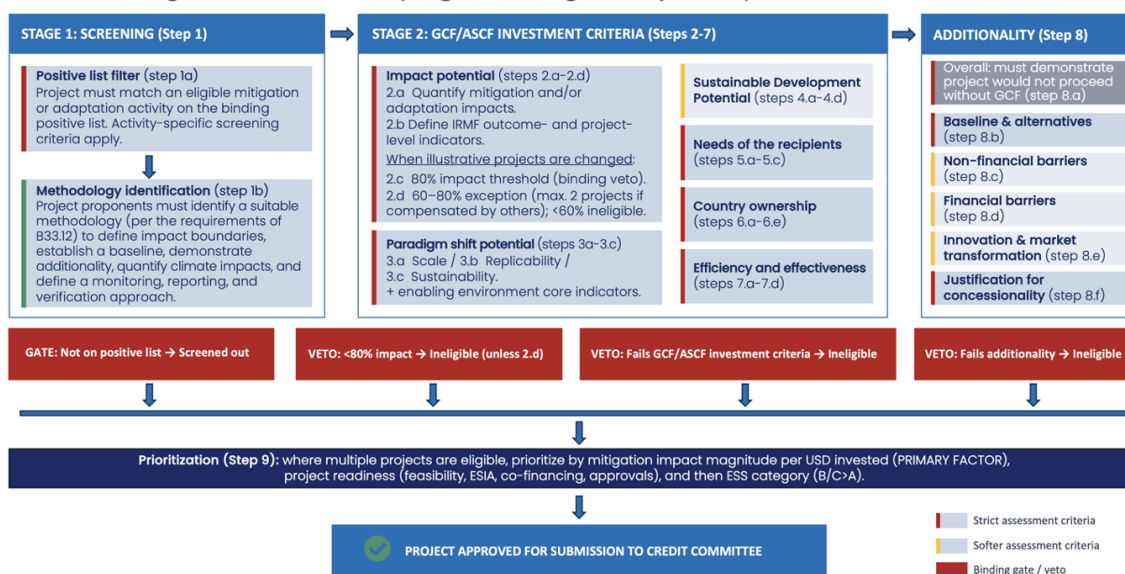
The ASCF will focus on 3 GCF result areas:

- Health, Food, and Water Security
- Energy Access and Generation
- Infrastructure and the Built Environment

Project screening and selection process

Screening and selection is organized into two sequential stages and nine steps, with a series of pass/fail criteria and climate-based vetoes, as shown in the figure below:

ASCF Screening & Selection Process (Stage 1 and Stage 2 - Steps 1 to 9)



Stage 1 begins with a review of the project documentation and proposed climate impact quantification methodology submitted by the project proponents. Projects must pass the positive list of eligible activities (see Annex 21a) and satisfy general eligibility conditions (Step 1.a) before identifying a suitable methodology (in line with GCF Board Decision B.33/12) to define impact boundaries, establish baselines, demonstrate additionality, quantify climate impacts, and define monitoring, reporting, and verification (Step 1.b). Upon review and approval of the proposed methodology by the ASCF Investment Committee, the project proponents prepare a Stage 1 Investment Memorandum documenting the screening outcomes, which serves as the basis for the Stage 2 eligibility assessment. At this stage, input parameters do not need to be quantified — they must only be fully identified, so that they can be quantified as part of the feasibility study (if not yet complete at Stage 1) and applied in the calculation of climate impacts and outcome- and project-specific indicators during Stage 2.

Stage 2 (steps 2-9) assesses each project against the ASCF investment criteria (which mirror the GCF investment criteria), covering: impact potential (step 2), paradigm shift potential (step 3), sustainable development potential (step 4), needs of the recipients (step 5), country ownership (step 6), financial efficiency and effectiveness (step 7), and the demonstration of additionality to

show that the project would not have occurred (or would have occurred at a lower scale or standard) in the absence of GCF concessional funding (step 8). When multiple projects compete for limited funding, prioritization (step 9) considers: (i) climate impact magnitude (tCO₂e per \$ invested for mitigation; beneficiaries reached for adaptation), (ii) readiness (feasibility studies, ESIs, co-financing, regulatory approvals), and (iii) ESS category (lower-impact projects prioritized). Climate impact is the primary ranking factor. In the case an illustrative project (as described in Annex 2) is changed or replaced by another, the new project may be eligible if it can be demonstrated that the new project will deliver at least 60–80% of the climate outputs per dollar invested (tCO₂e by dollar invested for mitigation projects, or number of beneficiaries per dollar invested, dollar value of physical assets made more resilient per dollar invested, or dollar value of expected losses due to climate events reduced per dollar invested for adaptation projects – see Annex 21a for additional details).

Projects with identified gaps may be flagged for revision and resubmission. Projects meeting investment criteria (Steps 1–8) and prioritized under Step 9 advance to a Stage 2 Investment Memorandum for financing and implementation. All decisions will follow the established guidelines of the Operations Manual (Annex 21a), require Investment Committee approval, and comply with the Accreditation Master Agreement and Funded Activity Agreement.

Blended Finance Strategy

This structure will blend concessional finance from GCF and the commercial tranche from AFC. This will enable sovereigns to access long-term, low-cost financing and the blending mechanism is critical to making climate projects viable without overburdening sovereign debt profiles.

Programme Outcomes

The ASCF Programme is rooted in the recognition that unlocking Africa's climate action requires an innovative and holistic approach to climate financing. The ASCF seeks US\$260M in term loans and US\$20M in grant funding from the Green Climate Fund to deliver two outcomes:

- **Outcome 1:** Substantive shift towards attaining the adaptive NDC's of multiple countries through the strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas and contributing to emissions reduction and the development of climate insurance markets and climate resilient agricultural practices.
- **Outcome 2:** Substantive shift towards attaining the NDCs of multiple countries through the increased number of low-emission power suppliers while simultaneously decreasing high carbon activities.

3. Approach to Environmental and Social Risk Management

Africa Finance Corporation is committed to identifying, managing and monitoring on an on-going basis environmental and social (E&S) risk in all areas of its business activities. In practice, this means applying the standards set out by the globally recognised ESG frameworks as well as those standards developed by other relevant international institutions to sharpen the E&S risks management practice in AFC's decision-making process.

AFC recognises that failure to identify and manage environmental and social (E&S) risks can threaten its reputation and business. Adherence to the E&S Risk Management Framework is a core requirement to limit reputational, operational, and legal risks. It also delivers clear

benefits to AFC, its clients, and stakeholders.

3.1 Purpose of the Framework

Under the overall guidance of the Boards of AFC and direct day to day administration of Chief Risk Officer, the purpose of E&S framework is to articulate the AFC guidelines and procedures for supporting NDAs and project implementing entities in ensuring their projects under ASCF are carried out in an environmentally friendly and socially acceptable manner. It is developed based on AFC engagement with the African Development Bank, Green Climate Fund as well as association with other development financial institutions on their interpretation of environmental and social management framework as related investment in the infrastructure climate resilient. It is an integral document, which encapsulates how AFC operationalises the protection of natural resources and environmental sustainability as well as drives socio-economic and development nexus issues. The ASCF ESMS includes detailed annexes including the: Resettlement Framework (Annex 11); Indigenous Peoples Management Framework (Annex 15) and Biodiversity Management Framework (Annex 16).

By doing so, the framework will support AFC's efforts to strengthen its corporate sustainability practices. It sets out the principles, policies, and procedures for managing E&S risks, which all relevant stakeholders within AFC are required to follow.

3.2 Implementation of E&S Risk Framework

The implementation of the Environmental and Social (E&S) Framework under the Africa Sovereign Climate Facility (ASCF) reflects AFC's commitment to linking sustainable investment with the transition to a low-carbon, green economy. This approach strategically integrates environmental, social, and governance (ESG) factors into AFC's investment decision-making processes.

This commitment is embedded in AFC's business model, recognising that climate change is reshaping the nature and location of projects across its core investment sectors: Transport (roads, bridges, seaports, airports), Energy (generation, transmission, distribution, and infrastructure siting), Mining and Metals, Oil and Gas, and Telecommunications and Technology. Through the ASCF, AFC supports public and private sector clients in decarbonising supply chains, promoting energy efficiency, reducing waste and greenhouse gas emissions, and advancing national climate goals, including contributions to Intended Nationally Determined Contributions (INDCs).

Building on this vision, AFC acknowledges that the ASCF's activities must address a broader range of significant E&S risks beyond basic compliance. The Facility's E&S framework, aligned with the eight IFC Performance Standards on Environmental and Social Sustainability, outlines how E&S risks will be identified, assessed, managed, and monitored. It sets a clear process for gathering relevant information, developing corrective action plans, building capacity for risk response, and tracking implementation effectiveness in line with agreed standards.

The framework also aims to facilitate critical interventions to promote:

- Equal and non-discriminatory labour practices,
- Safe and healthy working conditions,
- Community safety and security,
- Protection of the rights of disadvantaged and displaced populations, including women, children, persons with disabilities, youth, and minorities.

AFC, through the ASCF, is committed to respecting and promoting human rights, consistent with the Universal Declaration of Human Rights, by ensuring multi-stakeholder engagement and inclusion throughout project implementation.

In addition, AFC will integrate E&S considerations across all ASCF activities, including climate-related policy engagement, thought leadership, and advisory services.

At the project level, the framework will support sustainable development outcomes by ensuring ASCF-supported projects strive to:

- Avoid or minimise adverse impacts on people and the environment;
- Conserve and rehabilitate biodiversity and natural habitats, and promote the efficient and equitable use of natural resources and ecosystem services;
- Promote worker and community health and safety;
- Ensure fair labour and working conditions;
- Engage meaningfully with stakeholders and uphold the rights of minorities and disadvantaged groups, consistent with global standards on gender equality and involuntary resettlement.

Implementation of this framework will translate AFC's E&S commitments into practical, project-level interventions. While the framework itself does not guarantee sustainable development outcomes, proper application will ensure that high standards are consistently applied across ASCF-supported sub-programmes and projects, contributing meaningfully to resilient and inclusive development across Africa.

3.3 ESMF Implementation and Monitoring Budget

Costs of the implementation of preventive, control or mitigation and/or corrective measures of each of the impacts identified are included as part of the implementation activities of the Programme.

We present the description of the individual posts that will likely be needed for the implementation and monitoring of the ESMF through the programme. These posts will need to be reviewed and validated by AFC, which will also provide the set of stakeholders targeted by and eligible to receive technical assistance (TA). These include a number of sub-projects that will only be specified once the screening of the sub-projects is conducted. A change in the number of Programme countries or other Programme specifications is also expected to have implications on the implementation budget.

Cost Item	Basis for Calculation	Approximate Cost (US\$)
1. E&S specialist during the lifetime of the Programme. The specialist will be responsible for leading and consolidating ESMF implementation and monitoring across the project stakeholders. He/She will ensure that the indicators, templates and reports are produced on time and gaps addressed.	There is expected to be a team of 3 experts, including 1 Lead Expert with a daily rate of USD 880 and 2	2,000,000

Cost Item	Basis for Calculation	Approximate Cost (US\$)
2. Technical assistance for strengthening E&S risk management systems and skills: The objective of this activity is to develop improved E&S risk management systems within the targeted entities. Specific activities will include: a. Gap analysis: to identify the status and needs for improvement. b. Provision of technical support (external consultancies, trainings) to investment institutions to enhance their ability to invest in ASCF projects including the development of a credit scoring tool that includes E&S safeguards. This includes consideration for gender and youth equity issues through development of gender action plans and policies, selection criteria for projects so that men, women, youth and vulnerable in the target regions are adequately engaged etc. c. Independent audits to assess the adequate implementation of ESMS: This could be covered as part of the projects mid and end term evaluation and includes costs of professional services and travel costs. 3. Technical costs for some project developers to be able to carry out ESIA's and/or feasibility studies	Supporting Experts with a daily rate of USD 620 and USD 500 each. The experts will work for 62.5 days per annum for each country.	
Total		2,000,000

3.4 Risk Categorization for ASCF supported project

Given the magnitude of risks and impacts associated with the activities during construction, operation and decommissioning of ASCF supported projects are likely to fall under Category A and B. The project pipeline has the following projects:

Project / Selection Criteria	Geography	Sector	High climate and development impact	Target sub-sectors	Ticket size: US\$ 25 – 75mn
Solar Farm for GDIZ	Benin	Energy	Sustainable development, emissions reduction	Energy	EUR 34 mn

Index-based agricultural insurance	Côte d'Ivoire	Agriculture	Sustainable development	Climate-resilient food systems	EUR 64 mn
Lake Nokoue/ Porto Novo Lagoon Development	Benin	Infrastructure	Sustainable development, emissions reduction	Climate resilient transport infrastructure	EUR 38 mn
Hydro Agricultural Development Project	Côte d'Ivoire	Agriculture	Sustainable development	Food Security	EUR 48 mn
Corimba Marginal Infrastructure Completion Project	Angola	Infrastructure	Sustainable development, emissions reduction	Resilient Infrastructure	US\$ 65 mn
Regenerative Agriculture carbon project	Benin	Agriculture	Sustainable development, emissions reduction	Climate-resilient food systems	EUR 40 mn
Chicomba Water Dam	Angola	Energy	Sustainable development, emissions reduction	Energy	US\$ 65 mn
Northern Nigeria Distribution Line Upgrade	Nigeria	Energy	Sustainable development, emissions reduction	Energy	US\$ 65 mn
Lafia Solar PV Power Project	Nigeria	Energy	Sustainable development, emissions reduction	Energy	US\$ 65 mn

Studies are yet to be concluded, and the final E&S risk categorization and associated E&S assessment requirements will be assigned by the AFC E&S team once this is concluded.

3.5 Potential Environmental and Social Impacts of Proposed Sub-projects

This section identifies the potential E&S impacts that could arise from the activities of the sub-projects either during the construction, operational, or decommissioning phases. The highlighted

impacts listed in the Table¹ below are broad and envisaged as cutting across most of the sub-projects, as the latter have not been fully specified at this stage, and therefore their potential E&S risks and impacts cannot be fully assessed. The specific potential impacts for each sub-project will be provided in the E&S assessment section of its feasibility report. Similarly, more detailed potential environmental and social risks of each sub-project will be assessed during the preparation of the specific sub-project ESIA or ESMP. Proposed mitigation measures to avoid, reduce or compensate the impacts of such activities will be identified in these reports.

Cross Cutting Potential E&S Impacts

Typical sub-projects' activities to be implemented are broadly categorized into:

- Construction phase (including pre-construction)
- Operation phase
- Decommissioning phase

The Table below presents the potential E&S risks and impact by project phase for projects in the sectors targeted by the Programme.

The identified environmental and social risks and corresponding mitigation measures are aligned with the Green Climate Fund (GCF) Environmental and Social Policy, including the Revised Policy on the Prevention and Protection from Sexual Exploitation, Abuse and Harassment (SEAH Policy), the GCF Indigenous Peoples Policy, and the GCF Gender Policy, ensuring a rights-based and inclusive approach throughout all project phases. The framework also draws on the International Finance Corporation (IFC) Performance Standards, specifically PS1 (Assessment and Management of Environmental and Social Risks and Impacts), PS2 (Labour and Working Conditions), PS3 (Resource Efficiency and Pollution Prevention), PS4 (Community Health, Safety and Security), PS5 (Land Acquisition and Involuntary Resettlement), PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), PS7 (Indigenous Peoples), and PS8 (Cultural Heritage). Conflict sensitivity and fragility-related risks will be screened at programme and sub-project levels using the methodology outlined in Annex 10A (Conflict Sensitivity and Fragility Risk Assessment Framework). Where contextual conflict risks are identified, mitigation and stakeholder engagement measures will be integrated into the ESMP and monitoring systems.

¹ This table is largely based on the generic table provided in the World Bank's ESMF for "Turkey Climate and Disaster Resilient Cities Project" for comparable infrastructure projects, and adapted for the specificities of the sectors targeted by the Programme

Cross-cutting and sector-specific E&S risks and mitigation measures

Phase	Topic	Risk / Impact	Mitigation Measures	Costs	Institutional Responsibility
Planning (Programme Level)	Strategic Siting & Land Use	Improper siting leading to resettlement, biodiversity loss, or cultural heritage disruption	Early ESIA screening; biodiversity and cultural heritage mapping; avoid protected/occupied areas; apply FPIC where relevant for Indigenous Peoples; integrate climate-resilience design parameters.	Included in ESA study costs	Accredited Entity / Municipality
	Stakeholder Engagement	Limited participation of vulnerable groups or Indigenous Peoples	Inclusive stakeholder engagement; representative participation of women, IPs and vulnerable groups; disclosure in local languages; align with GCF IP Policy and Gender Policy.	Included in ESA study costs	Accredited Entity / Municipality
	SEAH/GBV Contextual Risk	Failure to identify SEAH or GBV risks during early	SEAH risk screening; survivor-centred referral pathways; integrate SEAH	Included in ESA study costs	Accredited Entity

		design, especially in rural/isolated sites	prevention in procurement; staff induction and refreshers; confidential reporting.		
	Cumulative Impacts	Overlapping effects from multiple energy, transport or infrastructure investments	Cumulative impact assessment; coordinated mitigation with regulators/DFIs; shared monitoring baselines.	Included in ESA study costs	Accredited Entity / Regulator
Construction (Crosscutting across all sectors)	Traffic	Disruptions and safety risks to communities	Traffic Management Plan with signage; restricted hours; marshals and community notification; safe detours.	Included in construction costs	Contractor
	Air Quality	Dust and exhaust emissions	Cover haulage; water spraying; equipment maintenance logs; spot monitoring near receptors.	Included in construction costs	Contractor
	Noise & Vibration	Disturbance to nearby communities and wildlife	Restrict work hours (7 AM–5 PM); acoustic barriers; notify communities;	Included in construction costs	Contractor

			vibration controls near sensitive structures.		
	Soil & Water	Soil erosion, fuel spills, contamination	Bunded fuel storage; spill kits/response; erosion and sediment control; stormwater management; water-quality monitoring.	Included in construction costs	Contractor
	Ecosystem Impacts	Loss of vegetation or habitat degradation	Minimise clearing; no-go buffers; restoration/replanting with native species; fauna rescue protocols.	Included in construction costs	Contractor / Municipality
	Waste Management	Improper disposal of solid or hazardous waste	Waste Management Plan; segregation; licensed transport/disposal; manifests and audits; e-waste controls where relevant.	Included in construction costs	Contractor
	Labour Management & Supply Chains	Labour influx, poor working conditions, SEAH risk; contractor and supplier	Enforce Codes of Conduct; suitable worker accommodation with separate female facilities; SEAH awareness; apply Supply-	Included in construction costs	Contractor / Municipality / AE

		chains analysis.	Chain Due-Diligence (Section 3.8): supplier mapping to Tier 1-2, risk screening, contractual prohibitions, training, audits, grievance channels, corrective actions/termination if non-compliant.		
	Community Health & Safety	Exposure to unsafe construction areas	Fence sites; access control; warning signs/lighting; emergency response and communication plan with first responders.	Included in construction costs	Contractor
	Vulnerable Groups	Exclusion of women, elderly, persons with disabilities	Accessible design for detours/temporary facilities; targeted outreach and inclusive consultations.	Included in ESA study costs	Municipality
	Cultural Heritage	Chance finds of artefacts	Implement Chance Finds Procedure before excavation; stop-work and notify authorities.	Included in construction costs	Contractor

	Occupational Health & Safety	Injuries, accidents	OHS Management Plan; task-specific risk assessments; PPE; toolbox talks; incident investigation; medical facilities.	Included in construction costs	Contractor
	Involuntary Resettlement	Livelihood impacts from temporary land use	Avoid physical displacement where possible; Resettlement Plan if needed; fair compensation; livelihood restoration and accessibility measures.	Included in resettlement budget	Municipality
Sector-Specific (Construction)	Energy Access and Generation (EAG)	Labour influx, community tensions near remote project sites	Codes of Conduct; induction; contractor oversight; community liaison committees.	Included in construction costs	Contractor / AE
		Oil/fuel spills, hazardous waste (batteries, lubricants)	Spill kits; secondary containment; hazardous-waste plan; emergency response drills.	Included in construction costs	Contractor
		Dust and emissions from	Fleet maintenance; idle reduction;	Included in construction costs	Contractor

		vehicle fleet	periodic air-quality checks.		
	Health, Food and Water Security (HFW)	Pollution of water sources; increased disease vectors	Schedule works to avoid heavy rainfall; erosion/wastewater controls; vector control and hygiene standards.	Included in construction costs	Contractor
		GBV/SEAH risk in seasonal or migrant worker groups	SEAH clauses in contracts; targeted induction; survivor referral pathways with local providers.	Included in construction costs	Contractor / Municipality
	Infrastructure and the Built Environment (IBE)	Poor waste disposal, noise; SEAH in male-dominated workforce	Waste Plan; noise controls; Code of Conduct training; behaviour monitoring and sanctions.	Included in construction costs	Contractor / AE
		Damage to cultural heritage	Pre-construction screening; community consultations; redesign/relocation where required.	Included in construction costs	Contractor / Municipality
Operation (All Sectors)	Occupational Health & Safety	Worker exposure to chemicals, machinery	Maintain OHS and Emergency Response Plans; periodic inspections; competency-based training;	Included in operating costs	Operator

			medical surveillance where relevant.		
	Community Health & Safety	Poor design causing safety risks or exclusion	Life and fire safety; lighting; fencing; universal access; periodic emergency drills with authorities.	Included in operating costs	Operator / Municipality
	Waste Management	Improper storage or disposal	Maintain manifests; use licensed facilities; periodic compliance audits.	Included in operating costs	Operator
	Water & Sludge Management	Contaminated discharge affecting communities	Routine monitoring; treatment; sludge handling and disposal plan.	Included in operating costs	Operator
	Labour Risk	Non-compliant suppliers or contractors during operations	Apply section 3.8 due-diligence annually: supplier declarations and screening; targeted audits for high-risk categories (e.g., PV modules/batteries, agro-inputs); corrective actions and escalation.	Included in operating costs	Operator / AE

	SEAH/GBV	Harassment or abuse during operations	Gender-sensitive HR policies; operational SEAH GRM; training; anonymous reporting channels.	Included in operating costs	Operator
	Citizen Engagement	Weak community relations	Implement Stakeholder Engagement Plan; accessible GRM; transparent disclosure.	Included in operating costs	Operator
Sector-Specific (Operation)	EAG	Transformer oil leaks; fire hazards	Maintenance and inspections; oil containment; fire prevention/detection; emergency drills.	Included in operating costs	Operator
	HFW	Contaminated water or food supply	Periodic testing; sanitation checks; corrective action protocols.	Included in operating costs	Operator
	IBE	Accessibility barriers; SEAH risks in public spaces	Maintain universal access; improve lighting/surveillance; inclusive facility management.	Included in operating costs	Operator
Decommissioning / Closure	Environmental Impacts	Dust, noise, and waste from dismantling	Apply construction-phase controls; Decommissioning Plan; site	Decommissioning budget	Operator / Contractor

			restoration and revegetation.		
	Community Health & Safety	Exposure to debris or hazardous materials	Secure perimeter; phased works; notify affected communities; emergency preparedness.	Decommissioning budget	Operator
	Social Impacts	Land reuse conflicts or residual contamination	Engage local authorities and PAPs; environmental clearance prior to land transfer; manage legacy liabilities.	Decommissioning budget	Operator
	Waste Management	Disposal of obsolete materials and e-waste	Certified disposal/recycling; tracking documentation; due diligence on downstream vendors.	Decommissioning budget	Operator
Sector-Specific (Decommissioning)	EAG	Battery and solar panel disposal; oil contamination	Recycle PV modules and batteries; contain/clean spills; verify soil/groundwater quality; restore site.	Decommissioning budget	Operator
	HFW	Abandoned wells or storage tanks contaminating	Properly decommission wells/tanks; seal and rehabilitate land;	Decommissioning budget	Operator

		groundwater	groundwater		
		er	checks.		
	IBE	Demolition waste; risk to nearby residents	Waste segregation; dust and noise control; public communication schedule; traffic control.	Decommissioning budget	Contractor / Municipality

3.6 Sexual Exploitation, Abuse and Harassment (SEAH) Risk Management

The ASCF Programme adopts a zero-tolerance policy towards Sexual Exploitation, Abuse and Harassment (SEAH) across all programme activities. This applies to AFC staff, contractors, portfolio companies, implementing partners, and all associated personnel. The Programme recognises SEAH as both an ethical and operational risk that can cause serious harm to individuals and communities, especially women, children, and other vulnerable groups.

Organisational Commitment and Policy Alignment

ASCF's approach is guided by the GCF Environmental and Social Policy (B.BM-2021/18) and the GCF SEAH Risk Assessment Guideline (2021), as well as the IFC Good Practice Note on Addressing GBV/SEAH (2020). The Programme's zero-tolerance stance covers all forms of sexual exploitation, abuse, and harassment whether perpetrated by staff, consultants, or contractors. AFC requires:

- Mandatory inclusion of SEAH clauses in all contracts, with dismissal or contract termination for proven violations.
- Orientation and continuous training of AFC and Executing Entity (EE) personnel on SEAH awareness, survivor-centred response, and reporting protocols.
- Regular due diligence on subprojects and supply chains to identify contextual SEAH risks, especially in remote or labour-intensive sites.

Implementation Structure and Capacity

A Safeguarding and Gender Lead within AFC's E&S team oversees SEAH risk management, supported by external SEAH consultants where required.

This team ensures integration of SEAH mitigation actions into project ESIs, ESMPs, and Gender Action Plans.

Each Executing Entity (EE) and Portfolio Company will designate a trained SEAH focal point, with at least one female staff, to ensure local accessibility and confidentiality in grievance handling.

SEAH-Specific Grievance Procedures

The ASCF Programme GRM incorporates confidential, survivor-centred procedures for SEAH

complaints.

These include:

- Dedicated, confidential access points (hotline, email, in-person reporting) with multilingual communication materials.
- Ethical and safe documentation practices that protect the survivor's identity and choice.
- Immediate referral pathways for medical, psychosocial, and legal support through mapped service providers.
- Survivor consent before initiating any investigation.
- Timely escalation to AFC's corporate Safeguarding Unit or directly to the GCF Independent Redress Mechanism (IRM) if desired by the survivor.

SEAH-Specific Grievance Response and Case Management Procedures

The ASCF Programme recognises that Sexual Exploitation, Abuse and Harassment (SEAH) require a specialised grievance response distinct from standard community or labour grievances. To operationalise its survivor-centred approach, the following practical measures shall apply across all programme activities and partner institutions.

Dedicated Access Points

- Each project site will display confidential SEAH reporting contacts in local languages.
- Reports may be made verbally, in writing, by phone, SMS, or anonymous online forms.
- Designated SEAH focal points (one female and one male where possible) will receive reports and ensure confidentiality.
- A toll-free hotline and secure email will be maintained by AFC for escalated or sensitive cases.

Intake and Registration

- All SEAH allegations must be logged in a confidential incident register accessible only to trained safeguarding personnel.
- Reports will not require survivors to provide written statements or evidence at intake.
- Each report receives a unique reference code to preserve anonymity while enabling follow-up.

Immediate Survivor Support

- Focal points must offer immediate referral to medical, psychosocial, and legal support services listed in the GRM Service Directory.
- Consent must be obtained before any information is shared.
- Survivors decide whether to proceed with investigation or resolution; no retaliation or discrimination is permitted.

Case Handling and Investigation

- SEAH cases will be reviewed within 72 hours by AFC's Safeguarding and Gender Lead in coordination with the Executing Entity.
- Investigations will be survivor-centred, gender-sensitive, and respect confidentiality of all involved.
- Findings will guide proportionate administrative or contractual sanctions in line with AFC HR policies and national law.

Confidentiality and Data Protection

- No personal details of survivors or witnesses shall appear in project reports.
- Case files are encrypted and stored separately from general GRM records.
- Aggregated, non-identifying SEAH statistics will be disclosed in annual E&S reports to the GCF.

Escalation and External Recourse

If survivors or complainants are unsatisfied, they may escalate directly to:

AFC Corporate GRM (grievances@africafc.org); or

GCF Independent Redress Mechanism (IRM) (irm@gcfund.org / <https://irm.greenclimate.fund>).

These mechanisms are publicised at all sites and in community consultations.

Monitoring and Reporting

- The Safeguarding and Gender Lead will compile quarterly SEAH-related statistics and lessons learned.
- Corrective actions and training needs will be reflected in the annual ESMS performance review.
- Persistent SEAH risk sites will undergo third-party SEAH audits.
- All SEAH incidents and near misses are logged confidentially in AFC's Safeguarding Incident Register.
- Only anonymised, aggregate SEAH data will be reported to the GCF in annual E&S performance reports.
- Quarterly reviews by the Safeguarding and Gender Lead will assess trends, capacity gaps, and recommend corrective measures. Persistent risk sites will be subject to targeted SEAH audits.

The Gender Action Plan (Annex 8) integrates SEAH prevention, response, and monitoring measures, ensuring that gender equality and survivor-centred approaches are mainstreamed across all project components.

These procedures align with the GCF SEAH Risk Assessment Guideline (2021), IFC PS2, and IFC Good Practice Note on Addressing GBV/SEAH (2020), and ensure that SEAH grievances receive a distinct, confidential, and survivor-centred pathway from receipt through resolution.

The provisions in Section 3.6 operationalise the requirements under PS1, PS2, PS4, and PS5, and are implemented jointly with SEAH-Specific GRM Procedures and Annex 7 (Stakeholder

Engagement Plan). The following PS-specific provisions further elaborate how the SEAH risk management approach set out in Section 3.6 is applied throughout the programme lifecycle.

PS1: Assessment and Management of Environmental and Social Risks and Impacts

As part of the social risks, issues of sexual exploitation and abuse (SEA)/sexual harassment (SH) may arise in the context of infrastructure projects in all the sectors targeted by the ASCF Fund that involve major civil works. Gender-based violence: women routinely experience sexual harassment and intimate partner violence in target countries, and the risk of gender-based violence may increase during the realization of infrastructure projects in target sectors. This risk will be assessed and mitigated through implementing mitigation and response approaches and the adoption of internal prevention and response mechanisms in compliance with the AE and GCF policies and practices. **SEAH considerations will be an integral part of the ES screening and risk categories, due diligence, assessment, and management plan.**

At project level, in cases where substantial risks have been identified, the project sponsors would typically prepare, adopt, and implement a stand-alone Gender-Based Violence Action Plan (GBV Action Plan), to assess, manage, and monitor the risks of gender-based violence (GBV) and sexual exploitation, abuse and harassment (SEAH). The Grievance Redress Mechanism (GRM) will also address any grievance related to the sexual abuses, sexual exploitation, and sexual harassment issues in ensuring labour and working conditions effectiveness and safeguarding against SEAH. These interventions are expected to efficiently complement the gender action plan, empowering local women and men and aim to create a safe environment at the project site and in communities.

PS2: Labour and Working Conditions – The PS2 seeks to protect the fundamental human rights of workers. It is applicable to the direct project workers, project contract and subcontract workers as well as project supply-chain workers. The compliance requirement will include provision of clear information and documentation regarding the workers’ rights, wages, and conditions of employment amongst others. The PS2 in the contexts of ASCF will also seek to strengthen the Grievances Redress Mechanism (GRM) to address any grievance related to the sexual abuses and sexual exploitation, and sexual harassment issues in ensuring labour and working conditions effectiveness. Sexual exploitation, sexual abuse (SA), sexual harassment (SH) including sexual exploitation of children are included in the list of “Designated Categories of Offences”.

PS4: Community Health, Safety and Security – The PS4 addresses the health, safety and security risks and impacts on project affected communities and the corresponding responsibility of clients to avoid or minimize such risks and impacts with particular attention to people who, because of their particular circumstances, may be vulnerable. In this regard, the requirement amongst others is for the project sponsor to establish guidelines to safeguard against Sexual Abuse, Sexual Harassment, and Sexual Exploitation, formulate measures to address infrastructure and equipment design and safety, hazardous materials management and safety, Ecosystem services as well as emergency preparedness and response amongst others.

PS5: Land Acquisition and Involuntary Resettlement

Similarly, the scope of PS 5 in the context of ASCF, will also seek **to strengthen the Grievances Redress Mechanism (GRM) to address any grievance related to the Sexual Abuses and Sexual Exploitation, and Sexual Harassment issues**, in ensuring effectiveness in the land acquisition and

involuntary resettlement matters.

3.7 Applicable Standards and Scope

AFC's E&S Risk Management Policy and System is based on the following best practice standards:

1. The Equator Principles;
2. International Finance Corporation Performance Standards;
3. World Bank Group's Environmental, Health, and Safety Guidelines;
4. African Development Bank Integrated Safeguards System;
5. The Green Climate Fund Revised Environmental and Social Policy (as per Board decision B.BM-2021/18 adopted in September 2021), including GCF's requirements on addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment.

By adhering to these standards, AFC remains committed to promoting E&S sustainability in its project financing and direct equity investments in infrastructural projects and project development financing. Therefore, the framework is applicable to all debt and equity transactions financed by AFC. For transactions in which AFC is providing financing to a customer through an intermediary.

In specific situations, the IFC Performance Standards (PS) on Environmental and Social Sustainability will be leveraged to help establish the applicable guidelines for the ASCF programme throughout the programme lifecycle, including the following:

PS1: Assessment and Management of Environmental and Social Risks and Impacts –The PS1 is applicable to all transactions with environmental and/or social risks and/or impacts. Sponsors of eligible transactions will be required to conduct a process of environmental and social assessment and maintain an ESMS. Where ASCF is jointly financing a project with other financial institutions, AFC will cooperate with such agencies and the client to agree on a common approach for the assessment and management of environmental and social risks and impacts of the project, where the common approach will enable the project to achieve objectives materially consistent with the Performance Standard 1.

In so doing, the satisfactory compliance requirements will include the ability to:

- Identify risks and impacts,
- Develop and implement a management programme,
- Establish proper organisational capacity and requisite competency,
- Formulate emergency preparedness and response,
- Engage diverse stakeholders,
- Develop external communication and grievance mechanisms,
- Prepare ongoing reporting on Affected Communities, as well as
- Monitor and review progress.

The ESMS's adherence to PS1, particularly its emphasis on comprehensive assessment, stakeholder engagement, adaptive management through monitoring and review, and transparent reporting, directly supports LLA principles. These include building a robust understanding of climate risk and uncertainty (LLA Principle 5), enabling flexible programming and learning (LLA Principle 6), and ensuring transparency and accountability (LLA Principle 7).

SEAH considerations will be an integral part of the ES screening and risk categories, due diligence, assessment and management plan (see Annex 4B).

PS2: Labour and Working Conditions – The PS2 seeks to protect the fundamental human rights of workers. It is applicable to the direct project workers, project contract and subcontract workers as well as project supply-chain workers. The compliance requirement will include provision of clear information and documentation regarding the workers' rights, wages, and conditions of employment amongst others. The PS2 in the contexts of ASCF will also seek to strengthen the Grievances Redress Mechanism (GRM) to address any grievance related to the sexual abuses and sexual exploitation issues in ensuring labour and working conditions effectiveness.

PS3: Resource Efficiency and Pollution Prevention – The PS3 sets out the requirements to address resource efficiency, including energy use, water use and raw material. It also includes pollution prevention and management of hazardous and non-hazardous wastes throughout the project lifecycle consistent with GILP. The compliance requirement will include the review of prevailing conditions as well as application of technically and financially feasible resource efficiency. It will also include the measures for pollution prevention that are best suited to avoid or where avoidance is not possible, minimize adverse impacts on human health and the environment.

Furthermore, the application of PS3 also includes assessment of climate related risk and the inventory of greenhouse gases (GHG) emissions for the Scope 1, 2 and 3 by investments in line with the Paris Agreement. This involves using the Joint Impact Model (JIM) as a tool for GHG data collection and analysis where reported data gaps are found. It also involves the application of standard set by the Partnership for Carbon Accounting Financials (PCAF) framework in ensuring effective monitoring strategies to decarbonize the investments.

PS4: Community Health, Safety and Security – The PS4 addresses the health, safety and security risks and impacts on project host communities and the corresponding responsibility of clients to avoid or minimize such risks and impacts with particular attention to people who, because of their circumstances, may be vulnerable. In this regard, the requirement amongst others is for the client to establish guidelines to safeguard against Sexual Abuse and Sexual Harassment, formulate measures to address infrastructure and equipment design and safety, hazardous materials management and safety, Ecosystem services as well as emergency preparedness and response amongst others.

PS5: Land Acquisition and Involuntary Resettlement – Performance Standard 5 recognises that project related land acquisition and restrictions on land use on one hand, can have adverse impacts on communities and persons that use the land. On the other hand, it also acknowledges that involuntary resettlement (either physical or economic displacement) as a result of project related land acquisition and/or restrictions on land use can materially inconvenience and cause long term hardship and impoverishment for the affected community and persons (Please refer to Annex 11). It therefore requires the client to demonstrate a properly managed land acquisition process in a manner that ensures direct involvement of the client in any resettlement activities that ensure cost-effective, efficient, timeliness as well as innovative approaches to improving livelihoods of those affected by resettlement. Similarly, the scope of PS5 in the contexts of ASCF will also seek to strengthen the Grievances Redress Mechanism (GRM) to address any grievance related to the sexual abuses and sexual exploitation issues in ensuring effectiveness in the land

acquisition and involuntary resettlement matters.

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources – PS6 reinforces AFC’s realisation that projects can traverse over a long distance with rich biodiversity and sensitive ecosystem that require careful and sustainable management. In so doing, this PS is partly guided by the United Nations Convention on Biological Diversity and partly by the benefits to be derived by people through ecosystem services. It requires clients to sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project’s lifecycle.

PS 7: Indigenous Peoples – AFC is committed to engaging the indigenous people who might be affected by the sub-programme and projects supported by ASCF. In so doing, the corporation will apply a multistakeholder participatory process to identify and engage in meaningful consultation with diverse groups among the indigenous people. The engagement process will follow the tenet of free, prior and informed consent. The process will take cognizance of the guidelines developed by the internationally recognised ESG frameworks such as Green Climate Fund, IFC Performance Standards and the Equator Principles. The operationalisation of these requirements is further detailed in Annex 15 (ASCF Indigenous Peoples Framework), which provides templates and screening procedures for identifying and engaging Indigenous Peoples during project development.

PS 8: Cultural Heritage –The importance of cultural heritage cannot be overemphasized in the project lifecycle. Therefore, Performance Standard 8 reinvigorates the need for consistency with the conventions concerning the protection of the World Cultural and Natural Heritage. The PS aims to ensure that clients protect cultural heritage during project activities. The PS is partly based on the Convention on Biological Diversity as well as the United Nations World Heritage Convention. It requires clients to demonstrate credibility; effective conservation plan; adequate capacity; awareness, information sharing, disclosure and transparency; as well as active involvement of the community.

Given the analysis of IFC PSs, the PS1 establishes the overarching importance of a systematic approach to the development and/or appraisal of the environmental and social framework. It outlines the need for policy formulation, risks and impacts identification, management structure, organisational capacity, emergency preparedness and response mechanism, monitoring and review framework, stakeholder engagement process as well as the modality for reporting and information disclosure throughout the project lifecycle. AFC will review all ASCF sub-programme/projects in the environmental and social sensitive sectors for E&S risks and impacts of the project in accordance with PS 1.

On the other hand, Performance Standards 2 – 8 set out the obligations of the client 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.

An overview of AFC Approach to managing E&S risks is as follows:

- When national standards in countries where AFC invests are below international standards, AFC

will collaborate with clients to attain international standards (or if appropriate Equator Principles standards over time).

- AFC will not invest in activities that are listed on the AFC Exclusion list.
- E&S Risk assessment is integrated into the entire investment process, from pre-investment to exit.
- If appropriate, AFC will engage with stakeholders directly, but usually through representatives of companies in which we have invested.
- Our investments will have appropriate structures that provide appropriate oversight in the areas of audit, risk management and potential conflicts of interest. AFC has a zero tolerance to bribery and other improper payments to public officials, in accordance with the U.S. Foreign Corrupt Practices Act, the Organisation for Economic Cooperation and Development (OECD) Anti – Bribery Convention and similar laws in other countries.
- AFC will encourage entities in which it has invested to educate their supply chain in managing their E&S risks in accordance with global best practice.
- To ensure resources for managing E&S risks are used efficiently and effectively, investments are rated / categorized for E&S risks. Categorization into “A” High Risk, “B” Medium Risk and “C” Low Risk categories is dependent on the presence of adverse impacts and whether these impacts are site specific, diverse or unprecedented.
- The AFC Environmental and Social Risk Management Officer will support customers in their effort to comply with AFC’s policy. This support may include identifying consultants to support the customer.

3.8 SUPPLY CHAIN DUE DILIGENCE

AFC recognises that sectors targeted by ASCF ESMS require a programme-wide Supply Chain Due Diligence Framework that applies to all participating entities and sub-projects.

This framework aligns with IFC Performance Standard 2 and the ILO Core Labour Standards.

Potential Risks by Sector

Sector	Key Supply Chain Risks	Illustrative Examples
Energy generation and access (solar, renewable equipment)	Risks related to compliance with internationally recognised standards (e.g. IFC PS2, ILO Standards), unverified subcontracting; informal workers in installation chains.	Mineral sourcing from suppliers not compliant with the requisite standards

Agriculture and food systems	Gaps in adherence to supply-chain practices in line with ILO standards; informality in cooperatives.	Cash crops, agro-processing suppliers, and community cooperatives operating within the guidance of applicable frameworks.
Infrastructure and built environment	Supplier verification and human resourcing risks relating to compliance with IFC PS2 (e.g., brickmaking, cement); abuse of local migrant or temporary workers.	Low-wage construction workers engaged through informal intermediaries at project sites.

Programme-Level Measures

At the ASCF programme level, AFC will:

1. Screen all sub-projects for exposure during E&S categorisation using Annex 4C (sector-specific questionnaire) and reference international databases on relevant risks.
2. Require portfolio companies and executing entities to adopt and disclose a Supplier Code of Conduct consistent with IFC PS2, ILO Conventions, and OECD Guidelines.
3. Integrate contractual clauses to manage this risk across suppliers and contractors.
4. Ensure third-party audits or certifications (e.g., SA8000, ISO 45001, or equivalent) are verified for suppliers and manufacturing facilities.
5. Provide technical assistance and training to improve supplier capacity for traceability, grievance redress, and ethical recruitment practices.
6. Require annual disclosure by project sponsors on supply chain issues as part of the Client Annual E&S Monitoring Report (Annex 8A).

Project and Portfolio Company Level Actions

Sub-projects will be required to:

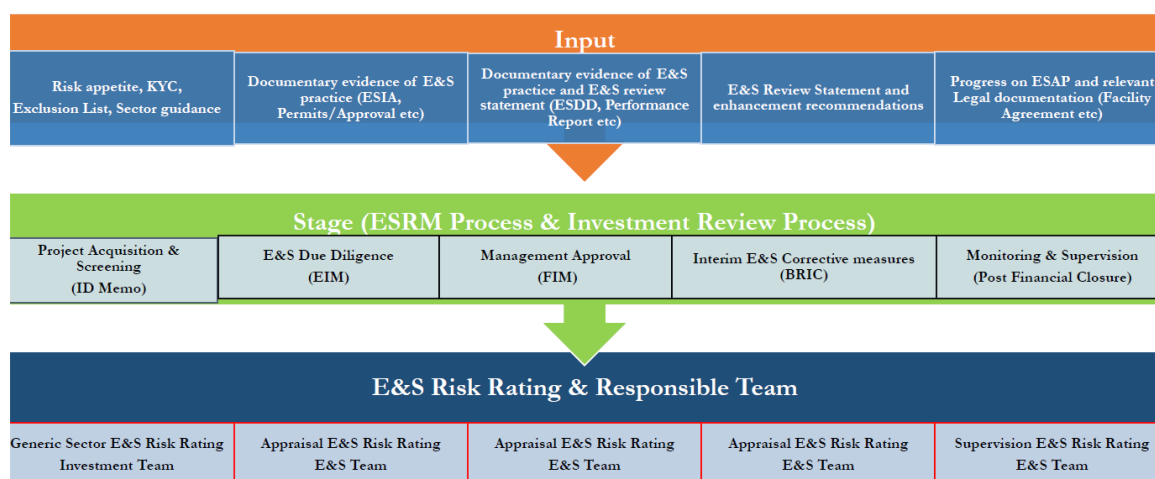
- Conduct a Supply Chain Risk Assessment during due diligence.
- Maintain contractual control and audit rights over tier-1 and critical tier-2 suppliers.
- Establish a supply chain grievance mechanism accessible to workers and contractors, aligned with Annex 17 (Grievance Redress Mechanism).
- Report on incidents and corrective actions through quarterly E&S performance reporting (Annex 9B).
- Terminate relationships with suppliers unwilling or unable to remediate issues identified.

3.9 E&S RISK MANAGEMENT DURING PROJECT PREPARATION AND IMPLEMENTATION

Assessment of sub-programmes and projects to be supported by the ASCF facility will be underpinned by ESMS best practices, guided by the globally recognised ESG frameworks and the good industry practices throughout the project lifecycle.

The chart below presents the E&S risk review process to be applied in the assessment in line with the AFC investment guidelines.

Environmental and Social Risk Review Workflow (ESRR)



Note: SEAH risks will be included in the assessment at sub-project level, and in the ESRR as per GCF requirements.

3.10 Project Identification Memo (Acquisition, Appraisal and Screening)

An Environmental and Social Due Diligence (ESDD) will be carried out on all category A projects seeking support through the ASCF. First, transactions will be screened to determine whether the project is listed on the Exclusion activities. Also, at the Identification Memorandum (ID Memo) stage, the nature and scope of the transaction will help to identify E&S sensitivity, scope the severity of impact, ascertain management response capacity in cognizance with the mitigation hierarchy and proffer recommendations for enhancement as necessary.

Leveraging the global ESG framework set out by the IFC Performance Standards and World Bank Environmental and Social Framework, the screening at the ID stage will include, as appropriate:

- (a) reviewing the information provided by the client relating to the E&S risks and impacts of the project and requesting additional and relevant information where there are gaps that prevent AFC from completing its due diligence; and
- (b) providing guidance to assist the client in developing appropriate measures consistent with the mitigation hierarchy to address E&S risks and impacts in accordance with the Performance Standards.

The client is responsible for ensuring that all relevant information is provided to the AFC so that it can fulfil its responsibility to undertake environmental and social due diligence in accordance with the PS.

Steps to be followed during the appraisals are as follows:

STEP 1 – EXCLUSION LIST

Initially, the Business Originator (“BO”) in charge of a transaction checks whether the project is on the **AFC Exclusion List** (Please refer to **Annex 1**).

Projects on the AFC Exclusion List will not be financed.

STEP 2 – INITIAL ANALYSIS AND EVALUATION – CATEGORIZATION

All projects within the scope of the ESMS shall be categorized during the Early Investment Memorandum stage according to their potential E&S impacts. The purpose of project categorization is not only to signify its E&S relevance, but also to determine the procedures for the next steps in the E&S Procedures.

There are three risk categories – A, B, and C. The following table defines the categories and briefly summarizes the depth of E&S due diligence (“ESDD”) and E&S requirements. For a more detailed description of due diligence requirements by E&S category, please refer to Annex 2. For a list of examples of Category A projects, please refer to Annex 3.

	High Risk (Cat A)	Medium Risk (Cat B)	Low Risk (Cat C)
E&S Impact Description	Projects with significant adverse E&S impacts that are diverse, irrevocable, or unprecedented. These impacts cannot be addressed through mitigation or remedied or can only be so at significant cost. Examples of such projects can be found in Annex 3 .	Projects with limited potential adverse E&S impacts that are site-specific and may be readily addressed through mitigation measures.	Projects with minimal or no adverse E&S risks or impacts.
E&S Due Diligence	E&S Impact Assessment or E&S audit by a qualified external consultant against IFC Performance Standards (gap analysis)	E&S compliance with applicable E&S local laws. Potential site visit. Assistance of E&S consultant optional	Compliance with applicable E&S local laws. Reputational risk screening.

	High Risk (Cat A)	Medium Risk (Cat B)	Low Risk (Cat C)
E&S Requirements	Compliance with GCF's ESS standards and Revised E&S Policy. Compliance with applicable local E&S laws. Compliance with applicable IFC Performance Standards and World Bank ("WB") Environmental, Health and Safety ("EHS") Guidelines. Remedial measures to be included into the legal agreement in the form of a Client Environmental and Social Action Plan ("CESAP"). Undertake a full Environmental and Social Impact Assessment (ESIA) (see template in Annex 18). The ESIA should examine the potential negative and positive E&S impacts of the proposed activity and recommend appropriate measures to avoid, minimize, mitigate, or compensate for adverse impacts while improving E&S performance. Those measures are documented as part of the ESIA in an Environmental and Social Management Plan (ESMP) (see template in Annex 18).	Compliance with GCF's ESS standards and Revised E&S Policy. Compliance with applicable local E&S laws. If necessary, remedial measures to be included into a legal agreement in the form of CESAP. Undertake a full or partial Environmental and Social Impact Assessment (ESIA) (see template in Annex 18). The ESIA should examine the potential negative and positive E&S impacts of the proposed activity and recommend measures needed to avoid, minimize, mitigate, or compensate for adverse impacts while improving E&S performance. Those measures are documented as part of the ESIA in an Environmental and Social Management Plan (ESMP) (see template in Annex 18).	Compliance with applicable local E&S laws. Beyond screening, no further environmental and social assessment is required for a Category C project.

The BO in charge of the planned transaction will collect all necessary data from the client to categorize it with the help of AFC's Environmental and Social Categorization Toolkit 2.0. This spreadsheet identifies and scores the generic and endemic E&S risks in various industries and countries. Because the tool comes with a preloaded database, the scoring takes into consideration local regulation and (or absence of) enforcement.

Custody of the Environmental and Social Toolkit remains with Risk Management. The Investment Teams are responsible for inputting the data into the preloaded data base, in order to arrive at the scorecard for the project or transaction.

After the BO has categorized the project, it is the Environmental and Social Risk Officer (“ESRO”) who crosschecks the results (“four-eye principle”). The ESRO has the right to override the categorization proposed by the BO, if deemed necessary. The appropriate Category designation will also be reviewed by AFC’s Sub Investment Committee (“SUB-INVESTCO”) as part of its approval process.

The BO will also try to identify any obvious red flags (such as serious reputational risks) and quantify the scope and cost of conducting an ESDD. The BO will also obtain a signed authorization from the client’s management authorizing the budget for E&S due diligence, environmental consultants or environmental impact assessment.

STEP 3 – TERM SHEET

To ensure that clients are aware of the E&S requirements of AFC for high-risk projects (**Category A**), the following standard clause must be added to the term sheet:

“The client must comply with the IFC Performance Standards over time. Progress of implementation of the Performance Standards will be monitored throughout the AFC’s engagement.”

Category B and C projects do not trigger a particular clause in the term sheet.

DUE DILIGENCE/DOCUMENT REVIEW/CONFIRMATION OF CATEGORISATION/EARLY INVESTMENT MEMORANDUM (“EIM”)



The procedures to be followed after the risk categorization process strongly depend on the potential risks identified.

Category C Projects – For Category C projects no extensive ESDD is necessary. The BO will check the company’s compliance with E&S laws and conduct a reputational risk screening.

Category B Projects – For Category B the ESRO oversees the ESDD, assisted by the respective BO. To

assess the E&S impacts and risks, the E&S Due Diligence Questionnaire and the E&S sector-specific Questionnaire (Annex 4A and Annex 4C, when applicable) will be used.

If any red flags become apparent, further investigations may have to be initiated and external consultants' involvement may be necessary. If considered necessary by the ESRO or external consultant, a CESAP and mitigatory activities (please refer to Annex 6 for a CESAP template) leading the client to eventual compliance with AFC's E&S requirements must be developed.

The ESDD for Category B projects therefore has to involve the following steps:

- Requiring the client to fill in AFC's E&S Due Diligence Questionnaire and the E&S sector-specific Questionnaire (Annex 4A and Annex 4C, when applicable);
- Collecting and studying original Environmental and Social Impact Assessment ("ESIA") documents or other relevant documents (audit reports, etc.) if applicable;
- Carrying out internet research on potential risks / potential non-governmental organisations ("NGO") interest;
- Optionally - visit the site;
- Optionally - preparing a CESAP if the AFC's E&S requirements for Cat. B projects are not yet being met; and
- Optionally - assistance of an external expert.

Based on the ESDD, the ESRO will prepare an Environmental and Social Review Summary report ("ESRS"), containing a description of E&S risks and the various mitigation measures required to manage them. Annex 5 contains a guide for the preparation of the ESRS. The ESRS is included in the Early Investment Memorandum ("EIM") that the BOs submit to AFC's SUB INVESTCO for approval.

Category A Projects - For Category A projects, the ESRO is in charge of the ESDD, assisted by the respective BO. Assistance of an external expert is mandatory.

The most important element of the ESDD is to determine the gaps between the current E&S performance and the benchmark performance (IFC Performance Standards, and the AFC's E&S requirements). The gap analysis regarding these requirements is considered crucial to ensure that the client is managing E&S risks in accordance with local or internationally recognised E&S risk management standards and laws (whichever is more stringent).

The gap analysis must be provided by a qualified external expert. It must lead to the formulation of a reasonable action plan (please refer to Annex 9 for a template), which describes all the actions necessary to achieve AFC's E&S requirements in a given time frame after factoring in the criticality of the E&S risks.

The ESDD for Category A projects therefore has to involve the following steps:

- Requiring the client to fill in AFC's E&S Due Diligence Questionnaire (please refer to Annex 4);
- Handing over to the client the relevant, sector-specific Sector Guidelines²
- Requiring the client to prepare a gap analysis between client's performance and the performance defined in the IFC Performance Standards and IFC Sector Guidelines with the help

² <http://www.ifc.org/ifcext/sustainability.nsf/Content/EnvironmentalGuidelines>

- of an external expert;
- Collecting and studying original ESIA documents or other relevant documents (audit reports, etc.);
- Carrying out internet research on potential risks / potential NGO interest;
- Site visit by an external E&S consultant; and
- Preparing a CESAP if the AFC's E&S requirements are not met (based on the gap analysis findings).

Based on the ESDD, the ESRO will prepare an ESRS report containing a description of E&S risks and the various mitigation measures required to manage them. Annex 5 contains a guide for the preparation of the ESRS. The ESRS is included in the Early Investment Memorandum ("EIM") that the BOs submit to AFC's SUB INVESTCO for approval.

DUE DILIGENCE/FINAL INVESTMENT MEMORANDUM



Category C Projects – In this step, the decision makers are systematically informed about potential E&S risks. For Category C projects, the Final Investment Memorandum ("FIM") must have a standard clause indicating the expected E&S risks:

"The project has the Environmental and Social Category C. Related risks are considered to be low". "Reputational risks exist" (if applicable).

The BO must ensure that this clause is inserted into the appraisal report.

Category B and A Projects – For Category A and B projects:

The ESRO must add an updated ESRS to the FIM to be reviewed by the Investment Committee ("INVESTCO"). The summary primarily informs the decision makers about the clients' compliance with the local standards, the gap analysis to IFC Performance Standards, the associated risks and the company's management capabilities to cope with the risks.

When a FIM is submitted for INVESTCO (and EXCO's consideration), Risk Management will provide copies of the scorecard. It will be the responsibility of Risk Management to ensure that a copy of the scorecard will be attached to the FIM if approved by EXCO within Delegated Management Authority or sent to BRIC for approval.

LEGAL DOCUMENTATION

Based on the recommendations set out in the project appraisal report, the BO shall ensure that the E&S requirements, including SEAH requirements, are appropriately covered in the loan agreement / contract documents. This can take the form of:

- Necessary Terms and Conditions;
- Clauses to be incorporated in the Legal Contract;
- Conditions to be fulfilled prior to disbursements;
- Conditions to be fulfilled on best efforts basis; and
- Status reports to be submitted to AFC by the project proponent / sponsor and the time framework for such reports (status reports could be at various time intervals or at various milestones of the project).

Category C Projects – For Category C projects, it is sufficient to require the client to comply with local E&S legislation and AFC's Exclusion List

Category B Projects – For Category B projects, the requirements must encompass:

- Compliance with local E&S legislation;
- Compliance with AFC's Exclusion List;
- Preparation of a Client Annual E&S Monitoring Report ("CAESMR") in a pre-described format;
- Reporting ad hoc in case of relevant serious E&S events;
- Implementation of recommendations from ESIA or CESAP plan, if relevant;
- Adoption of management measures to address SEAH risks, including information disclosure, stakeholder engagement, and grievance redress; and
- Other relevant clauses where deemed necessary.

Category A Projects – For Category A projects, the BO and the ESRO would suggest relevant contract clauses in close cooperation with the Legal department, based on a series of pre-formulated building block clauses (see under Annex 7). In line with AFC's E&S Policy the requirements must encompass:

- Compliance with local E&S legislation;
- Compliance with AFC's Exclusion List;
- Compliance with the IFC Performance Standards;
- Preparation of a Client Annual E&S Monitoring Report ("CAESMR") in a pre-described format;
- Reporting ad hoc in case of relevant serious E&S events;
- Implementation of recommendations from ESIA or CESAP plan, if relevant;
- Adoption of management measures to address SEAH risks, including information disclosure, stakeholder engagement, and grievance redress; and
- Other relevant clauses deemed necessary.

APPROVAL, MONITORING AND REPORTING/BRIC MEMORANDUM



Management will receive a copy of this annual review for independent scrutiny and review purposes and reports any concerns to the appropriate approving authority.

Category C Projects – For Category C projects no monitoring and reporting is necessary.

Category B Projects – For Category B projects the client must provide CAESMR on a yearly basis and, if applicable, prepare an update on the CESAP and specific E&S requirements that have been agreed upon (please refer to Annex 6 and 8). Whenever applicable, the ESRO shall also record project specific performance by using a set of project performance indicators. Sample of the indicators to be monitored are found in Annex 9A.

Category A Projects – For Category A projects,

1. The ESRO must monitor the E&S performance of Category A projects annually and visit the site occasionally on a risk-based basis.
2. The client company must report annually in a form of CAESMR and CESAP (please refer to Annex 6 and 8 applicable). The BO is expected to request this information from the client on an annual basis.
3. An E&S Consultant will prepare an internal annual reporting review per client (please refer to Annex 9). Whenever applicable, the E&S Consultants shall also record project performance by using a set of project specific performance indicators. Sample of the indicators to be monitored are found in Annex 9A.

The ESRO shall report to the Environmental and Social Manager (“E&S Manager”), on any kind of non-compliance / non-fulfilment. The E&S Manager shall take appropriate remedial action on a case-by-case basis. Depending on the seriousness of the violations, s/he shall report the same to BRIC and agree on the corrective actions.

3.11 Project Implementation

Monitoring of the environmental and social performance of the project in accordance with the requirements of the legal agreement, including the E&S corrective action plan as well as any changes resulting from amendment to the design of a project or project circumstances will be carried out and reported on a quarterly and/or annual basis ((Please refer to Annex 9b). The specific monitoring frequency will be informed by the E&S risk classification category and the procedure for the monitoring. The monitoring of projects will be on an ongoing basis in line with the Investment guidelines, guided by the IFC Performance Standards and certified by the relevant national regulatory authority.

4.0 INFORMATION DISCLOSURE, STAKEHOLDERS³ & GRIEVANCE MECHANISM

4.1 Stakeholder Engagement

AFC remains committed to an inclusive analysis of stakeholder engagement carried out through a multistakeholder participatory (MSP) process throughout the project lifecycle. This commitment to the MSP process and inclusive engagement embodies key GCA locally led adaptation principles, such as devolving decision-making to the lowest appropriate level (LLA Principle 1) by empowering local voices and addressing structural inequalities (LLA Principle 2) by ensuring the participation and consideration of women, youth, and other vulnerable or marginalized groups. In following the MSP process, relevant information will be disclosed in a language and form accessible to communities and the wider public likely to be affected by the project activities. The process will take into consideration any specific needs of groups that may be differently or disproportionately affected by the projects or groups with specific needs, such as disability, literacy, gender, differences in language or accessibility.

The stakeholders' groups that are likely to be impacted by the ASCF supported projects will include the communities and/or individuals directly or indirectly affected by the project, their formal and informal representatives, gender, youth, aged, physically challenged, national or local government authorities, politicians, religious or community organisations and civil society groups with special interest, academic communities, and businesses amongst others. The groups may also include those who, because of their circumstances, may be disadvantaged or vulnerable. Communities will be provided with options to enable them to access project benefits, with a targeted outreach and information 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 stakeholders will be carried out for all project components.

The stakeholder groups that are expected to be impacted by ASCF projects based on a preliminary assessment are as follows and such following the larger definition of stakeholders are presented above:

- a. People, social groups, and organisations that will gain direct and/or indirect benefit from the project. These target beneficiaries include: (i) potential new customers for grid connection and electrification projects, including indigenous people communities, (ii) potential project workers.
- b. Potentially adversely impacted communities include: (i) affected land-owners/communities, (ii) indigenous people communities. When the stakeholder engagement with local individuals and communities depends substantially on community representatives (village heads, clan heads, community and religious leaders, local government representatives, civil society representatives), efforts will be taken to verify that such persons do, in fact, represent the views of such individuals and communities, and they are facilitating the communication process in an appropriate manner.
- c. Interested groups include: (i) local government agencies, (ii) non-governmental organisations/NGOs, Civil Society Organisations/CSOs and other development institutions, (iii) indigenous people representative organisations, and (iv) private companies and

³ The ASCF Stakeholders' consultation report is a separate annex.

investors.

- d. 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. These groups include: (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.

In essence, key stakeholders in the implementation of ASCF can also be referred to as the interested parties and those for whom the activities and impacts associated with ASCF supported projects are important. These key stakeholders are as follows:

- i. Investors – Investors and funding partners will be kept informed about the E&S performance of the ASCF supported projects through the quarterly and annual investor reports. In addition, the investors will be made aware of all reportable incidents in accordance with the provisions described in this ESS Framework. Periodic meetings may also be arranged with individual investors to provide information relating to specific areas of interest.
- ii. Project Counterparties – Project Counterparties are provided with a copy of this ESS Framework along with other supporting information early in the engagement process. A presentation of ASCF's E&S requirements will be given to developers at the start of the development process, and to the Project Company at the start of the construction process. In addition, E&S requirements will also be communicated to the EPC contractor during the tendering process.
- iii. NGOs and CSOs – AFC recognises the important role that is played by national, regional and local governments as well as relevant CSOs, development agencies and other local stakeholders active in community development. In this regard, AFC will facilitate establishment of a proactive approach to engagement with NGOs that:
 - Enables AFC to build community support and mutually beneficial relationships.
 - Helps AFC identify and connect to the partners who can support the Projects in the delivery of community development programmes.
 - Provides for improved coordinated communication and disclosure of information that can contribute to more effective change.
 - Communicates responsible leadership to external stakeholders including investors, business partners, and civil society.
- iv. Staff – AFC staff recognises that our own staff and those who work for ASCF supported projects are a key stakeholder group. While AFC's arrangements will include engagement with its staff as it will be described in the AFC Human Resources Policy, arrangements for engagement at the Project level on the other hand, will be detailed in the Project's specific HSSE Management System.

ASCF projects will be required to demonstrate credibility; effective stakeholder engagement plan; transparent procedure for information gathering and disclosure, as well as modality for meaningful consultation that guarantee adequate and active involvement of the community.

Information Disclosure

In disclosing the relevant project information, the client is required to ensure adequate engagement consistent with the tenets of free, prior and informed consent (FPIC), highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups, and describing the differentiated measures to be taken to avoid and minimize or mitigate the impacts.

In line with the Revised Environmental and Social Policy (Board Decision B.BM-2021/18)⁴ and the Information Disclosure Policy (Board Decision B.12/35)⁵, AFC will publish all core and supplemental safeguard documents online in both English and the relevant local language, no later than:

- **Category A projects (and I-1 programmes):** “at least 120 days in advance of the Accredited Entity’s or GCF Board decision, whichever is earlier.”
- **Category B projects (and I-2 programmes):** “at least 30 days in advance of the Accredited Entity’s or GCF Board decision, whichever is earlier.”

Category C projects (and I-3 programmes) carry no additional advance disclosure obligation under this Policy.

AFC will disclose the ESMF following the above policy to satisfy GCF policy and also indicate the management of E&S during the project implementation. It will also strive to disclose the project E&S documents and instruments as soon as they become available, making sure to engage with relevant stakeholders to improve and fill gaps all through the process.

Access to the documents must be possible for all community members by public disclosure in an accessible place, in a form and language understandable to key stakeholders. Key documents to be disclosed include project information documents, project factsheets and project management unit contact information and monitoring reports (once under implementation). This may be done through the following avenues:

- Display of information where the public gather including at local municipalities notice boards.
- Consultations with E&S specialist including during trainings.
- Local radio and newspapers
- Social media sites
- GCF and AFC websites.

⁴Green Climate Fund. (2021). *Revised environmental and social policy* (Board Decision B.BM-2021/18) [Policy document]. Green Climate Fund. Retrieved from <https://www.greenclimate.fund/document/revised-environmental-and-social-policy>

⁵ Green Climate Fund. (2016). *Information disclosure policy* (Board Decision B.12/35) [Policy document]. Green Climate Fund. Retrieved from <https://www.greenclimate.fund/document/information-disclosure-policy>

Disclosure of relevant project information in the given formats will help stakeholders effectively participate in the Programme. AFC as the AE will take due attention to the specific needs of the involved stakeholders including literacy levels, gender and language barriers to ensure full understanding of the relevant safeguards.

Additionally, information disclosure for IPs and vulnerable groups is a core element of the FPIC process to ensure a well-informed decision with relevant stakeholder. It is thereby important not only to have access to information, but also to clearly understand the information and documentation provided to them. Where necessary, information should be translated to the local language and put in a form and manner that is understood by all stakeholders, including ethnic minorities and indigenous peoples. Disclosure of documentation should include full and accurate information pertaining to any activity or proposed developments or projects, studies on environmental and social impacts, project design, implementation plans, budget and sources of funds, and terms of contracts or agreements. Furthermore, the provided information must be adapted to the level of literacy and language skills among the addressed stakeholders. Consideration of access to legal aid or services, especially to help unpack and communicate information of legal nature is critical for informed decision-making.

Similarly, the needs of those without internet access, with technological challenges or with disability should be put into consideration. To ensure wide dissemination, the project could utilise flyers, brochures and or call for community meetings.

Further, these documents will be disclosed, when available, in a timely and meaningful manner prior to project appraisal at the quality assurance stage (or other key stages during project implementation) on AFC's website and in an accessible place in the Programme or project-affected area, in a form and language understandable to project-affected parties and other stakeholders, in order to keep them informed and obtain their meaningful feedback. The stakeholder consultation should be guided by the principles of transparency, inclusiveness, non-discrimination, do no harm and accountability as well as by international best practices.

4.2 E&S Grievance Redress Mechanisms⁶

In line with the IFC Performance Standards and other globally recognised ESG frameworks, ASCF supported sub-programmes and projects will be required to design a Grievance Redress Mechanism (GRM). A GRM is an accessible and reliable tool for obtaining and addressing feedback and concerns (collectively referred to as "grievances") on impacts of the project implementation activities from project stakeholders, particularly project affected communities (hereafter called the "grievant" in the context of the GRM), throughout the project lifecycle. Depending on the nature of the grievance, grievants may address their grievance to the GRM of the GCF⁷, the AFC as the Accredited Entity⁸ or the sub-project/Activity level.

A GRM's effectiveness is highly dependent on the inclusive, accessible, culturally appropriate and gender-sensitive design, timely, fair and transparent treatment of grievances, and application of

⁶ **Detailed Grievance Redress Mechanism is found in Annex 17**

⁷ Called Independent Redress Mechanism (IRM), accessible at: <https://irm.greenclimate.fund/about>

⁸ Accessible via grievance@africafc.org

innovative and collaborative approaches to resolution of grievances of project affected communities as well as the broader project stakeholders. It is also dependent on the awareness and knowledge of all stakeholders of the existence of the GRM and its accessibility and function, which is why the Programme will ensure inclusion of information on the GRM in all relevant communication to stakeholders. Stakeholders will be supported to articulate their grievance in a cogent manner, if required, and will explain the process to follow until the grievant confirms that the grievance has been satisfactorily, fully and amicably resolved (see Annex 17 for details).

AFC recognises that the GRMs will contribute to strengthening the accountability of project to the stakeholders as well as present a pathway for the stakeholders to provide feedback and/or express grievances related to project activities. In this regard and in accordance with a global ESG framework, ASCF supported sub-programmes/projects will be required to satisfy the following requirements for their GRMs:

- a. Outline modalities for presenting complaints and grievance by project concerned stakeholders such as submission in person, community representation, by phone, text message, mail, e-mail or via a web site, etc.;
- b. Keep a Grievance Logbook where concerns are registered in writing and maintained as a database, under the oversight management responsibility;
- c. Publicly advertise procedures, setting out the length of time users can expect to wait for acknowledgment, response and resolution of their grievances;
- d. Ensure transparency about the grievance procedure, governing structure and decision makers;
- e. Design an appeal process as part of its GRM, to which unsatisfied grievances may be referred when amicable and mutually acceptable resolution of the grievance has not been achieved;
- f. Provide a mutually appointed mediation practitioner as an option where users are not satisfied with the proposed resolution;
- g. Provide and support medical care, psychosocial support, legal support, community driven protection measures, and reintegration support, as appropriate, to SEAH survivors, and ensure that the personnel handling the grievance is sufficiently trained to identify the need for such support provision.
- h. Ensure that the entire process is survivor-centred and gender-responsive.

5. CAPACITY BUILDING

5.1 Capacity Building – As part of our commitment to on-going assessment and management of E&S risks, AFC will provide periodic training on E&S risk management to all staff of the Corporation. The Board of Directors (“BoD”), acting through BRIC, is responsible for the approval, review and supervision of AFC’s E&S Policy. Thus, the following:

5.2 Risk Management – The Chief Risk Officer (“CRO”) is also the E&S Manager; s/he is responsible for the corporation’s adherence to AFC’s E&S Policy. The E&S Manager bears the overall responsibility for the ESMS. In particular the E&S Manager is in charge of:

- Planning for the implementation of the ESMS;
- Implementation of the ESMS;
- Developing the monitoring/reviewing mechanisms;
- Assuring regular training;
- Generating routine/ad hoc reports to the senior management, BRIC and other external

- stakeholders/organisations as and when required;
- Reviewing and improving the system as and when required;
- Liaising with the General Counsel to ensure that E&S representations, warranties and conventions are incorporated in investment documentations; and
- Ensuring that matters relating to the corporation's adherence to this policy are accurately reflected in the annual report.

For the efficient implementation of this policy, the E&S Manager may delegate responsibility to AFC personnel designated as ESRO or specialist E&S consultants.

5.3 Environmental and Social Risk Officer –The ESRO oversees the day-to-day business with regard to the ESMS. In line with procedures, they validate the E&S categorization of each eligible project and carry out the ESDD for high-risk projects. They ensure that for each investment the EIM and FIM contain the information as required by procedures. The ESRO prepares an Annual E&S report giving an overview of the portfolio (per risk categories) as well as a summary of all new Category A projects. They directly report to the E&S Manager and are responsible for filing the relevant documentation.

5.4 Business Originators (BO) – In preparing an Investment Memo (IM) for a project, the BOs will indicate whether an ESDD of projects is required, what information is required to carry out the Assessment in accordance with the framework above, and finally the proposed Category (A, B or C). BOs also have the responsibility to obtain the information that is necessary for Risk Management to carry out the ESDD.

5.5 Internal Audit – Internal Audit is responsible for ensuring that the corporation adheres to its Board mandated E&S Policy and procedures. It does so by arranging for and supervising independent consultants to carry out periodic transaction sample inspections, to ensure compliance. The modalities for arranging and supervising independent consultants to carry out periodic transaction sample inspections will feature in its annual Audit Plan.

5.6 External E&S Consultants –External E&S Consultants are hired in case AFC intends to finance projects with high E&S risks and impacts (Category A projects) and the information provided by the client is not sufficient to determine to which degree the client is complying with the AFC's E&S requirements (to be decided on a case-by-case basis). For a sample Terms of Reference for the involvement of E&S consultants, please refer to Annex 10. A list of approved E&S Consultants is provided in Annex 12.

ANNEX 1: EXCLUSION LIST

The AFC Exclusion List defines the type of projects that AFC does not finance. AFC does not finance the following projects:

1. Production, use or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase outs or bans such as pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances, polychlorinated biphenyls (PCBs), and other hazardous substances, as well as wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES) or subject to United Nations and African Union bans.
2. Production or trade in weapons and munitions.
3. Fossil fuels
4. Production or trade in narcotics.
5. Production or trade in alcoholic beverages (excluding beer and wine)
6. Pornography or Prostitution
7. Tobacco products with the exception of wholesale tobacco export financing in instances where the proceeds from tobacco exports represent a significant portion of an African country's foreign exchange earnings, and the total export financing amount does not exceed 10% of AFC's total loan portfolio.
8. Uranium mining or production with the exception of exporters or suppliers of uranium products for medical purposes.
9. Projects which substantially involve casinos, or which carry out gambling and equivalent enterprises.
10. Production, use or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where AFC considers the radioactive source to be trivial and/or adequately shielded.
11. Production, use or trade in unbounded asbestos fibres. This does not apply to the purchase and use of bonded asbestos sheeting where the asbestos content is less than 20%.
12. Racist and Anti-Democratic Media
13. Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
13. Cross border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations.
14. Commercial logging operations for use in primary tropical moist forest.
15. Product or trade in wood or other forestry products other than from sustainably managed forests.
16. Production or activities involving the use of harmful or exploitative forms of forced labour extracted under threat of force or penalty.
17. Production or activities involving the use of harmful child labour (which means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral or social development).
18. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without the full documented consent of such peoples.

19. Destruction⁹ of High Conservation Value areas¹⁰

⁹ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost

¹⁰ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>)

ANNEX 2: DUE DILIGENCE REQUIREMENTS BY E&S CATEGORIZATION

	Category A project (High risk)	Category B project (High/medium risk)	Category C Project (Low risk)
Level of E&S risk & impact assessment required for due diligence	Comprehensive ESIA or Audit¹¹ prepared by a qualified consultant and in accordance with international good practice and national legislation; including required levels of stakeholder consultation. Assessment/audit to include an assessment of company's E&S management systems, commitment, capacity and track record and review of information in the public domain to check for any controversy associated with company's activities. Verification of client information and assessment by qualified expert. Site visit by E&S consultant and AFC representative (ESRO, E&S Manager, and/or BO).	Assessment of key high-risk E&S issues, identified by AFC or a qualified consultant. Stakeholder consultation to be undertaken if required. E&S Questionnaire. Site visit by external expert optional, site visit by AFC representative (ESRO, E&S consultant, E&S Manager, and/or BO) optional	Cross check and verification by AFC that categorization is correct; that there are no significant E&S risks and that company complies with E&S national laws.
Reference Standards for E&S assessment /audit	National law ILO's Core Labour Standards	National law ILO's Core Labour Standards	National law ILO's Core Labour Standards

¹¹ ESIA's are generally prepared for new developments whereas an audit would be undertaken on an existing operation looking at both compliance and effectiveness of management systems. In some situations a combination of both assessments would be required.

	Category A project (High risk)	Category B project (High/medium risk)	Category C project
	ILO Basic Terms and Conditions of Employment IFC Performance Standards, general and any specific WB EHS Guidelines	ILO Basic Terms and Conditions of Employment	ILO Basic Terms and Conditions of Employment National law
Minimum Requirements	Compliance with national laws Compliance with applicable IFC Performance Standards and EHS guidelines Compliance with Core Labour Standards Compliance with ILO Basic Terms and Conditions of Employment Comprehensive action plan detailing measures to address identified risks and impacts and close performance/compliance gaps (CESAP) Yearly performance monitoring and reporting (CAESR)	Compliance with national laws Compliance with Core Labour Standards Compliance with ILO Basic Terms and Conditions of Employment Optional: Comprehensive action plan detailing measures to address identified risks and impacts and close the gaps (CESAP)	Compliance with national law Compliance with Core Labour Standards Compliance with ILO Basic Terms and Conditions of Employment
Output of due diligence activity	ESIA and/or audit report by a qualified expert.	Potentially, ESIA and/or audit report by a qualified expert. ESRS document	

	Category A project (High risk)	Category B project (High/medium risk)	Category C project (Low risk)
	CESAP of prioritized actions	Potentially, CESAP of prioritized actions	
Monitoring & reporting requirements	Regular reporting (at least once a year and ad hoc in case of special incidents) on E&S mitigation and management performance (CAESR and CESAP) Verification of performance monitoring data reported by independent party advisable. E&S performance audits recommended.	Regular reporting (at least once a year and ad hoc in case of special incidents) on E&S mitigation and management performance (CAESR and CESAP) Auditing of specific risks identified recommended.	Report on any changes to the business activities that may change the E&S risk profile.

ANNEX 3: CATEGORY A (HIGH RISK) PROJECT EXAMPLES

1. On and off-shore Oil & Gas developments and crude oil refineries (excluding undertakings manufacturing only lubricants from crude oil) and installations for the gasification and liquefaction of 500 tonnes or more of coal or bituminous shale per day.
2. Extraction of petroleum and natural gas for commercial purposes (including activities incidental to oil and gas extraction, excluding surveying).
3. Installations for storage of petroleum, petrochemical, or chemical products with a capacity of 200,000 tonnes or more.
4. Extraction, agglomeration and processing of peat, coal and lignite, metal ores, chemical and fertilizer minerals.
5. Production of salt.
6. Quarries and open cast mining operations.
7. Thermal power stations and other combustion installations with a heat output of 300 megawatts usually equivalent to a gross electrical output of 140 MWe for steam and single cycle gas turbines power stations. For combined cycle gas turbines (CCGT) the limit 300 MWth is interpreted as 200 MWe.
8. Integrated works for the initial smelting of cast-iron and steel; installations for the production of nonferrous crude metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.
9. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous-, nitrogen- or potassium-based fertilizers (simple or compound fertilizers); basic plant health products and of biocides; basic pharmaceutical products using a chemical or biological process; explosives.
10. Construction of motorways, express roads and lines for long-distance railway traffic and of airports with a basic runway length of 2,100 metres or more; construction of a new road of four or more lanes, or realignment and/or widening of an existing road so as to provide four or more lanes, where such new road, or realigned and/or widened section of road would be 10 km or more in a continuous length.
11. Pipelines, terminals, and associated facilities for the large-scale transport of gas, oil, and chemicals.
12. Sea ports and also inland waterways and ports for inland-waterway traffic which permit the passage of vessels of over 1,350 tonnes; trading ports, piers for loading and unloading connected to land and outside ports (excluding ferry piers) which can take vessels of over 1,350 tonnes.
13. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes.
14. Municipal wastewater treatment plants with a capacity exceeding 150,000 population equivalent.
15. Municipal solid waste-processing and disposal facilities.

16. Large¹² dams and other impoundments designed for the holding back or permanent storage of water.
17. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million cubic metres or more.
18. Industrial plants for the (a) production of pulp from timber or similar fibrous materials; (b) production of paper and board with a production capacity exceeding 200 air-dried metric tonnes per day.
19. Large-scale logging.
20. Large-scale tourism and retail development.
21. Construction of overhead electrical power lines.
22. Large-scale land reclamation.
23. Activities involving the release of genetically modified organisms (GMOs) into the natural environment, and trade in GMOs to be released into the environment.
24. Large-scale primary agriculture / silviculture involving intensification or conversion of natural habitats.
25. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tons of finished products per day.
26. Installations for the intensive rearing of poultry or pigs with more than: 40,000 places for poultry; 2,000 places for production pigs (over 30 kg); or 750 places for sows.
27. Projects which are planned to be carried out in sensitive locations or are likely to have a perceptible impact on such locations, even if the project category does not appear in the above list. Such sensitive locations include protected areas under national law or international conventions, sites of scientific interest, habitats of rare or endangered species, locations of international, national or regional importance, such as wetlands, forests with high ecological or biodiversity value.
28. Projects with significant impacts on economic and social basis of local communities.
29. Projects affecting indigenous or tribal populations (including lands directly inhabited or occupied or lands and watercourses used for subsistence activities such as livestock grazing, hunting and fishing).
30. Projects which may adversely affect areas of archaeological or cultural significance.
31. Projects with physical or economic resettlement components.
32. Projects with adverse impacts on communities (e.g. impacts on social and economic infrastructure, community health & safety, vulnerable groups or projects with high influx of immigrant workers and "rent seekers", extended traffic or construction activities) especially greenfield projects or large expansions.
33. Projects which involve large retrenchment (more than 20 per cent of the present workforce or >50 workers).
34. Projects which impose serious occupational or health risks.

¹² As per the definition of the International Commission on Large Dams (ICOLD). ICOLD defines a large dam as a dam with a height of 15 m or more from the foundation. Dams that are between 5 and 15m high and have a reservoir volume of more than 3 million m³ are also classified as large dams.

ANNEX 4: E&S DUE DILIGENCE QUESTIONNAIRE**Annex 4A: General Environmental and Social Screening Questionnaire****1. Company Information**

Company Name	
Company Address	
Company/Project Activities	

2. Surrounding Environmental Characteristics

Are there any significant cultural heritage, geological, historical or religious interests in or around the Project/Company location?	
If yes, where?	Location in/Vicinity of:
Are there any water bodies including delta, rivers and lakes in or around the Project/Company location?	
If yes, where?	Location in/Vicinity of:
Are there any residential areas, including villages in or around the Project/Company location?	
If yes, where?	Location in/Vicinity of:
Are there any agricultural areas in or around the Project/Company location?	
If yes, where?	Location in/Vicinity of:
Are there any critical habitats, forests, savannahs, mangrove swamps in or around the Project/Company location?	

3. Risks posed by Project/Company Operations on Immediate Community

Is the Project/Company exposed to any of the following E&S risks? Indicate Y or N:

	Danger of fire or explosion and/or transport of hazardous goods		Construction activities
	Increase of communicable diseases (e.g. HIV/AIDS)		Resettlement and/or land acquisition
	Flooding (e.g. from water reservoirs/dams)		Marked increase of traffic with heavy load vehicles
	Influx of migrant/temporary workers		Overland lines (more than 200kV)
	Armed security forces		Pollution
	Limiting access to basic necessities (e.g. access to water bodies, communal land)		

4. Procurement and Supply Chain

Which of the following does the Project/Company's supply chain comprise of?

	Dependent micro enterprises		Home workers / informal sector
--	-----------------------------	--	--------------------------------

	Mines / Extractive industries		Wood from natural forests and/or plantations
	None of the above		

5. Employment and Job Creation

Total staff strength of Project/Company	
No. of permanent male staff	
No. of permanent female staff	
No. of temporary male staff	
No. of temporary female staff	
No. of temporary migrant workers (male)	
No. of temporary migrant workers (female)	
If the client provides migrant workers with dormitories, how much is the rent charged?	
Do workers have separate beds?	
Is "hot bedding" practiced?	
What is the maximum number of workers in a room?	
What is the maximum number of workers that share a toilet?	

In the construction phase of this project (if applicable), how many jobs will be created? Fill the table below:

Project/Company Jobs (Male)		Project/Company Jobs (Female)	
Contractor Jobs (Male)		Contractor Jobs (Female)	
Supply Chain Jobs (Male)		Supply Chain Jobs (Female)	
Total Male		Total Female	
Length of construction period			

IFC Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts

In the table below, list which valid permits or reports are available, missing or pending for Project/Company operations:
(add more rows if necessary)

Permit	Available	Not available	Pending
1.			
2.			
3.			
4.			
5.			

Does the Project/Company comply with all relevant national and international environmental and social laws?	
How does the Project/Company currently manage environmental and social risk?	

Have there been any incidents and/or occupational accidents that caused fatalities, incidents involving evacuation, compensation claims, serious injuries, illness, fires, explosions, sudden release of hazardous substances, pollution event or major damage within the Project/Company location or in the vicinity of the location during the last five years?	
Is there a risk of incidents and/or occupational accidents that can cause fatalities, incidents involving evacuation, compensation claims, serious injuries, illness, fires, explosions, sudden release of hazardous substances, pollution event or major damage within the Project/Company location or in the vicinity of the location?	
Are there any legal claims pending?	
Has the Project/Company conducted an Environmental and Social Impact Assessment (ESIA)?	
Was the ESIA conducted according to applicable local law?	
Was the ESIA conducted according to IFC Performance Standards?	
If yes, was the ESIA conducted by an independent consultant?	
Does the Project/Company have an environmental and social impact action plan?	
Does any international Development Finance Institution (DFI) have board approval to participate in this project?	
If yes, which one(s)?	
What is the Project/Company's engagement process for stakeholders, affected communities and NGOs?	
Does the Project/Company address stakeholder, community and worker grievances?	
If yes, please describe the process	
Is environmental and social performance information reported to senior management, the board, investors and stakeholders?	
Have Project/Company workers ever been on strike?	
Have there been negative media campaigns or community protests relating to the Project/Company?	
If yes, please describe	
Has there been a fire, explosions, pollution event, hazardous substance or occupational accident or fatalities?	
If yes, please describe	

IFC Performance Standard 2 – Labour and Working Conditions

Does the Project/Company's HR policy provide information on rights under national labour and employment law?	
Is this policy understood and accessible to all staff?	
Please, provide a copy of the policy (Indicate 'Yes' if HR Policy is included)	
Does the Project/Company lodge deposits or original identity papers upon commencing employment with the Project/Company?	
Please elaborate	
Do signed employment contracts, provided to staff, state remuneration, and terms and condition of service?	
Please elaborate	
Do all employees have signed contracts?	
If not, please elaborate	
What is the process by which employee grievance is addressed and reviewed (if in place)?	
Does the Project/Company withhold salaries from staff?	
If yes, please describe	
What is the local legal minimum age?	
Are employees between local legal minimum age and 18 employed?	
Are trade unions allowed in the Project/Company?	
What is the percentage difference between the Project/Company's average monthly wage and the local legal minimum monthly wage?	
Will there be retrenchment of workers at a certain stage in this project?	
Has there been retrenchment within the last five years?	
If yes, please elaborate	
Does the Project/Company contractually bind subcontractors to comply with at least the relevant local environmental, health, safety and labour laws and regulations?	
Does Project/Company ensure that there are no labour issues in the supply chain?	
If yes, please elaborate	
Are there first aid facilities on site?	
Are staff exposed to dust, hazardous substances, heat, noise, radiation or electromagnetic fields in the course of work?	
Is potable water to all employees (to at least local standard) available?	
What are the regular working hours?	
Do employees have any time off per week?	
If yes, how much?	
Do employees work overtime?	

If yes, please specify the average number of overtime hours per week and if paid at premium	
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IFC Performance Standard 3 – Resource Efficiency and Pollution Prevention

Does the Project/Company manage ambient conditions on and around project site for the purposes of monitoring the impact of operations, and ensuring effluents are within guidelines? Ambient condition parameters include air quality, water (surface and ground) quality and flows, and soil quality	
Has the Project/Company a detailed emergency prevention, preparedness and response plan?	
Is there a waste management plan in place for hazardous and non-hazardous waste?	
Do activities conducted or controlled by the Project/Company release more than 100,000 tonnes of greenhouse gas emissions into the atmosphere annually?	

IFC Performance Standard 4 – Community Health, Safety and Security

Has the Project/Company established communication lines with host communities or affected communities?	
Please elaborate	
Is the mechanism by which community grievances are communicated to the Project/Company effective (if in place)?	
Does the Project/Company employ armed security guards to safeguard lives and properties?	
Are they contracted or employed directly?	
If armed, do they have a valid arm license?	
Is there any code of conduct for armed guards?	
If yes, please, provide a copy	
Are people of vulnerable groups (e.g. elderly, women, children, poor, ethnic groups) being affected by the project?	
If yes, please describe possible impacts	
Are the project immediate communities aware of Sexual Abuse (SA) and Sexual Harassment (SH) issues and modality for lodging grievances, if necessary?	

IFC Performance Standard 5 – Land Acquisition and Involuntary Resettlement

Does the project involve land acquisition?	
If yes, what was the previous use of the land and how was the land acquired?	
Was the land acquisition managed by the government?	
Does the project involve resettlement?	

If yes, please elaborate on number of households to be resettled, who manages the resettlement	
Even when the land acquisition has been managed by the government, has the Project/Company engaged with the affected / displaced community to consider how the community may derive developmental benefits from the investment?	
If applicable, are there any instances of historical pollution associated with operational sites?	
Are there any community complaints / negative media coverage with regards to community impacts and community health & safety?	
Does the Project/Company's emergency preparedness and response plan take into account risks and impacts from project activities to local communities, and provide for adequate response procedures in the event of an incident?	
Has a resettlement action plan been developed?	
If yes, please provide a copy	
Has the Project/Company disclosed all relevant information to and consulted with affected persons and communities to be resettled?	
Has the Project/Company facilitated the informed participation of affected persons and communities in the decision-making process relating to resettlement?	

IFC Performance Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources

Does the Project/Company conduct any operations in legally protected areas or has/will have an impact on protected, rare, endangered species?	
If so, what are the Project/Company's plans to address the impact of its operations on biodiversity?	

IFC Performance Standard 7 – Indigenous People

What are the Project/Company's plans for constructive engagement with indigenous people?	
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IFC Performance Standard 8 – Cultural Heritage

Will the Project/Company's activities have an impact on cultural properties with historical, archaeological or religious value?	
Name & Position of Project/Company Contact	
Signature	

Date	

Annex 4B: SEAH Due Diligence

Reflecting International Best Practice, the SEAH due diligence process has been aligned with the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment¹³.

The following table presents questions to be addressed during the due diligence assessment. The questionnaire covers 6 areas of SEAH risks, in line with the DAC recommendations.

Question	Yes / No
SEAH Safeguarding Approach	
1.a. As part of the Project/Company's management systems, is there a safeguarding policy and does it specifically cover sexual exploitation and abuse and sexual harassment?	
1.b. If not, and there is work with children, young people or adults at risk, is there specific policies covering those groups that address SEAH risks?	
1.c. If there is neither a safeguarding policy nor work with those groups, is there SEAH policies which are either standalone or part of an overall HR handbook?	
2. Does the policy include a statement of commitment to safeguarding, such as a zero-tolerance statement on tackling SEAH and inaction on reports?	
3. Are management and staff informed about the Project/Company's commitment to safeguarding and how they can raise any grievances? Is the Project/Company's view informing the design and operation of reporting mechanisms?	
4. Is the Project/Company's clear on how it will support a survivor or victim of SEAH perpetrated by a member of its staff or an implementing partner? Has it considered who it may need to report a case to and what it may need to consider to ensure a survivor-centred approach?	
5. Is the Project/Company clear about which authorities it may need to report SEAH incidents to in a country where it operates? And has it considered circumstances in which such reporting may not be safe for those involved?	
6. Is there any independent verification of adherence to the SEAH elements of the Core Humanitarian Standard, for example through HQAI, or the IASC Minimum Operating Standards on PSEA?	
Grievances and Whistleblowing	
7. Does the Project/Company have a clear process which allows grievances or concerns to be raised from both outside and within the Project/Company, and are staff trained in how to operate it?	
8. Is there a whistle-blowing policy which protects whistle blowers from reprisals and includes clear processes for dealing with concerns raised and by whom and the timelines involved?	
9. Does the Project/Company keep a detailed register of safeguarding allegations raised and how they were dealt with?	
10. Are grievance mechanisms survivor-centred and designed to ensure confidentiality and avoid re-traumatization?	
Recruitment and Training	

¹³ "DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response framework"

Question	Yes / No
11. Are SEAH risks factored into job adverts and related interview processes including the requirement for references, the type of questions asked and the level of safeguarding expertise of the interviewers?	
12. Does the Project/Company provide mandatory training on safeguarding, including on grievances and whistleblowing, to new trustees/staff/volunteers within a suitable and appropriate timeframe of them joining your Project/Company?	
13. Does the Project/Company provide regular refresher training on safeguarding to staff/volunteers?	
14. Does the Project/Company have different levels of security and reference checks commensurate with safeguarding requirements of the role?	
15. Is the Project/Company using the Misconduct Disclosure Scheme and if not does it plan to sign up?	
16. Does the Project/Company make use of probationary periods of employment to ensure suitability once in post?	
Risk Management	
17. Does the Project/Company have a risk management policy or framework capturing risk appetite and risk categories including safeguarding?	
18. Does the Project/Company share its risk management policy where it relates to safeguarding risks with its downstream partners i.e. are downstream partners advised on escalation procedures around safeguarding issues?	
19. Does the Project/Company have risk registers for all programmes that feed into an overall organisational risk framework?	
20. Is there regular senior oversight of the risk register?	
21. If applicable – are fundraising ideas and external communications risk assessed to ensure no harm is done by the activity? (E.g. Fundraising is delivered in the context of safeguarding e.g. ‘sponsorship’)	
Code of Conduct	
22. Does the Project/Company have in place a Code of Conduct for staff and volunteers that explicitly prohibits SEAH and sets out clear expectations of behaviours – inside and outside the workplace – and on what will happen in the event of non-compliance or breach of these standards?	
23. Does the code of conduct prioritize the wellbeing and care of all people including direct and indirect Programme’s beneficiaries?	
24. Are all staff and volunteers provided with training on the code of conduct as part of their induction?	
25. Are there policies and practices for the management of downstream partners and affiliates aligned to the Code of Conduct?	
26. Are the expected behaviours set out in the Code of Conduct influencing and reflected in the organisation’s culture?	
Governance and accountability	
27. Does the Project/Company have a designated senior safeguarding officer who reports regularly to the senior leadership and Board?	
28. Does the governance structure reflect regular review of management of safeguarding issues internally and externally?	

Question	Yes / No
29. For larger organisations operating in multiple locations are there local SEAH focal points and is there a good network for linking them with the designated organisation safeguarding lead?	
30. Does the Project/Company share its safeguarding policy with its downstream partners and does it have in place procedures to ensure safeguarding issues are escalated and shared with the Project/Company?	

ANNEX 4C: E&S SECTOR-SPECIFIC DUE DILIGENCE QUESTIONNAIRE

Energy Access and Generation

Question	Yes / No
1.a Have all contractors, sub-contractors and operators obtained the necessary licences and permits to construct, operate and maintain energy installations in accordance with national regulations?	
1.b Has the project undergone an independent safety assessment for high-voltage lines, transformers, batteries or renewable energy systems (solar, hydro, wind)?	
1.c Have safety risks related to fire, explosions, and chemical or fuel storage been evaluated and mitigated?	
1.d Have specific SEAH (Sexual Exploitation, Abuse and Harassment) and GBV risks been assessed for remote energy sites and contractor camps?	
2. Has the project ensured that energy materials (batteries, panels, cables, lubricants) are procured, stored and disposed of in line with hazardous waste regulations?	
3. Have biodiversity and ecosystem impacts from access roads, substations or transmission corridors been screened and minimised?	
4. Has stakeholder engagement included community awareness on electrical safety, SEAH reporting mechanisms, and benefit-sharing arrangements?	
5. Are emergency preparedness and spill response plans established for all operational facilities?	

Health, Food and Water Security

Question	Yes / No
1.a Have all agricultural, water supply or sanitation operators obtained relevant environmental and health permits?	
1.b Has water abstraction or irrigation been assessed for sustainability and potential conflicts with local users?	
1.c Have potential contamination risks to soil, surface water or groundwater been identified and mitigated?	

1.d Have SEAH/GBV risks been screened among seasonal or migrant workers in agricultural or water projects?	
2. Does the project include measures for equitable access to water and sanitation for vulnerable households and women-led groups?	
3. Have food storage, distribution and waste management practices been reviewed for safety and hygiene compliance?	
4. Has stakeholder engagement included local farmers, women's cooperatives, and health officers to guide project design?	
5. Have disease vector control and community health awareness plans been integrated into project operations?	

Infrastructure and the Built Environment

Question	Yes / No
1.a Have all construction firms and design consultants secured valid licences and permits in accordance with national building codes?	
1.b Has the project design been reviewed for compliance with energy efficiency, climate resilience, and accessibility standards?	
1.c Have risks from construction waste, noise, vibration, and dust been screened and mitigation measures included in the ESMP?	
1.d Has a SEAH/GBV risk assessment been conducted for the construction workforce and nearby communities?	
2. Have potential impacts on cultural heritage, sacred sites, or Indigenous territories been screened and FPIC applied where required?	
3. Have structural and fire safety audits been conducted for all planned public buildings and facilities?	
4. Does the stakeholder engagement plan include provisions for inclusive consultations with community representatives, women, and vulnerable persons?	
5. Has a decommissioning or site restoration plan been developed for post-construction phases?	

ANNEX 5: ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY GUIDANCE (CATEGORY A and B PROJECTS)

Environmental Category		Social Category	
Client:			
Amount / type of finance:			
Project description			
Purpose:			
Detailed Information: PS1: Social and Environmental Assessment and Management Systems (a) Area of Influence of the Project, (b) Environmental and Social Assessment, (c) Management Programme, (d) Organisation, (e) Training, (f) Public Consultation; (g) Community Engagement, (h) Monitoring, (i) Reporting PS2: Labour and Working Conditions (a) Human Resource Policy and Management, (b) Number of Workforce / Worker's Organisations, (c) ILO Core Labour Standards, (d) Basic Terms and Conditions of Employment, (e) Non-Discrimination and Equal Opportunity, (f) Retrenchment, (g) Protecting the Work Force, (h) Occupational Health and Safety; (i) Supply Chain and Sub Contractor Management PS3: Pollution Prevention and Abatement (a) Pollution Prevention, Resource Conservation, Energy, Resource and Water Efficiency, (b) Waste, (c) Hazardous Materials, (d) Emergency Preparedness and Response, (e) Greenhouse Gas Emissions, (f) Pesticide Use and Management PS4: Community Health, Safety and Security (a) Community Health, Safety and Security, (b) Community Emergency Preparedness and Response, (c) Security Personnel Requirements and Security Forces, (d) Grievance Mechanism, (e) Community Engagement & Development PS5: Land Acquisition and Involuntary Resettlement (a) Compensation and Benefits for Displaced Persons, (b) Consultation and Grievance Mechanism, (c) Resettlement Planning and Implementation, (d) Physical Displacement, (e) Economic Displacement, (f) Private Sector Responsibilities under Government-Managed Resettlement PS6: Biodiversity Conservation and Sustainable Natural Resource Management			

(a) Protection, Conservation and Management of Biodiversity (Habitat, Modified Habitat, Natural Habitat, Critical Habitat, Legally Protected Areas, Invasive Alien Species), (b) Management and Use of Renewable Natural Resources (Natural and Plantation Forests, Freshwater and Marine Systems) PS7: Indigenous Peoples (a) Indigenous people within or adjacent to the project footprint, (b) potential impacts on indigenous people (use of traditional or customary lands, cultural resources, resettlement etc.), (c) Avoidance of Adverse Impacts, (d) Information Disclosure, (e) Consultation and Informed Participation PS8: Cultural Heritage (a) Impacts on cultural habitat, (b) Removal of Cultural Heritage, (c) Protection of Cultural Heritage in Project Design and Execution, (d) international recognised practices, chance find procedure, consultation	
Contractual Requirements:	
Scope and execution of environmental and social review:	Evaluation documents (submitted, reviewed): On-site visits environmental officer or external consultant
Date/Responsible:	

ANNEX 6. CLIENT ENVIRONMENTAL AND SOCIAL ACTION PLAN (CESAP)

AREA OF CONCERN	ACTION	DELIVERABLE / INDICATOR	RESPONSIBILITY	DEADLINE	COST
PS 1. Social and Environmental Assessment and Management System					
PS 2. Labour and Working Conditions					
PS 3. Pollution Prevention and Abatement					
PS 4. Community Health, Safety and Security					
PS 5. Land Acquisition and Involuntary Resettlement					
PS 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources					
PS. 7 Indigenous People					
PS 8. Cultural Heritage					

ANNEX 7: LEGAL CLAUSES (BUILDING BLOCKS)

“Basic Terms and Conditions of Employment” means the requirements as applicable to any Obligor on wage, working hours, labour contracts and occupational health & safety issues, stemming from ILO conventions 26 and 131 (on remuneration), 1 (on working hours) and 155 (on health & safety).

“Coercive Practice” means the impairing or harming, or threatening to impair or harm, directly or indirectly, of any party or the property of the party to influence improperly the actions of a party.

“Collusive Practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

“Core Labour Standards” means the requirements, as applicable to any Obligor, on labour rights, non-discrimination, and freedom of association and collective bargaining, consistent with the ILO Declaration on Fundamental Principles and Rights at Work (1998).

“Corrupt Practice” means the promising, offering, giving, making, insisting on, receiving, accepting or soliciting, directly or indirectly, of any illegal payment or undue advantage of any nature, to or by any person, with the intention of influencing the actions of any person or causing any person to refrain from any action.

“Designated Categories of Offences” means the following categories of offences as defined by the third FATF Recommendation and its interpretative note: participation in an organised criminal group and racketeering; terrorism, including financing of terrorism; trafficking in human beings and migrant smuggling; sexual exploitation, sexual abuse (SA), sexual harassment (SH) including sexual exploitation of children; illicit trafficking in narcotic drugs and psychotropic substances; illicit arms trafficking; illicit trafficking in stolen and other goods; corruption and bribery; fraud; counterfeiting currency; counterfeiting and piracy of products; environmental crime; murder, grievous bodily injury; kidnapping, illegal restraint and hostage-taking; robbery or theft; smuggling (including in relation to customs and excise duties and taxes); tax crimes (related to direct taxes and indirect taxes); extortion; forgery; piracy; insider trading and market manipulation.

“Client Environmental and Social Action Plan (CESAP)” means the environmental and social action plan agreed upon between the Obligors and the Lenders, defining actions, responsibilities, budgets, deliverables, compliance indicators and a timeframe for the measures required to remedy the known non-compliances with the environmental and social requirements in the business activities of the Obligors and for any other measure agreed upon, as amended from time to time. The CESAP will clearly specify identified gaps between the Obligors’ performance and the IFC Performance Standards and will propose mitigation activities to close those gaps within a reasonable time.

“Environmental and Social Claim” means any claim, proceeding or investigation by a person in respect of an Environmental Law or a Social Law or an environmental and social agreement between the Obligors and another person.

“Environmental and Social Management System” means the part of the overall management system of the Obligors that includes the relevant policies, organisational structure, planning activities, responsibilities, practices, procedures and resources for developing, implementing, achieving, reviewing and maintaining compliance with the environmental and social requirements under this Agreement, dedicated to the systematic and structured improvement of environmental and social performance, specifically targeted to identify and manage environmental and social risks relating to the business of the Obligors and its Affiliates and assuring compliance with the provisions of Annex 1 (AFC Exclusion List), satisfactory to the Lenders.

“Client Environmental and Social Monitoring Report” means the Annual Environmental and Social Monitoring Report (CAESMR) prepared by the Obligors and submitted to the Lender no later than 90 days after the end of the financial Year. The CAESMR reports about Project progress, compliance with the Environmental and Social Requirements, challenges in connection with the same and how they are addressed, project benefits and other environmental and social issues relating to the development and operation of the Project. The form of the Client Environmental and Social Monitoring Report will be provided to the Obligors by the Lender in a timely manner.

“Environmental and Social Permit” means any environmental and/or social permit, license, consent, approval or other Authorisation required by any Obligor to conduct its business.

“Environmental and Social Requirements” means the stricter of (i) Environmental Law, (ii) Social Law, (iii) Environmental and Social Permits, (iv) Basic Terms and Conditions of Employment, (v) Core Labour Standards, (vi) IFC Performance Standards, including all applicable IFC Environmental Health and Safety Guidelines¹⁴, and (vi) any other internal requirements set by the Environmental and Social Management System, including compliance with AFC Exclusion List (Annex1).

“Environmental Law” means any law, rule or regulation (including international treaty obligations) concerning environmental matters and natural resource management and in each case having the force of law and applicable in respect of any Obligor or any country in which that Obligor carries out business activities financed by any Lender.

“Excluded Activities” has the meaning given to such term in Annex 1 (Exclusion List). **“FATF Recommendations”** means such recommendations as defined from time to time by the Financial Action Task Force (being an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and the financing of terrorism).

“Financial Sanctions Lists” means the list of persons, groups or entities which are subject to African Union, United Nations or European Union financial sanctions.

“Fraudulent Practice” means any action or omission, including misrepresentation, which knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit

¹⁴ With respect to high Risk Clients (Category A)

or to avoid an obligation.

"IFC" means the International Finance Corporation, an associated institution of the World Bank.

"WB Environmental, Health and Safety Guidelines" means the General Environmental, Health and Safety Guidelines and applicable sector-specific Environmental, Health and Safety Guidelines of the World Bank.

"IFC Performance Standards" means IFC's Performance Standards on Social and Environmental Sustainability for achieving sustainable development dated January 2012. IPS Performance Standards means the following documents published by the International Finance Corporation:

- (a) Performance Standard 1: Social and Environmental Assessment and Management System;
- (b) Performance Standard 2: Labour and Working Conditions;
- (c) Performance Standard 3: Pollution Prevention and Abatement;
- (d) Performance Standard 4: Community Health, Safety and Security;
- (e) Performance Standard 5: Land Acquisition and Involuntary Resettlement;
- (f) Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management;
- (g) Performance Standard 7: Indigenous Peoples;
- (h) Performance Standard 8: Cultural Heritage.

"ILO" means International Labour Organisation.

"ILO Standards" means any treaty, convention or covenant of the ILO signed and ratified by the country and the Core Labour Standards.

"Obstructive Practice" means:

- (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a Finance Party investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
- (b) acts intended to materially impede the exercise of any Finance Party's access to contractually required information in connection with a Finance Party investigations into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice.

"Sanctionable Practice" means any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, or Obstructive Practice.

"Social Law" means any law, rule or regulation (including international treaty obligations) having the force of law and applicable in respect of any of the Obligors and any country in which that Obligor carries out business activities concerning (i) labour, (ii) social security, (iii) the regulation of industrial relations (between government, employers and employees), (iv) the protection of

occupational as well as public health and safety, (v) the regulation of public participation, (vi) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (vii) the protection and empowerment of indigenous peoples or ethnic groups, (viii) the protection, restoration and promotion of cultural heritage, (ix) all other laws, rules and regulations providing for the protection of employees and citizens.

Section 1 – Representations

- (a) Each Obligor makes the representations and warranties set out in this Section 1 to each Finance Party on the date of this Agreement and the date of Financial Close.
- (b) Each of the representations and warranties set out in this Section 1 are deemed to be made by each Obligor on each Utilisation Date and on the first day of each Interest Period.
- (c) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

1.1 Origin of funds

Neither the Obligors nor any of their respective equity nor any funds for projects or transactions they participate in are (a) of illicit origin with respect to, without limitation, the FATF Recommendations or (b) resulting from activities such as fraud, a Corrupt Practice, or any other Designated Categories of Offences.

1.2 Sanctionable Practices

None of the Obligors or their affiliates, or other person acting on their behalf, has committed or is engaged in any Sanctionable Practice, with respect to any transaction contemplated by the Facility Agreement.

1.3 Social and environmental

- (a) No Environmental and Social Claim has been commenced or (to the best of its knowledge and belief) is threatened against any Obligor; and
- The Obligors are in full compliance with all applicable Environmental and Social Requirements and have taken all reasonable steps in anticipation of known or expected future changes or obligations arising under the same.

Section 2 – Information Undertakings

The undertakings in this Section 2 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

2.1 Origin of funds

The Obligors shall supply to the Lenders, promptly upon becoming aware of them, the details of

any information regarding any illicit origin of its or any of its equity or funds they procure with respect to, without limitation, (i) the FATF Recommendations or (ii) resulting from activities such as fraud, a Corrupt Practice or other Designated Categories of Offences.

2.2 Environmental and Social Claims

The Obligors shall inform the Lenders in writing as soon as reasonably practicable but in any event within 7 days upon becoming aware of the same of (i) any breach by an Obligor of any Environmental Law or any Environmental and Social Permit; (ii) any Environmental and Social Claim being commenced against any member of the Group; (iii) any facts or circumstances which will or are reasonably likely to result in any Environmental and Social Claim being commenced or threatened against any Obligor, and within 3 days of the occurrence of any of the events set out below, (i) details of any incident or accident (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination) or any material incident of a social nature (including without limitation any violent labour unrest or material dispute with local communities) occurring on or nearby any site, plant, equipment or facility of the Obligors which has or is reasonably likely to have a material adverse effect on the environment, health and safety and social and/or cultural context together with, in each case, a specification of the nature of the incident or accident and the on-site and off-site effects of such events; and (v) details of any action the Obligors propose to take in order to remedy the effects of these events and shall keep the Lender informed about any progress in respect of such remedial action.

2.3 Client Environmental and Social Monitoring Report

- (a) The Obligors shall, not later than ninety (90) days after the end of each of their financial years, deliver to the Lenders a Client Environmental and Social Monitoring Report, describing the environmental and social status of the Project, policies and standards being complied with by the Obligors, providing an update on all applicable matters set out in the Client Environmental and Social Action Plan and Environmental and Social Management System, positive and negative impact and how the latter is to be mitigated referring to requirements and guidelines set out in the relevant Clause.

Section 3 – Positive Undertakings

The undertakings in this Section 3 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

3.1 Sanctionable Practices – monitoring

In the event that a Lender notifies any Obligor of its reasonable concerns that there has been a violation of the provisions of this Clause – *Sanctionable Practices –monitoring* or of any other Clause on *Sanctionable Practices*, setting out in reasonable detail the basis of such concern, the Obligors shall cooperate in good faith with the Lenders and their representatives in determining whether such a violation has occurred, and shall respond as soon as reasonably practicable and in reasonable detail to any such notice from a Lender, and shall furnish documentary support for such response upon the Lenders' request.

3.2 Compliance with Environmental and Social Requirements

The Obligors shall comply in all material respects with the Environmental and Social Requirements (*including the applicable IFC Performance Standards*) and the Client Environmental and Social Action Plan (*when applicable*), and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same.

3.3 Environmental and Social Action Plan

- (a) The Obligors shall, in a manner reasonably satisfactory to Lenders, implement all actions as provided in the Client Environmental and Social Action Plan within the time-frames mentioned. The Obligors will provide to the Agent for distribution to the Lenders the relevant deliverables and compliance indicators evidence directly upon completion of such action items.

3.4 Environmental and Social Management System

The Obligors shall (*implement, maintain, certify*) an Environmental and Social Management System consistent with leading, accepted international good practice standards such as (*ISO 14001, OHSAS 18001, SA 8000*), and shall at all times conduct its business in accordance with the Environmental and Social Management System.

3.5 Environmental and Social Monitoring

The Obligors will indemnify each Lender from costs and expenses relating to monitoring by a Lender upon Default in relation to Environmental and Social Requirements.

Section 4 – Negative Undertakings

The undertakings in this Section 4 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

4.1 Excluded Activities

The Obligors shall not perform any of the excluded activities as listed in Annex 1 (AFC Exclusion List) or (ii) enter into transactions or business relationships with any person performing any of the excluded activities as listed in Annex 1 (AFC Exclusion List).

4.2 Sanctionable Practices

The Obligors shall not engage in (and shall not authorise or permit any other person acting on its behalf to engage in) any Sanctionable Practice with respect to any transaction contemplated by this Agreement.

4.3 Anti-money laundering diligences

The Obligors undertake:

- (a) that they shall not enter into business relationships with persons or entities which appear on any of the Financial Sanctions Lists (including, in particular, the financing of terrorism);
- (b) that they shall not finance or participate in material or sectors subject to United
 - i. Nations, African Union or European Union embargo; and
- (c) that neither their equity nor the funds for projects or transactions it participates in will ever
 - (i) be of illicit origin with respect to, but not limited to, the FATF Recommendations or (ii) result from activities such as fraud against the financial interests of countries within the African Union, the European Communities, Corrupt Practice, or other Designated Categories of Offences.

Section 5 - Events of Default

5.1 Anti money laundering diligences

- (a) Existence of business relations between any Obligor and a person, a group or an entity which is on the Financial Sanctions List (including, in particular, the financing of terrorism);
- (b) Any Obligor entering business involving materials or sectors subject to embargo by the African Union, United Nations or the European Union;

any transaction or business relationship involved in by any Obligor permits or results in a Corrupt Practice or all or part of any Obligor's equity or funds such Obligor procures for their business are (i) of illicit origin with respect to, without limitation, the FATF Recommendations or (ii) resulting from activities such as fraud against the financial interests of the countries in the African Union, European Communities, a Corrupt Practice, or any other Designated Categories of Offences.

Section 6 - Inspection Rights

The undertakings in this Section 6 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

- a. Each of the Obligors shall permit the Technical Adviser, the Lenders and the Agent as appropriate or may be required or any of their respective representatives, consultants, professional advisers or agents, without unreasonably disrupting its normal course of business, to (in the presence of the Obligor) inspect its place of business and its books and records (including any environmental or social monitoring and auditing which will include any monitoring visits and audits permitted under the Environmental and Social Requirements) during normal business hours and upon ten (10) days' prior notice and shall permit and authorise the Agents to contact and address questions directly to the auditors and senior management employees of the Obligor, if so requested in the presence of representatives of the Obligor.
- b. Each of the Obligors shall permit the Technical Adviser, the Lenders and/or the Agent, as

appropriate or may be required or any of their respective representatives, consultants, professional advisers or agents (in the presence of the Obligor) full access during normal business hours and upon reasonable prior notice, to the Project and all data and information relating thereto to enable the Technical Adviser, the Lenders and/or the Agent, as appropriate or may be required to check its compliance with the terms of this Agreement provided that such access does not unreasonably disrupt its normal course of business.

- c. Each of the Obligors shall reimburse the Technical Adviser, the Agent and/or the Lenders on demand for all costs and expenses reasonably incurred as a consequence of the exercise of any inspection rights in accordance with paragraphs (a) and (b) above.

ANNEX 8A CLIENT ANNUAL E&S MONITORING REPORT FORMAT (CAESMR)

AFC

Environmental and Social Annual Report

Company name:

Company address:

In the reporting period:

Have there been any positive incidents reported (awards, positive media press)
reported?

Have there been any strikes, protests, law suits, claims, fatalities, fire, explosions, environmental accidents, pollution, community complains or other negative adverse incidents including negative press releases related to the Client?

What is the project's status (construction, operational, etc.)?

Has an Action Plan been contractually agreed on? If yes, please, attach a copy and provide an update

1.

(i) Staff strength of the client?

Total:

Permanent Male Staff:

Permanent Female Staff:

Temporary Male Staff:

Temporary Female Staff:

(ii) Number of temporary migrant workers

Male:

Female

If the client provided migrant workers with dormitories, how much was the rent charged
(as a percentage of monthly salary

Did workers have separate beds and their privacy was respected?

Assessment and Management of Environmental and Social Risks and Impacts –Please list which valid permits or reports are available, are there any permits that are not available, missing or pending?

Permit	Available	Not available	Pending
Example: International Convention for Prevention of Pollution from Ships, 1973/1978 (MARPOL) certificates			

Did the client comply with all relevant national environmental and social law?

How the client did manage its environmental and social aspects?

What is the client's engagement process for stakeholders, affected communities and NGO's?

How has the client engaged with stakeholders, communities and workers? Have there been any grievances

PS 2 Labour and Working Conditions

Does the company's HR policy provide information on rights under national labour and employment law? Is this policy understood and accessible to all staff? Please, provide a copy of the policy

Does the company lodge deposits or original identity papers upon commencing employment with the company? Please, elaborate

Do signed employment contracts, provided to staff, state remuneration, and terms and condition of service? Please elaborate

Do all employees have signed contract? If not, please elaborate

What is the process by which employee grievance is addressed and reviewed (if in place)?

Does the client withhold salaries from staff? If yes, please describe?

Are employees between local legal minimum age and 18 employed? What is the local legal minimum age?

Are trade unions allowed in the company?

What is the percentage difference between the company's average monthly wage and the local legal minimum monthly wage?

Has there been retrenchment? If yes, please elaborate

Does the Client contractually bind sub-contractors to comply with at least the relevant local environmental, health, safety and labour laws and regulations?

Did client ensure that labour practices conform to the ILO core standards? If yes, please elaborate

Was first aid on site?

Was staff exposed to dust, hazardous substances, heat, noise, radiation or electromagnetic fields?

Was portable water to all employees (to at least local standard) available?

What was the regular working time? Did employees have one day off per week? Did employees work overtime? If yes, please specify number of overtime hours per week and if paid at premium

PS 3 Resource Efficiency and Pollution Prevention

Did the client monitor ambient conditions on and around site including air quality, water (surface and ground) quality and flows, soil quality for the purposes of monitoring the impact of operations, and ensuring effluents are within guidelines?

Has the client a detailed emergency prevention, preparedness and response plan?

Was there a waste management plan in place for hazardous and non-hazardous waste?

Did activities conducted or controlled by your organisation release more than 100,000 tonnes of Greenhouse gas emissions into the atmosphere annually?

PS 4 Community Health, Safety and Security

Has the client established communication lines with host community or affected community?

Was there a mechanism by which grievances from the affected community is communicated to the company effective (if in place)?

Did the client employ armed security guards to safeguard lives and properties? Were they contracted or employed directly? If armed, did they have a valid arm license and was there any code of conduct? If yes, please, provide a copy.

Were people of vulnerable groups (for example, elderly, women, children, poor, ethical groups) being affected by the project? If yes, please describe the possible impacts.

Has the project established guidelines against Sexual Abuse and Sexual Harassment?

PS 5 Land Acquisition and Involuntary Resettlement

Did the project involve land acquisition? If yes, what was the previous use of the land and how was the land acquired?

Was the land acquisition managed by the government?

Did the project involve resettlement? If yes, please elaborate on number of households replaced, who managed the resettlement and provide a copy of the Resettlement Action Plan, if in place

Even when the land acquisition has been managed by the government, has the client engaged with the affected / displaced community to consider how the community may derive developmental benefits from the investment?

Were there any community complaints / negative media coverage with regard to community impacts and community health & safety?

Did the company's emergency preparedness and response plan take into account risks and impacts from project activities to local communities, and provide for adequate response procedures in the event of an incident?

What's the current status of the Resettlement Action Plan?

PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Did the company conduct any operations in legally protected areas or has/will have an impact on protected, rare, endangered species?

PS 7 Indigenous People

Did the project impact Indigenous people?

PS 8 Cultural Heritage

Did the project impact cultural properties with historical, archaeological or religious value?

Name of Responsible:

Date

Signature

ANNEX 8B: AFC E&S ANNUAL REPORT TO GCF

The ACF is required to submit annual E&S reports to GCF, in line with GCF's E&S policies.

The Annual E&S Report will be structured as per GCF's Annual Performance Report template and will include the following topics:

- **Health, food, and water security**
Demonstration of Programme activities contribution to enhancement of the agri-food and water systems for instance through the resilient clean energy segment.
- **Livelihoods of people and communities**
Demonstration of the Programme's influence on mainstreaming climate risks in national policies, enhancing social protection programmes, and accelerating the sustainable transformation of markets.
- **Infrastructure and built environment**
The Programme's impact on scaling up green infrastructures in the transport, energy and economic zones segments.
- **Ecosystems and ecosystem services**
Demonstration of the Programme's influence on protection, restoration, and management of ecosystems to enhance adaptation and reduce emissions.
- **Energy generation and access**
A report on Programme activities and progress on clean energy generation and transmission.
- **Transport**
A report on Programme activities and progress on transport and logistics segment.
- **Buildings, cities, industries, and appliances**
A report on the Programme's support to infrastructure planning and de-risking pilot innovations and investments that strengthen policy, pricing, standards, and other incentives for energy and construction efficiency.
- **Forests and land use**
Demonstration of the Programme's influence on conservation and preservation of forests and sustainable use of land resources.

ANNEX 9. INTERNAL CLIENT E&S MONITORING TEMPLATE (CATEGORY A and B)

Environmental Category		Social Category	
Client:			
Monitoring Year			
Detailed Information Project Category; compliance with contractual requirements (environmental and social), compliance with action plan (CESAP) if agreed, any negative occupancies in the reporting period, any positive occurrences (awards, nominations), is there any reputational/financial risk to the AFC?			
Contractual Requirements Is the client in compliance with contractual requirements? Is the client in compliance with the Client Environmental and Social Action Plan (CESAP)?			
Scope and execution of environmental and social monitoring		Evaluation documents (submitted, reviewed): On-site visits environmental officer or external consultant	
Date/Responsible			

ANNEX 9A. PROJECT KEY PERFORMANCE INDICATORS¹⁵

Key Performance Indicators	Unit	Timeline A	Timeline B
Cross-cutting Indicators (Applicable to all Sectors)			
Employment – Total permanent jobs created by the Programme	Number		
Female employment – Total number of women employed (permanent and temporary)	Number		
Youth employment (ages 18–35) in skilled roles	Number		
Management systems implemented / certified (ESMS, OHSAS 18001, ISO 14001, etc.)	Number		
Government revenue (net financial flows to government per year)	USD		
Greenhouse gas emissions avoided through programme activities	tCO ₂ e / year		
Number of GBV/SEAH awareness sessions and workers trained on Code of Conduct	Number		
Community grievances resolved through project GRM within agreed timeframe	% resolved		
Number of Indigenous or vulnerable community groups consulted	Number		

Key Performance Indicators	Unit	Timeline A	Timeline B
Energy Access and Generation			
Additional installed renewable power capacity	MW		
Annual energy generation from renewables	GWh		
Number of new households / businesses connected to clean energy sources	Connections		
Reduction in diesel / fossil fuel consumption	litres / year		
Energy storage capacity installed (batteries / MWh)	MWh		
Reduction in grid emission factor (kg CO ₂ /kWh)	%		
Number of safety inspections / maintenance audits conducted per year	Number		

¹⁵ Note: The following examples of KPIs are a general set recommended to be used. Nevertheless, according to the nature of the business that is being invested in and specifics of the project, a project specific set of KPIs will be chosen. This narrower set could be included in the examples list but it is not limited to it.

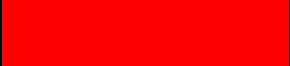
Key Performance Indicators	Unit	Timeline A	Timeline B
Health, Food and Water Security			
Additional population with access to safe and reliable water supply	People		
Increase in irrigated / climate-resilient agricultural land	Hectares		
Volume of water saved through efficient irrigation systems	M ³ / year		
Number of health facilities with improved water and sanitation access	Facilities		
Reduction in water-borne disease incidence in project communities	%		
Number of farmers / households trained in climate-smart practices (including women)	Number		
SEAH prevention / awareness campaigns conducted in water or agricultural sites	Number		

ANNEX 9B: Quarterly E&S Performance Monitoring Report Template

Quarterly Environmental & Social Performance Monitoring Report				
Transaction/Project		Country/Location		
E&S Risk Category		Investment Officer in AFC		
Company/sponsor contact & detail:		Date		
Corrective Action Plan Update				
IFC PS	Action	Target Date	Status	Comments
1	Assessment and Management of Environmental and Social Risks and Impacts- This includes:			
	A. Formulating & maintaining policy for identifying and evaluating environmental and social risks and impacts of the project.			
	B. Adopting a procedure for mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment.			
	C. Ensuring that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.			
	D. Promoting and providing means for adequate engagement with Affected Communities and other stakeholders throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social emergence response as well as adequate information is disclosed and disseminated.			
2	Labour and Working Conditions - This includes:			
	A. To promote the fair treatment, non-discrimination, and equal opportunity of workers.			

	B. To establish, maintain, and improve the worker-management relations			
	C. To promote compliance with national employment and labour laws.			
	D. To protect workers, including vulnerable categories of workers such as migrant workers, workers engaged by third parties, and workers in the client's supply chain.			
	E. To promote safe and healthy working conditions, and the health of workers.			
3	Resource Efficiency and Pollution Prevention: This includes:			
	A. To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.			
	B. To promote more sustainable use of resources, including energy and water.			
	C. To reduce project-related GHG emissions.			
4	Community Health, Safety, and Security- Amongst others, this means -			
	A. To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.			
	B. To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.			
5	Land Acquisition and Involuntary Resettlement- This includes the following:			
	A. To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.			
	B. To avoid forced eviction.			
	C. To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost ⁴ and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of			

	information, consultation, and the informed participation of those affected.			
	D. To improve, or restore, the livelihoods and standards of living of displaced persons.			
	E. To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure ⁵ at resettlement sites.			
6	Biodiversity Conservation and Sustainable Management of Living Natural Resources -			
	A. To protect and conserve biodiversity.			
	B. To maintain the benefits from ecosystem services.			
	C. To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.			
7	Indigenous Peoples - This is to:			
	A. Ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.			
	B. Anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.			
	C. Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.			
	D. Establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle.			
	E. Ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.			

	F. Respect and preserve the culture, knowledge, and practices of Indigenous Peoples			
8	Cultural Heritage - Amongst others, this means to:			
	A. Protect cultural heritage from the adverse impacts of project activities and support its preservation.			
	B. Promote the equitable sharing of benefits from the use of cultural heritage			
Status colour coding				
	 On track/No Issues identified			
	 Minor Issue (s) Identified			
	 Major Issue (s) Identified			
	 Significant issue (s) identified			

ANNEX 10: SAMPLE TERMS OF REFERENCE FOR E&S CONSULTANTS

Outline for Terms of References for Environmental and Social Due Diligence Assessment

<date>

Africa Finance Corporation ("AFC") requires the services of an independent environmental and social consultant ("Consultant") to perform an Environmental and Social Due-Diligence of the <name> ("Project") proposed for financing by AFC.

The following Terms of References are applicable to the execution of the requested services.

1. Description of the project

Include description of the project. Include information about the project itself, (sector and subsector), size of the assets, associated activities (like captive power plants, mines or pits etc) but also information about the surroundings (villages, towns in the vicinities, infrastructure, natural areas, protected areas etc)

2. Objective

The requested services are to support AFC investment decision and follow-up approach by independently reviewing and verifying the project against the reference framework elaborated in paragraph 3, identifying compliance gaps, necessary mitigation and follow-up actions and outlining a managing/monitoring regime.

This review must specifically address foreseeable risks and mitigation measures and should give an overall opinion on the ability of the Project to meet the reference framework.

Furthermore, the review should evaluate the feasibility of the possible opportunities raised through the AFC preliminary evaluation.

3. Reference Framework

The reference framework will be:

- a)** IFC Performance Standards in general with a focus on preselected aspects by
- b)** AFC through its initial verification step;
- c)** Applicable local, national and international environmental and social legislation;
- d)** All ILO conventions covering Core Labour Standards and all ILO conventions covering the Basic Terms and Conditions of Employment;
- e)** Specifically, the following World Bank EHS Guidelines:
 <insert other EHS Guidelines >

4. Team

The assignment has to be carried out by a qualified independent local environmental expert and a qualified independent local social (labour / SA 8000 / community) expert

with appropriate environmental and social auditing background and experience in the sector and region. Both experts should have appropriate knowledge and understanding of

management aspects in line with the requirements of Performance Standard 1. In case the consultants do not have extended expertise in management issues, additional expertise in this field will be required.

5. Scope of Work and Tasks

The scope of work entails the independent verification of all material environmental and social aspects of the Project, within the framework stipulated in paragraph 3. This will include but not be limited to the following major facilities:

<description of the relevant facilities> Specifically, this work will entail:

- a)** verifying to what extent such aspects of the Project are in accordance with the framework stipulated in paragraph 3, and industry best practice;
- b)** reviewing whether capacity and management structures to address environmental and social impacts are feasible and appropriate;
- c)** reviewing the adequacy of proposed designs, measures and budgets, and recommending additional actions as necessary, to be used in the Environmental and Social Action Plan, detailing actions required to be implemented during the life of the Project and timeframes for completion of such activities or measures, as such plan may be amended from time to time with the consent of all shareholders;
- d)** reviewing of proposed monitoring systems and suggesting amendments as necessary.
- e)** [reviewing the adequacy of the ESIA process, of the ESIA report, of the management programmes and systems, and of the follow-up and implementation to date, and judge it against the IFC Performance Standards, only if relevant]

The review will comprise of four steps:

1. Information Review. This should include a review of all relevant environmental, social, and health and safety Project documents and information (i.e., Project environmental and social impact assessments/environmental and social audit, environmental licenses and associated applications, health and safety plan, Human Resource Policy, Code of Conduct contingency/emergency plan, concession and construction contracts, any other additional environmental, health and safety studies, etc.) and, subsequent to the site reconnaissance, review of any additional information obtained or collected.
2. Site Reconnaissance. A site investigation will be performed consisting of visual observation of relevant areas directly and indirectly affected by the Project, meetings with relevant individuals/entities associated with the Project to discuss the environmental and social issues, and obtaining any additional information required. In case of issues under Performance Standards 2 techniques of SA 8000 audit will be applied in order to verify all information
3. Management Review: The management review will include management structure, definitions of responsibilities, communication about responsibilities, training programmes and internal reporting systems and will evaluate whether the structure will be adequate to manage environmental and social issues;

4. Report Preparation. Two documents will be required associated with the Environmental and Social Due-Diligence: 1) Preliminary Summary of Principal Findings, and 2) Environmental and Social Due-Diligence Report (refer to paragraph 6 'Deliverables' for details on the content and submission of the two required documents).

6. Deliverables

The expert will provide a concise back-to office report in the English language, focusing on main preliminary observations and identified issues, shortly after conclusion of the site – visit.

The consultant will provide a full report in the English language, describing: working approach; project description; reviewed information and documentation; inspected sites and interviewed peoples and entities; due diligence findings and recommendations, fully reflecting the scope of work.

The report will include a clear compliance overview table, providing for each relevant aspect of the applicable IFC Performance Standard as selected by AFC pre-screening (Toolkit) or as deemed applicable by the experts, including the applicable EHS Guideline at least the following information per key requirement:

- 1) Description of the requirement;
- 2) Relevance of the pre-selected IFC Performance Standard issue (PS 2-8);
- 3) Compliance status, differentiating between minor and major gaps to completion;
- 4) Description of the observed situation/compliance gap;
- 5) Management issue (Performance Standard 1) should be evaluated in a separate section;
- 6) Recommended follow-up

Furthermore the consultant will give a qualitative judgment about the feasibility of selected opportunities for improvement.

The report will at the beginning provide a non-technical executive summary with the key findings and key recommendations.

7. Timeframe

The review is to start at the earliest available timeslot.

The site-visits are to be concluded within four weeks after the preparatory information/documentation has been made available to the consultant.

The preliminary back-to-office report is to be made available within a week after conclusion of the site-visit.

A draft of the full report is to be made available within 2 weeks after conclusion of the site visit.

A final report is to be submitted 1 week after receiving feedback on the first draft.

8. Proposal

The proposal for the Environmental and Social Review should contain the four sections

(information) listed below:

- a) **SCOPE OF WORK.** The scope of work should include a description of the specific activities that will be performed in order to accomplish the required tasks identified in Section the Terms of Reference. This should include any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc. If the Consultant feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as "Optional Tasks".
- b) **PROJECT TEAM AND QUALIFICATIONS.** This should include the name of the principal staff members and any sub-contractors. Qualifications of staff should include relevant technical capabilities, specific previous project experience similar to this Project, specific in-country experience and knowledge, specific language skills.
- c) **SCHEDULE.** A proposed schedule for performance of the due-diligence must be presented. The schedule must indicate the proposed start and completion dates for each required scope of work task listed in paragraph 5 and any important or specific project milestones (i.e., report submittal, etc.).
- d) **ESTIMATED COSTS.** A total lump sum cost estimate, in US Dollars (or EUR), must be provided for the required scope of work. A breakdown of the estimated costs by task must also be presented (i.e., tabular format) and should include consultant costs (number of days or days per staff and their associated unit costs) and expenses (i.e., travel, per diem) If needed, sub-contractors must be specified separately. Any assumptions related to the estimated costs must be clearly stated.

9. Consultant's Auditable Criteria

Performance Standard 1	
Theme	Auditable Criteria
Environmental and Social Assessment	1. Does the client have a process to assess the environmental and social impacts and risks of the project? Review the process to determine if the scope of assessment provides for evaluation/consideration of: a) the significance of the adverse impacts, including the issues identified in Performance b) Standards 2 through 8; c) applicable laws and regulations of the jurisdiction in which they operate; d) the project's area of influence; as well as the role and capacity of third parties, if e) applicable.
	2. Have disadvantaged or vulnerable groups been identified? If so, do any adverse impacts fall disproportionately on them?

Management Programme	1. Does the client have a programme(s) of mitigation and performance measures that addresses identified impacts and risks? a) Can the programme be tracked over definite time periods? b) Is the programme supported adequately by the client? 2. Has/will an appropriate Action Plan document(s) been/be prepared and disclosed to affected communities?
Organisation	1. Are responsibilities and authorities for implementation of the management programme defined and communicated appropriately through the client's organisation?
Training	1. Has the client identified the training needs for those persons with responsibility for implementing the management programme?
Community Engagement	1. Has the client established a community engagement process for affected communities? a) Has/will appropriate disclosure of assessment information to, and consultation with, affected communities been/be conducted in a timely and culturally appropriate manner? b) Has the process ensured, or will it ensure free, prior and informed consultation of the affected community, if applicable? c) Is there a procedure for receiving and facilitating resolution of affected communities concerns and grievances regarding environmental and social performance?
Monitoring	1. Has the client established procedures to monitor and measure on a regular basis the key characteristics and performance of the management programme, including the use external experts where appropriate?
Reporting	1. Is appropriate environmental and social performance information periodically reported internally to senior management?
Performance Standard 2	
Theme	Auditable Criteria

Human Resources Policy and Management	1. Does the client have an appropriate human resources policy that addresses all requirements of the performance standard and includes: a) Being readily accessible by employees? b) Being clear and understandable? c) Providing information on rights under national labour and employment law? 2. Has the client documented and communicated working conditions and terms of employment to all workers directly contracted? 3. Are the terms and conditions in accordance with: a) Any collective agreement (s)? b) National Law? c) ILO Core Labour Standards and Basic Terms and Conditions of Employment? 4. Has the client implemented a grievance mechanism to review and address employee grievances? a) Are all workers aware of the existence of a grievance mechanism? b) Is there a responsible person to review grievances and follow up on them in a timely and transparent manner?
Worker's Organisation	1. Does the client comply with national law in allowing workers to form and join workers organisations without retaliation or discrimination? 2. If national law substantially restricts workers organisations has the client provided alternative means for workers to express their grievances and protect their rights organisations without retaliation or discrimination?
Non-Discrimination and Equal Opportunity	1. Does the client have documented transparent procedures, including recruitment, discipline, performance and grievance procedures, to ensure that employment decisions are not made on the basis of personal characteristics unrelated to job requirements?
Retrenchment	1. If the client anticipates retrenchment of a significant number of employees, have they: a) Developed a plan to implement the retrenchment and selected those who will be dismissed, based on non-discriminatory principles? b) Developed a plan to mitigate adverse impacts; and c) Have they consulted workers appropriately?

Protecting the Workers	1. Does the client ensure labour issues are addressed directly, or through contractors or in the supply chain? a) Does the client check the ages of all employees? b) Does the client ensure that young workers (15-18 years) are not employed in dangerous work?
Occupational Health and Safety	1. Does the client provide its workers with a safe and healthy work environment? a) Has the client taken steps to prevent accidents, injury, and disease by minimizing the causes of hazards? b) Has the client trained workers in occupational health and safety? c) Does the client document and report on occupational accidents, diseases, and incidents? d) Does the client have an emergency prevention, preparedness and response arrangement?

Performance Standard 3	
The	Auditable Criteria
Pollution Prevention, Resource Conservation and Energy Efficiency	1. Does the client apply project-specific pollution prevention and control and waste management techniques that are consistent with good international industry practice, such as those reflected in the EHS Guidelines? a) If less stringent levels or control measures are to be applied, has the client provided justification for the deviation and have they demonstrated that the approach is consistent with the overall requirements of this Performance Standard (i.e. minimize or reduce adverse impacts on human health and the environment)?
	2. If the project has the potential for significant impacts to ambient conditions, have ambient considerations been taken into account and appropriate strategies to minimize impacts promoted? 3. Has the client's operations incorporated resource conservation and energy efficiency measures?
Wastes	1. Has a hierarchical approach of avoidance, minimization, recovery, reuse, and environmentally sound disposal been applied to the management of hazardous and non-hazardous wastes?
Hazardous Materials	1. Does the client manage hazardous materials so as to avoid uncontrolled releases to the environment?
Emergency Preparedness and Response	1. Does the client have emergency preparedness and response plans that are commensurate with the level of project risks?
Green House Emissions	1. Where GHG emissions (direct plus indirect from purchased electricity) exceed 100,000 tons CO₂ annually, does the client conduct annual monitoring, and evaluate options for emissions reductions or offsets?
Pesticide Use and Management	1. If pesticides are used, is their selection and management consistent with good international industry practice and part of an integrated pest management and/or vector management strategy?

Performance Standard 4	
The	Auditable Criteria
Community Health and Safety	1) During design and construction, operations, and decommissioning and closure, has the client evaluated the potential for community impacts associated with the project considering: a) Infrastructure and equipment safety? b) Hazardous material and safety? c) Natural resource issues? d) Exposure to disease?
Emergency Preparedness and Response	1) In the event emergency preparedness and response requires participation of the community, has the client: a) Collaborated with government agencies and the community and assisted these entities to establish and maintain preparedness for emergencies?
	b) Gauged government capacity shortcomings to adequately aid the community in emergency response? c) Compensated for government capacity shortcomings to ensure adequate emergency response?
Security Requirements	Personnel 1) If the client retains security services for the project, has the client: a) Performed due diligence of the proposed security services provider? b) Incorporated specific requirements of PS4 into contract specifications for the security services provider? c) Established a grievance mechanism allowing affected communities to present and obtain a robust client response to communities' expressed issues with security arrangements? d) Investigated allegations of unlawful and/or abusive acts of security providers?

Performance Standard 5 Land Acquisition and Involuntary Resettlement	
Compensation and Benefits for Displaced Persons	1. Has the client provided opportunities to displaced persons and communities to derive appropriate development benefits from the project?
Consultation and Grievance Mechanism	1. Has the client disclosed all relevant information, consulted with affected persons and communities and facilitated their informed participation in the decision-making process relating to resettlement? 2. Has client established an effective grievance mechanism?
Resettlement Planning and Implementation	1. Has client considered alternative designs to avoid or minimize economic and physical displacement? 2. Has client identified persons to be displaced by the project and those eligible for compensation and assistance through a baseline census with appropriate socio-economic baseline data? 3. Has the census established the status of displaced persons according to their legal rights or claim to land? 4. Has cutoff date for eligibility been established or disseminated? a. Has client prepared RAP or resettlement framework (<i>if physical displacement</i>) that mitigates negative impacts of displacement, identifies
	development opportunities and establish entitlement for all affected persons? b. Has the client (if economic but not physical displacement) developed procedures to offer compensation or other assistance that will establish entitlement for affected persons or communities? c. Has client established M&E mechanism?
Physical Displacement	1. Has the client offered displaced persons choices amongst resettlement options, relocation assistance, and/or compensation according to their status and entitlements as described by the PS?
Economic Displacement	1. Has the client provided replacement property, compensation, targeted assistance and/or transitional support in accordance with PS5 requirements?
Private Sector Responsibilities under Government-Managed Resettlement	1. Has client supplemented government actions and bridged the gaps (if applicable) between the government-assigned entitlements and procedures and the requirements of this PS?

Performance Standard 6	
Biodiversity Conservation and Sustainable Natural Resource Management	
Theme	Auditable Criteria
Protection and Conservation of Biodiversity	1. Has the client specifically addressed the significance of project impact on biodiversity as part of their social and environmental assessment process (with specific attention to birds and bats)? 2. Has client identified /modified, natural and critical habitat which may be impacted by their activities? a) In natural habitat, has the client considered alternatives, cost & benefit analysis of their activities and adequately mitigated any potential degradation? b) In critical habitat, has the client determined that there will be no measurable adverse impact on species or habitat? c) In legally protected areas, has the client addressed the requirement for critical habitat as well as ensured that their activities are consistent with defined protected area management plans, and consulted with key stakeholders, and implemented appropriate programme to and enhance conservation. 3. Has the client identified any alien species which may be internationally or unintentionally introduced through its activities?
	a) If intentional introduction of alien species is planned, has this received appropriate government regulatory approval, or in the absence of a mechanism for this, has an appropriate risk assessment been completed?
Management and Use of Renewable Natural Resources	1. Has the client identified renewable natural resources which it will use, and committed to managing them in a sustainable manner? a) In natural and plantation forests, has the client obtained independent certification to show those natural forests and plantations are being managed sustainably, or a time-bound phased action plan to achieve such certification? b) In freshwater and marine aqua systems, has the client obtained independent certification of the sustainable management of these aquatic resources, or provided other independent studies to show these resources are sustainably managed?

Performance Standard 7	
The	Auditable Criteria
Avoidance of Adverse Impacts	1. Has client identified through ESIA adverse impacts on IPs and avoided impacts wherever possible? 2. Has client mitigated unavoidable adverse impacts and compensated in a culturally appropriate manner?
Consultation and Informed Participation	1. Has client established Informed Participation through an FPIC process on mitigation measures, sharing of developmental benefits and opportunities and implementation issues as outlined in the PS?
Impacts on Traditional or Customary Lands under Use	1. Has client informed IPs of their rights according to national laws including those recognizing traditional/customary rights? 2. Has client offered at least compensation and due process to those with full legal title to land together with culturally appropriate development opportunities; land-based compensation or compensation-in-kind in lieu of cash compensation where feasible? 3. Has client entered in good faith negotiations with affected communities and documented their informed participation and the successful outcome?
Relocation of Indigenous Peoples (IPs) from Traditional or Customary Lands	1. Has the client conducted a successful good faith negotiation, applied requirements of Performance Standards and, where feasible, ensured that IPs can return to their traditional or customary lands should the reason for their relocation cease to exist?
Cultural Resources	1. Has client informed IPs of their rights, scope and consequences of commercial development? 2. Has client entered in good-faith negotiation? 3. Has client provided for fair and equitable sharing of benefits with IPs?
Performance Standard 8	

The	Auditable Criteria
Protection of Cultural heritage in Project Design and Execution	1. Has the client considered cultural heritage as part of the environment and social assessment? Is the project located in an area where cultural heritage is expected to be found? If so, has a Chance Find Procedure (see template in Annex 19) been established? 2. If the project may affect cultural heritage, has the client: a) Retained qualified and experienced experts? b) Sited the project to avoid significant damage to cultural heritage? c) Considered protection through preservation in place? d) Removed cultural heritage only: (a) when no technically or financially feasible alternatives existed; (b) the benefits of the projects outweighed the anticipated cultural heritage loss from removal; and (c) removal was conducted by the best available technique e) Consulted with relevant national or local regulatory agencies entrusted with the protection of cultural heritage and with affected communities who use, or have used within living memory, the cultural heritage, and incorporated the views of these communities into the client's decision making process. 3. Has critical cultural heritage been identified where significant damage may be unavoidable? If so, has the client (in addition to 2. above): a) Conducted good faith negotiations with, and documented the informed participation of, affected communities and the successful outcome of the negotiation?
	b) Appropriately mitigated other impacts on critical heritage with the informed participation of the affected communities? 4. Is the project located in a legally protected area or a legally defined buffer zone? If so has the client (in addition to 2 and 3 above): a) Complied with defined regulations and the protected area management plans; b) Consulted the protected area sponsors and managers, local communities and other key stakeholders? c) Implemented additional programmes as appropriate to promote and enhance the conservation aims of the protected area?

Project use of Cultural Heritage	1. Has the client identified proposed project use of cultural resources, knowledge, innovations, or practices of local communities embodying traditional lifestyles for commercial purposes? If so, has the client informed these communities of: a) their rights under national law b) the scope and nature of the proposed commercial development c) the potential consequences of such development 2. If commercialization has proceeded, has the client: a) entered into good faith negotiation with the affected community embodying traditional lifestyle b) documented their informed participation and successful outcome of the negotiation
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ANNEX 10A: CONFLICT SENSITIVITY AND FRAGILITY SCREENING FRAMEWORK

Purpose and Scope

This framework provides guidance for assessing, managing, and monitoring conflict risks in fragile or conflict-affected contexts where ASCF operates. It applies to all programme activities and sub-projects in countries identified as Fragile and Conflict-Affected Situations (FCS) by recognized institutions such as the World Bank, AfDB, or OECD.

Objectives

- Identify and mitigate risks of social tension, violence, or conflict associated with ASCF investments.
- Ensure project design and implementation do not exacerbate existing grievances, inequalities, or power imbalances.
- Strengthen resilience, social cohesion, and local participation in fragile contexts.

Screening Process

Conflict sensitivity screening is integrated into environmental and social risk categorisation during project identification and appraisal.

The following parameters are assessed:

1. **Contextual Fragility:** Security trends, political stability, community tensions, and humanitarian presence.
2. **Conflict Drivers:** Land disputes, resource scarcity, exclusion of vulnerable or minority groups, or historical grievances.
3. **Stakeholder Mapping:** Identification of conflict-affected groups and their relations to project activities.
4. **Institutional Capacity:** Local governance, presence of peacebuilding or social cohesion mechanisms, and risk management capacity.

Assessment and Mitigation

- Projects in high-fragility contexts must include a *Conflict Sensitivity Action Plan (CSAP)* within their ESMP.
- The CSAP should identify potential flashpoints, mitigation measures, and community engagement mechanisms.
- Stakeholder consultations should prioritise inclusive participation and early warning mechanisms for emerging conflicts.

Implementation and Monitoring

- The Accredited Entity's E&S team, supported by a social conflict specialist, will oversee the screening and periodic reassessment of conflict risk.
- Projects with significant fragility risks must undergo semi-annual monitoring, including conflict-sensitivity indicators in their reporting templates (Annex 9B).

- Findings should be reported to AFC and the GCF Secretariat as part of routine E&S performance monitoring.

ANNEX 11: ASCF RESETTLEMENT FRAMEWORK

Approach to ASCF Resettlement Framework

AFC is committed to ensuring that the ASCF projects are developed and carried out in an environmentally friendly and socially acceptable manner. that meets the AFC E&S Policy requirements, IFC Performance Standards, the World Bank ESS 5 and the AfDB Integrated Safeguards System. In line with the best practice, the projects will strive to minimize and mitigate impacts on Land Acquisition, Restriction on Land and Involuntary Resettlement.

In so doing, all works to be undertaken under the ASCF projects will be conducted on lands that have been designated for such purpose. As such, they are not expected to result in involuntary physical resettlement but may lead to a temporary and permanent land acquisition. The involuntary physical resettlement will involve impacts on communal land and restrictions on land use. All site-specific investments under the ASCF project will be screened for adverse land impacts or resettlement and, where such impacts are identified, will follow the compensation and mitigation procedures described in the Resettlement Framework (RF).

Need for Resettlement Framework (RF).

The corporation understands the requirement for a Resettlement Framework for projects involving multiple sub-projects wherein the nature and design of the sub-projects is not known prior to project appraisal. In this regard, ASCF proposes to finance sub-projects across the identified countries and as the detailed design for the sub-projects are yet to be finalized, the screening of sub-projects and the preparation of a Resettlement Action Plan (RAP) for these sub-projects cannot be undertaken presently, necessitating a RF to guide in screening sub-projects, carrying out census and socio-economic surveys and the preparation of RAP, wherever required.

Recognizing the social issues that can arise in infrastructure projects, ASCF implementation management team has prepared this RF conforming to the World Bank Operational Policy for Involuntary Resettlement and IFS Performance Standard 5. The policy framework describes the principles and approach in avoiding, minimizing and mitigating adverse social impacts that may arise in subprojects funded under ASCF that aims at improving the urban/rural environment, economy, and living conditions of the people. The framework also provides process for consultations, impact assessment, census and socio-economic surveys and preparation and implementation of mitigation plans.

All sub-projects proposed under ASCF will be screened for social impacts and will comply with this RF irrespective of the source of finance or modality of finance. The RF will be reviewed and updated, if necessary, in consultation and agreement with the World Bank, to ensure relevance and consistency with applicable legislations and the World Bank Operational Policy for Involuntary Resettlement.

Justification for the Resettlement Framework

The ASCF RF outlines clear guidelines for developing appropriate mitigation and compensation measures to address land acquisition impacts from project activities. It considers the risk of involuntary resettlement, as some activities may involve temporary or permanent land acquisition.

Objectives of the ASCF Resettlement Framework

The ASCF project is aimed at helping the preparation of resettlement activities in manner that prioritize the mitigation hierarchy by exploring project alternatives, providing compensation in an unlikely event of loss of assets and implementing appropriate disclosure of information, consultation and the informed participation of the immediate affected persons/communities. In addition, it will also define measures to be taken in the event of unanticipated negative impacts on the property, assets, or livelihoods of affected persons. Such measures are being elaborated in the present RF and ESMF of the facility.

The RF shall ensure that environmental and social management is integrated into the development and operation of investments to be financed under the Project to ensure effective mitigation of potentially adverse impacts while enhancing accruing benefits.

The framework establishes a clear process for environmental and social screening, allowing institutions responsible for project implementation to identify, assess, and mitigate environmental and social impacts of investments. In addition to the resettlement framework, the Project Environmental and Social Management Framework (ESMF) specifies institutional measures, including capacity-building activities, to be undertaken during programme implementation.

Reference Frameworks and Standards:

RAF will be informed by the following best practice standards:

1. The Equator Principles;
2. International Finance Corporation Performance Standard and associated Guidance Notes;
3. World Bank Group's Environmental, Health, and Safety Guidelines;
4. African Development Bank Integrated Safeguards System;
5. Green Climate Fund and associated Guidelines

Principles for the Resettlement Framework

In line with the World Bank Principles of the Resettlement Framework, the resettlement principles to be adopted for ASCF projects are as follows:

- Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a census and socio-economic survey of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks. Measures to avoid and minimize involuntary resettlement impacts include the following:
 - i. explore alternative alignments which are less impacting,
 - ii. ensure the appropriate technology is used to reduce land requirements
 - iii. modify the designs, cross sections, and geometrics of components to ease out and ensure involuntary resettlement is avoided or minimized;
- Prepare a Social Impact Assessment (SIA) and Resettlement Action Plan (RAP) elaborating on the eligibility criteria and entitlements of displaced persons, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule;
- Carry out meaningful consultations with displaced persons and concerned government organisations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programmes. Pay particular attention to the needs of vulnerable groups,

especially those below the poverty line, the landless, the elderly, women and children, and indigenous peoples, and those without legal title to land, and ensure their participation in consultations;

- Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, in an accessible place and a form and language(s) understandable to displaced persons and other stakeholders. Disclose the final resettlement plan and its updates to displaced persons and other stakeholders.
- Pay compensation and provide all resettlement entitlements before physical or economic displacement and before commencement of civil works in that section of the project. Implement the resettlement plan under close supervision throughout project implementation.
- Establish a Grievance Mechanism to receive and facilitate resolution of the concerns of displaced persons.
- Monitor and assess resettlement outcomes, their impacts on the standard of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by considering the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

1. Methodology for application of Resettlement Framework in ASCF

An initial desk review will be carried out and this will be followed by engagement of consultant to undertake a number of due diligence field visits to the project locations. This is to identify potential land use and resettlement issues related to the ASCF projects in order to draft the Resettlement Action Plan (RAP). In particular, the field visits will be carried out in accordance with applicable national regulations as well as the World Bank ESS 5.

Underpinned by the national regulations and World Bank ESS 5, outcome of the due diligence on the Land Acquisition, Restriction on Land and Involuntary Resettlement will offer guidelines for the RF to be applied to all the ASCF funded projects. The framework will be applied to all projects with potential economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. In doing so, attention will be paid to the needs of vulnerable groups, among those women headed household, low-income household, a household headed by elderly with no support and household headed by physically challenged people.

A draft due diligence report will be presented to the stakeholder for consultations on the Environmental and Social Management Framework (ESMF) of the project and RF to elicit insights. The feedback emanating from those consultations will be incorporated into the reports before it will be finalized. Details of the consultations will also be annexed.

In situation the field visits establish impacts or potential impacts on livelihoods, including the losses of land possessors, users, tenants, and owners, as well as building demolition and losses of agriculture and forestry, process for payment of compensation before procuring of documents certifying rights on land plot will be established. The project compensation plan (PCP), developed during the project formulation stage, will guide compensation payments and resolve disputes over amounts and any ensuing disagreements can be appealed in court.

Scope of Resettlement Framework in ASCF

The specific activities and impacts of the ASCF project are uncertain, though most ASCF projects are expected to be Category A projects. The precise scale of these projects will only be clear after detailed design of the subcomponents. The Resettlement Framework (RF) is designed to identify, address, and mitigate adverse socioeconomic impacts from project components and subcomponents that involve involuntary land acquisition, effects on businesses and livelihoods, or—though unlikely—resettlement of affected families. The RF lays the groundwork for the Resettlement Action Plan (RAP).

The RF is prepared to effectively identify, address and mitigate adverse socioeconomic impacts that may occur in relation to land acquisition, restrictions on land use, or resettlement. As a first measure, the project will attempt to avoid to the extent possible adverse impacts on private or privately used land and property and will clearly document all efforts made to avoid land restriction and resettlement impacts. Where such impacts are unavoidable, they will be minimized to the extent possible, and the project will follow the procedures laid out in the RF to ensure that adequate compensation and rehabilitation measures have been provided to the project affected people.

The RF defines the procedures for:

- a. Acquiring land (after all technical alternatives have been exhausted),
- b. Dealing with any residual impacts from land acquisition (i.e. identifying, establishing the valuation of, and compensating people that suffer economic losses or loss of private property,
- c. Monitoring and verification that policies and procedures are followed, and
- d. Consultations with affected people and description of Grievance Mechanisms.

The ASCF RF is based on relevant national laws and regulations as well as the World Bank Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement. The provisions of the RF apply to all the investments financed by the ASCF Project. The RF will apply to all economically and/or physically displaced persons regardless of the total number affected by the severity of impact and whether or not they have legal title to the land. Particular attention will be paid to the needs of such vulnerable groups like women-headed households, low-income households, households headed by the elderly with no support, and households headed by physically challenged people.

The RF will serve the following specific purposes:

- Reviews the existing national legal framework, compares it with the ESS 5 for gaps, if any, and indicates gap-filling measures;
- Describes the approach to the acquisition of private land, assets and other common property resources;
- Specifies the scope of the project with a well-defined exclusion list;
- Defines the eligibility criteria for defining various categories of affected people;
- Defines the valuation process of impacted assets;
- Defines the process for preparation of Social Impact Assessment and RAPs and their review;
- Defines of the cutoff date for Title and Non-Title holders;
- Identifies the consultation Mechanisms/approaches to be adopted while preparing and implementing RAPs including public disclosures;

- Defines the monitoring and evaluation arrangements including Grievance Mechanisms (GM); and
- Defines the institutional and implementation arrangements --role/responsibilities of different stakeholders,
- Integrates environmental and social management into the design and operation of the investments to be financed under the Project to ensure effective mitigation of potentially adverse impacts, while enhancing the benefits accrued.

In line with the above procedures, Site-specific RAPs will be prepared in accordance with the RF. The corresponding environmental and social instrument for other social and economic impacts not associated with land acquisition and restrictions is the Environmental and Social Management Framework (ESMF).

Differences between the ESS5 and concerned national regulatory frameworks in the sphere of land acquisition and involuntary resettlement is expected. The main area where there are gaps between ESS5 requirements and national law will include:

- No requirement to provide detailed explanations of entitlements to project affected households,
- Provision of just compensation instead of full replacement cost,
- No defined cut-off date, and
- No requirement to carry out socioeconomic surveys.

Given the above, this RF is to harmonize to the extent possible the World Bank ESS 5 and the national legislations. The gap filling measures provided in this RF will prevail where differences exist in substance and/ or in the interpretation between WB and national legislations.

Furthermore, each ASCF project needs to be screened for social impacts based on the given designs for the proposed improvements to determine if there are any impacts that require the preparation of the RAP that entitles the Project Affected Persons (PAP) to resettlement assistance. Based on the harmonization efforts and the impacts likely to occur, an Entitlement Matrix (EM) will be developed, to summarize the types of losses and the corresponding nature and scope of entitlements.

Compensation and rehabilitation assistance for various categories of losses based on the tenure and magnitude of impact has been provided. Additional assistance to vulnerable, reimbursement of transaction costs in relation to those who receive land for land compensation, assistance in acquiring land /property, in obtaining compensation for women, cash assistance for housing to physically displaced squatters, are some of the provisions contained in the EM.

To prevent people from moving into the affected area to claim compensation, a cut-off date will be set. The cut-off date will be the last date of the census, determining who are living in the affected area and the manner in which they will be affected by the project. It is a date after which people who are not included in the list of Project affected persons (PAPs), as defined by the census will not be considered eligible for compensation.

The replacement value of houses, buildings and other immovable properties will be determined based on market value as on date without depreciation. Compensation for trees will be based on their market value and compensation for the loss of crops, fruit-bearing trees will be decided by the Agricultural Department in the concerned countries. Prior to taking possession of the land or properties, where applicable, ASCF will ensure that the compensation will be fully paid and farmers amongst the PAPs will have the opportunity to harvest crops/trees within a specified number of days from the date of payment of compensation.

The involvement of PAPs in planning prior to the move is critical. The ASCF in collaboration with the project proponents, with the support of community liaison officers (CLOs), will be responsible for organizing and conducting public consultations with all PAPs prior to completion of the site-specific RAP. Consultations with PAPs will be conducted for each draft RAP. Any legitimate issue raised through the consultation should be included in the final RAP. The concerns of PAPs will be considered and reflected in project implementation.

Land acquisition and resettlement related documents will be disclosed to the public. Such documents will include at minimum RF, ARAP/RAP (in case of any type of Involuntary resettlement) and due diligence reports on the above. Public disclosure will be conducted through multiple channels easily accessible to the public such as social media, websites, posters in the concerned countries and localities.

The documents that will be made available in the public domain include: Entitlement Matrix, Grievances Persons who as a result of Project activities, for reasons of the involuntary taking or voluntary contribution of their land and other assets, and with/ without title, results in direct economic and or social adverse impacts, regardless of whether or not PAPs are required to physically relocate.

Redresses Mechanism, institutional arrangements and the categories of eligible PAPs for various resettlement and rehabilitation (R&R) benefits. The names and specific compensation of individual PAPs will not be disclosed for privacy reasons.

The project will establish a Grievance Mechanism (GM), which would function at local and project levels. The GM will be well-fit to receive, evaluate and facilitate the resolution of displaced person's concerns, complaints and grievances, as well as deliver adequate and timely responses to the project affected people on the status and/or resolution of their concerns. GM will be developed based on the existing complaint handling mechanism as well as the applicable legislation specific to the resettlement management including implementation arrangement and the review processes.

To implement the Resettlement related measures, budgetary provisions will be made in the Project budget. Budgetary estimates for component where resettlement implementation is necessary, including resettlement management will be incorporated into sub-project cost estimates.

Accordingly, land acquisition and resettlement expenses for consultation and participation, grievance redress, the cost of relocation, income restoration, transitional allowance, livelihood programme, monitoring and evaluation administration, contingencies etc. will be included as cost estimates for social management. ASCF project will ensure adequate budget provisions for all land

acquisition compensation and R&R assistance. The budget estimates and its sources will be reflected in RAPs as part of the overall project financial projections.

Project management team, comprising of the proponents, key community and ASCF representatives with requisite skill set will be responsible for concurrent Monitoring and Evaluation (M&E) of RF and RAP implementation. Regular M&E reports to be submitted to the critical stakeholders, where applicable, for monitoring and verification of processes and activities in RAP implementation. Based on such implementation reports any identified mid-term corrections, as appropriate, will be made.

The ASCF Resettlement Framework forms a core part of the Environmental and Social Management Framework. It is expected to be updated by mutual agreement between AFC and the proponents. Such updates may be necessary, for example, if changes or amendments to the applicable laws and policies are made, based on implementation experience and lessons learned, or based on relevant amendments to the Project.

RESETTLEMENT ACTION PLAN TEMPLATE

A Resettlement Action Plan (RAP) details the **procedures** to be followed and the **actions** to be taken to properly resettle and compensate affected people and communities. This plan must be developed after it has been determined, following the process outlined in IFC PS 5 and World Bank ESS 5 and guided by the GCF E&S Framework, that displacement and resettlement are unavoidable. A RAP can respond to cases of economic displacement as well. However, if only economic displacement is foreseen, a Livelihood Action Plan is required. The RAP will reflect the commitment of AFC to affected people and communities to meet obligations arising from resettlement.

The RAP will cover the following elements:

Topic	Description
Introduction	• Briefly describe the project and associated facilities (if any) • Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement • Provide explanation of how displacement is necessary to achieve the project objectives, how the project is in the 'public interest' and how displacement is proportional to project outcomes. Please also discuss alternative project designs, including the "no project" scenario and if they may have avoided or reduced the resettlement.
Minimizing Resettlement	• Describe the justification for the resettlement • Describe efforts and measures to minimize displacement, and expected outcomes of these efforts and measures
Census and Socioeconomic Surveys/Social Baseline	• Provide results of the census, assets inventories, natural resource assessments, and socioeconomic surveys and briefly describe how these were performed, i.e., techniques used, individuals interviewed, etc. • Identify all people and communities potentially affected by displacement activities and potential impacts to each. Conduct

		a vulnerability assessment and outline what determines vulnerability (i.e. which criteria need to be met to consider someone vulnerable)
Legal Framework		• Describe all relevant international, national, local, and community laws and customs that apply to displacement and resettlement activities, with particular attention to laws and customs relating to tenure rights; highlight any potential conflicts. • Describe how free, prior, informed consent was obtained for resettlement of indigenous peoples and tribal communities, if applicable • Describe project-specific mechanisms to address conflicts • Describe entitlement/compensation policies for each type of impact • Describe method of valuation used for affected structures, land, trees, and other assets • Prepare entitlement matrix, which includes budget and timeframe for payment of entitlements
Resettlement Sites and Housing		• If the project requires relocation, describe how affected people have been involved in a participatory process to identify sites, assess advantages and disadvantages of each site, and select preferred sites. Site selection to be risk-informed (e.g. ensure not subject to higher levels of risks from floods, landslides, earthquakes). Describe the options • If housing must be replaced, describe how affected people have been involved in developing an acceptable strategy for housing replacement and how alternative housing meets adequate housing criteria (including legal security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; cultural adequacy). Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites • If the project involves allocation of agricultural land or pasture/rangeland, describe how individual households that will be allocated lands have been involved in identifying potential new sites, and how they have explicitly accepted the selected sites • Describe the feasibility studies conducted to determine the suitability of the proposed relocation sites and housing, including where relevant natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites. Include a description of potential access of affected people to necessary services, shelter, food, water, energy, and sanitation

	• Demonstrate where relevant that the land quality and area are adequate for allocation to all of the people eligible for allocation of agricultural land. Provide data on land quality and capability, productive potential, and quantity • Give calculations relating to site requirements and availability • Describe mechanisms for: (1) procuring, (2) developing and (3) allotting resettlement sites and housing, including the awarding of title or use rights to allotted lands. Indicate to whom titles and use rights will be allocated, including by gender • Provide detailed description of the arrangements where relevant for site development for agriculture, including funding of development costs. • Indicate whether temporary resettlement will be necessary and how the communities' social capital will be preserved.
Income Enhancement/Restoration (if RAP is also addressing economic displacement)	• Are compensation entitlements sufficient to enhance and restore livelihoods and income streams for each category of impact? Attach independent review of opportunities to enhance incomes/livelihoods. What additional economic rehabilitation measures are necessary? • Briefly spell out the enhancement and restoration strategies for each category of impact and describe their institutional, financial, and technical aspects • Describe the process of consultation with affected populations and their participation in finalizing strategies for income enhancement/restoration • How do these strategies vary with the area of impact? • Does income enhancement/restoration require change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation? • How are the risks of impoverishment to be addressed? • What are the main institutional and other risks for the smooth implementation of the resettlement programmes? • Describe the process for monitoring the effectiveness of the income restoration measures • Describe any social or community development programmes currently operating in or around the project area. If programmes exist, do they meet the development priorities of their target communities? Are there opportunities to support new programmes or expand existing programmes to meet the development priorities of communities in the project area?
Institutional Arrangements	• Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programmes; and coordination of the activities associated with and described in the resettlement

	- action plan • State how coordination issues will be addressed where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time • Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources? • Describe the external (non-project) institutions involved in the process of income restoration (land development, land allocation, credit, training) and the mechanisms to ensure adequate performance of these institutions • Discuss institutional capacity for and commitment to resettlement • Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion.
Implementation Schedule	• List the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity • Prepare a month-by-month implementation schedule of activities to be undertaken as part of resettlement implementation • Describe the linkage between resettlement implementation and initiation of civil works for each of the project components
Participation Consultation and	• Describe the various stakeholders • Describe the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning • Describe the process of involving affected populations and other stakeholders in implementation and monitoring. Add evidence of the various past consultation events, such as attendance lists, photos etc. • Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress.
Grievance Redress	• Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes • Describe the mechanism for appeal • Describe how the mechanism ensured unrestricted access, transparency, accountability, how it documents cases and keeps the complainants informed and the institutional setup • Describe the provisions for approaching civil courts if other

	options fail
Monitoring and Evaluation	• Describe the internal/performance monitoring process. Ensure monitoring programme seeks to measure whether displaced enjoy at least a standard of living and access to livelihoods equal to what they enjoyed before displacement • Define key monitoring indicators derived from baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring, including number and location of displaced/resettled persons • Describe institutional (including financial) arrangements • Describe frequency of reporting and content for internal monitoring • Describe process for integrating feedback from internal monitoring into implementation • Define methodology for external monitoring • Define key indicators for external monitoring • Describe frequency of reporting and content for external monitoring. Ensure monitoring programme is regular and ongoing following project completion until durable solutions are reached • Describe process for integrating feedback from external monitoring into implementation • Describe arrangements for final external evaluation • Describe need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of RAP monitoring and evaluation.
Costs and Budgets	• Provide a clear statement of financial responsibility and authority • List the sources of funds for resettlement and describe the flow of funds • Ensure that the budget for resettlement is sufficient and included in the overall project budget. Include provisions for non-anticipated adverse impacts. • Identify resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule. Prepare estimated budget, by cost and by item, for all resettlement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies • Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations • Describe the provisions to account for physical and price contingencies • Describe the financial arrangements for external monitoring and evaluation including the process for awarding and

		maintenance of contracts for the entire duration of resettlement
Transparency and Disclosure	and	In formulation of IP action plan, IPF will be disclosed, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected IP communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected IP communities and other stakeholders.

The RAP will be supported by the following documentary evidence:

- Copies of census and survey instruments, interview formats, and any other research tools
- Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees
- Examples of formats to be used in monitoring and reporting on RAP implementation
- Entitlement matrix
- Evidence of prior informed consent for indigenous peoples and tribal communities

ANNEX 12: CONFLICT SENSITIVITY ASSESSMENT AND MANAGEMENT FRAMEWORK

The Programme acknowledges that one of the target countries, Nigeria, is classified as a Fragile and Conflict-Affected Situation (FCS), and that certain regions may face elevated risks of community tension, resource-based conflict, and social instability. A programme-level conflict risk assessment has therefore been undertaken to identify contextual, institutional, and project induced drivers of fragility that may influence project outcomes. The assessment indicates that while ASCF supported investments are primarily located in stable or semi-stable regions, there remains potential for localised conflict risks related to land access, employment, benefit-sharing, and gender based violence (GBV/SEAH). These risks will be managed through an integrated Conflict Sensitivity and Management Framework, applied at both the programme and sub-project levels.

The framework is designed to ensure that all project activities are conflict sensitive, guided by the principles of Do No Harm, inclusive participation, and adaptive management. It provides:

- Context Analysis Tools to map conflict drivers and stakeholders before activity implementation;
- Screening Criteria to flag high-risk areas (e.g., those with resource disputes, communal tensions, or weak governance);
- Conflict-Sensitive Stakeholder Engagement protocols that ensure representation of vulnerable and marginalised groups, including women and Indigenous Peoples;
- SEAH and GBV Prevention Measures, given the correlation between fragility and gender-based violence; and
- Grievance Redress Mechanisms (GRMs) that are accessible, safe, and trusted in conflict-prone areas.

This framework is outlined below providing guidance for sub-project teams on:

1. Conflict Sensitivity Screening during feasibility and ESIA stages;
2. Activity-Level Risk Classification (low, moderate, high conflict exposure);
3. Stakeholder Mapping and Scenario Planning to anticipate potential triggers;
4. Early Warning and Response Mechanisms, including coordination with local authorities, security agencies, and civil society; and
5. Monitoring Indicators, such as reported grievances, protests, or delays caused by local disputes.

Conflict Sensitivity Screening Process

Conflict sensitivity screening will be conducted for all sub-projects at the concept and ESIA stages using the following steps:

Step	Objective	Key Actions / Tools
Step 1: Context Analysis	Understand the local context and identify drivers of fragility or tension.	Use desk studies, stakeholder consultations, and local expert input to assess governance, security, resource access, ethnic, or livelihood-related tensions.
Step 2: Project Interaction Analysis	Assess how the project might interact with existing conflict dynamics.	Identify project components that may trigger disputes over land, jobs, resource access, or benefit distribution.
Step 3: Conflict Sensitivity Rating	Classify the sub-project's conflict exposure (Low, Moderate, High).	Apply a risk scoring matrix.
Step 4: Mitigation and Management Planning	Define context-specific mitigation actions and assign responsibilities.	Integrate measures into the project's ESMP and Stakeholder Engagement Plan.
Step 5: Monitoring and Adaptive Learning	Track indicators of social tension and project acceptance.	Establish periodic field-level monitoring and early warning reporting.

Conflict Risk Screening Matrix

Risk Category	Illustrative Indicators	Potential Triggers	Indicative Management Measures
Low	Stable governance, low grievance frequency, high trust in local institutions	Routine land or employment negotiations	Maintain regular stakeholder engagement; monitor through GRM.
Moderate	Some unresolved grievances; localised tensions over land, water, or jobs	Resource allocation, perceived exclusion, influx of workers	Conduct conflict-sensitive consultations; strengthen GRM; ensure transparent hiring and benefit-sharing.
High	Recurrent local conflict or violence; weak governance; low institutional capacity	Land disputes, elite capture, gender or ethnic exclusion, SEAH incidents	Undertake conflict analysis by local experts; establish community liaison structures; collaborate with local peace committees or mediation organisations.

Integration with Sub-Project Cycle

Conflict sensitivity considerations will be embedded into the standard ASCF sub-project cycle as follows:

Project Phase	Conflict Sensitivity Action
Identification / Feasibility	Conduct context analysis and initial conflict screening; identify high-risk locations.
Preparation / Appraisal	Include conflict risk management measures in ESIA/ESMP; ensure stakeholder engagement covers potentially excluded groups.
Implementation	Apply monitoring protocols; conduct periodic community dialogues and rapid assessments in emerging hotspots.
Operation and Monitoring	Record and report conflict-related grievances through GRM; document lessons learned for adaptive programming.
Decommissioning / Closure	Maintain transparent communication with affected groups on asset transfer, land restoration, or employment cessation.

Monitoring Indicators

- Conflict sensitivity performance will be monitored through measurable indicators such as:
- Number of sub-projects screened for conflict sensitivity;

- Number of community engagement sessions conducted in fragile or high-risk areas;
- Frequency of conflict-related grievances recorded in the GRM;
- Percentage of grievances resolved within the agreed timeframe;
- Number of SEAH or GBV awareness sessions conducted in conflict-sensitive areas;
- Stakeholder perception score on fairness and inclusion in project benefits; and
- Changes in local trust levels or cooperation reported during monitoring missions.

Capacity Building

All project teams, contractors, and partner institutions will receive periodic training on:

- Conflict sensitivity principles and Do No Harm;
- SEAH/GBV prevention in fragile contexts;
- Stakeholder engagement and participatory decision-making; and
- Use of early warning and monitoring tools.

Reporting and Review

Conflict sensitivity outcomes will be reported semi-annually as part of the Environmental and Social Performance Report (ESPR) and included in programme-level monitoring dashboards. Any serious incidents, including violent disputes or SEAH cases, must be escalated immediately through the ASCF Grievance Redress Mechanism and the Accredited Entity's incident reporting protocol.

The Framework will be reviewed periodically based on lessons learned, evolving country contexts, and GCF Secretariat guidance on operations in fragile and conflict-affected settings.

ANNEX 13. SHORTLIST OF QUALIFIED E&S CONSULTANT

Innovativkonzept, Pvt Bruchhöfen 4 27305 Bruchhausen Vilsen Germany T:(+)49 T: +27 010880006427177 333 6543 E; www.innovativkonzept.com	Environmental Resources Manager, Ethos Kings Road SA1 Swansea Waterfront Swansea Bay SA1 8AS United Kingdom M: +44 (0)7748 612 331 T: +44 (0)1792 306 933 E: sarah.dewsbury@erm.com
EBS Advisory 8 Dalmeny Road Pine Park Randburg Johannesburg South Africa E: raylene.watson@ebsadvisory.co m	Sustainable Finance Advisory, Ltd. The Exchange 28 London Bridge Street London SE10 8QE United Kingdo m

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Serim Africa Contact: Kande Gabriel Tel: +221775530457 Email: manager@serim-africa.com; kandegabriel@gmail.com; kandegabriel53@gmail.com; advisory@serim-africa.com	

ANNEX 14. ENVIRONMENTAL AND SOCIAL IMAGE/PICTURES PROTOCOL DURING MONITORING VISITS

When visiting project/company sites, take the following images (to the extent feasible) to provide useful context on environmental and social (E&S) characteristics, aspects and issues.

NB – It is important that all images are labelled before they are sent to the E&S Risk Officer.

Specifically, any photos that show:

1. The natural environment surrounding the project/company site or operations;
2. The nature of communities (people, dwellings etc) surrounding the project/company site or operations;
3. The nature of lifestyles e.g. house structures, modes of cooking, levels of sanitation
4. Animals in/around communities;
5. Evidence of gender aspects and diversity in both the project/company and communities
6. Transport corridors to the project/company site;
7. Actual operations on site;
8. Machinery or installations on site;
9. Any employees working at their jobs;
10. Any existing controls used to prevent risks or accidents e.g. signage, emergency points, personal safety equipment, fire-fighting tools or equipment etc
11. Potential issues of interest e.g.
 - a. Non-compliance with E&S controls
 - b. Notable proximity of communities to project/company sites
 - c. Encroachment of communities around project/company sites
 - d. Any evidence of relocation of peoples

ANNEX 15: STAKEHOLDERS ENGAGEMENT

Annex 14A. Stakeholder Engagement Plan (SEP) and Checklist – Template Framework for Sub-projects to be financed by ASCF

This template provides guidance for the sub-projects to be funded by the climate facility on specific aspects of the application of the Environmental and Social Standards (ESSs) in line with the ESMF. Templates help to illustrate the requirements of the ESSs and propose approaches to fulfilling the requirements.

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. The Stakeholders Engagement Plan (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 organisations, NGOs, and companies, and nearby communities. Stakeholders may also include politicians, labour 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 organisations, 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.

Civil Society Organisations (CSOs) and Non-Governmental Organisations (NGOs) often possess in-depth knowledge of the environmental and social characteristics of a project area and its local communities. Their insights are invaluable for identifying potential risks, impacts, and opportunities that the Borrower must consider and address during the assessment process.

3.3. Stakeholder interest may stem from various motivations, including the project's specific sector or the simple fact that public financing is being used. Regardless of the reason for inquiry, the project is committed to transparency. All information in the public domain will be openly accessible to all interested parties. Disadvantaged / vulnerable individuals or groups

It is particularly important to understand project impacts and whether they may disproportionately impact 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 format; 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 organisations 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?

4. Stakeholder Engagement Programme

4.1. Purpose and timing of stakeholder engagement programme

This section outlines the objectives of the stakeholder engagement programme and the framework for its implementation.

Programme Goals

- Provide a summary of the main goals of the engagement programme (e.g., to ensure transparency, manage risks, incorporate local knowledge, build community support).

Engagement Schedule and Frequency

- Detail the planned schedule for engagement activities throughout the project's lifecycle (e.g., planning, construction, operation, decommissioning).
- Specify the frequency of these activities (e.g., quarterly meetings, bi-annual reports, ongoing consultations as needed).

Feedback and Decision-Making Process

- Describe how feedback, comments, and concerns from stakeholders will be recorded, analysed, and integrated into the project's decision-making process.

Public Notification Strategy

- If specific dates and locations for meetings are not yet finalized, detail the methods that will be used to notify the public about forthcoming opportunities to review information and provide their views (e.g., local newspapers, radio announcements, community bulletin boards, digital platforms).

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, newspapers, social media, radio, television channel). 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 most 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 centres 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.

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 organisation
- b. Surveys, polls, and questionnaires
- c. Public meetings, workshops, and/or focus groups on specific topic
- d. Participatory methods

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 considered.

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:

- a. What people or entity(ies) are responsible for the SEP
- b. Confirm that an adequate budget has been allocated toward stakeholder engagement
- c. 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

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? 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 consider 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 programmes. The criteria for selection of third parties should be clear.

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.

8. Stakeholder engagement plan checklist

This Checklist provides guidance for the sub-projects to be financed on the application of the Environmental and Social Standards of the AE and in line with IFC/World Bank best practices and GCF requirements.

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 organisation 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 organisation 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 appeal 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

- a. 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?
- b. 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

- d. Are regular internal reports on grievances/feedback produced for senior management?
- e. 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.
- f. Whether remedial action was warranted. What redress was actually provided?
- g. Recommendations/strategies to prevent or limit future recurrences.
- h. Are reports about grievances/feedback made public, periodically?

ANNEX 15: ASCF INDIGENOUS PEOPLES FRAMEWORK (IPF)

Approach to ASCF Indigenous Peoples Framework (IPF)

AFC is committed to design and implement ASCF projects in a way that fosters full respect for Indigenous People (IP)' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the IP themselves and in line with the globally recognised standards. The AFC approach aimed at safeguarding IPF by ensuring that IP affected by ASCF projects:

- a. Receive culturally appropriate social and economic benefits,
- b. Do not suffer significant adverse impacts because of ASCF projects, and
- c. Can participate actively in decision of projects that affect them.

AFC believes the IP safeguards can be triggered if ASCF supported project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of IP or affects the territories or natural or cultural resources that IP own, use, occupy, or claim as an ancestral domain or asset.

Need for Indigenous Peoples Framework

AFC recognises the critical importance of respecting the rights of Indigenous People and safeguarding any adverse impacts of the ASCF supported projects on IPs. AFC will seek to avoid proceeding with projects beyond the development phase where adverse impacts cannot be avoided. When avoidance is not feasible, ASCF requires measures to be put in place to minimize and mitigate these impacts. Compensation shall only be considered as a last resort. Furthermore, it also recognises that IPs may be present or have customary attachment to land. The requirements of this IPF shall be adopted to the extent necessary (based on the determination of existence of IPs in the project area) in every investment.

Purpose of this Framework

This Indigenous Peoples Planning Framework (IPPF) will be applied when it has been determined based on E&S screening and due diligence that one or more IP communities are present in the Project's area of influence. The Project Company is responsible for implementing the necessary actions to meet the requirements outlined by this framework.

Applicable Reference and Standards for IPF

AFC IPF has been prepared for the ASCF project in accordance with the Green Climate Fund Indigenous Peoples Policy and the GCF Environmental and Social Policy, and is further informed by IFC Performance Standards (including PS7), the World Bank Environmental and Social Framework (ESF) and the AfDB Integrated Safeguards System (ISS) to guide the selection, screening, preparation, and categorization of projects under ASCF to ensure better distribution of project benefits and promote development of IP in the project area.

ASCF projects will be screened for IP's impact and project financing under ASCF will not be approved in situation where the project will significantly affect the dignity, human rights, livelihood systems, or culture of IPs or affects the territories or natural or cultural resources that IPs own, use, occupy, or claim as their ancestral domain. ASCF projects that may create a positive impact on IPs will be considered. Positive impact may include improved access to social and commercial services, better and more reliable transport options as well as strengthen access to affordable power.

Definitions:

In the context of the Africa Sovereign Climate Facility, Indigenous Peoples are identified in accordance with the

Green Climate Fund Indigenous Peoples Policy (2018). The term Indigenous Peoples is used in a generic sense to refer to a distinct social and cultural group possessing, in varying degrees, the following characteristics:

- (i) self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others;
- (ii) collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, and to the natural resources in these areas;
- (iii) customary cultural, economic, social, or political systems that are distinct or separate from those of the mainstream society or culture; and
- (iv) a distinct language or dialect, often different from the official language(s) of the country or region in which they reside, including languages or dialects that may have ceased to exist due to impacts that hindered their maintenance.

GCF also recognises self-identification as Indigenous or tribal as a fundamental criterion. This definition applies irrespective of legal recognition, land title, or the terminology used nationally to refer to such groups, including but not limited to “indigenous peoples and local communities”, “Afro-descendant communities”, “ethnic minorities”, “vulnerable or marginalised groups”, or “forest dwellers”. It equally applies to Indigenous Peoples who have lost collective attachment due to forced severance, conflict, government resettlement, dispossession, natural disaster, or urbanisation. The application of this definition is not limited by economic, political, or social vulnerability and extends to all GCF-financed activities that may positively or negatively affect Indigenous Peoples, regardless of the significance of such impacts.

- While providing a framework is important, it should lead a formulation of IP action plan. At a stage when IP framework transforms into an IP action plan, the plan is expected to consist of several activities and will include mitigation measures of potentially negative impacts, modification of project design, and development assistance.

While providing a framework is important, it should lead a formulation of IP action plan. At a stage when IP framework transforms into an IP action plan, the plan is expected to consist of several activities and will include mitigation measures of potentially negative impacts, modification of project design, and development assistance. In situation where there is land acquisition in IP communities, ASCF supported projects will ensure the IP rights will not be violated and that they will be compensated for the use of any part of their land in a manner that is culturally acceptable to the affected IPs.

Consideration for an IP plan¹⁶ will include:

- a. Social impact assessment,
- b. Land tenure information,
- c. Local participation, information disclosure, meaningful consultation,
- d. Beneficial measures or mitigation activities,
- e. Institutional arrangement and capacity building,
- f. Grievance Redress Mechanism,
- g. Implementation schedule,
- h. Monitoring and evaluation, and
- i. Cost estimate and financing plan

Justification for ASCF Indigenous Framework

¹⁶ See Table 2 (Impact Assessment) for more details

IP framework establishes a guide on the procedures for verifying whether IP population will be affected by ASCF projects and the potential level of IP vulnerability. It also determination on whether there will be a need to formulate IP action plan in a manner that is customized to the IP peculiar situation leading into prioritization and preferences of IP needs.

Potential Impacts of Projects on IP Communities

The range of potential E&S impacts of each project varies due to various factors such as the type and size of Project, the location, the baseline environment, the social context and the affected communities. Some E&S impacts are likely to be more relevant to one project type than another. It is recognised that because of their unique circumstances, indigenous communities may be more vulnerable to the impacts of a Project and may be differently impacted when compared with other members of a local community. For this reason, the vulnerabilities of IPs will be considered as a specific aspect of an assessment when IPs are determined as being present. The impacts on IPs, and all other members of the community, will be considered in relation to all stages of the project lifecycle.

Methodology for application of IPF

Methodology¹⁷ for the draft Framework is as follows:

- a. Identification and screening of IP communities in Project Area of Influence and classification at an early stage by reviewing relevant information gathered from diverse sources including demographic data; social, cultural and economic situation; and social, cultural and economic to determine:
 - Whether IP is present in, or have collective attachment to, the project area; and
 - Whether project impacts on IP are likely.

In essence, the potential for IPs to exist shall be assessed during the screening and due diligence phase which occurs prior to seeking ASCF approval. The screening will be undertaken by AFC on behalf of ASCF and will seek to confirm the existence of IPs in the Project's area of influence. The screening and due diligence shall be supported by external specialist advice as necessary. The screening form in this annex is triggered at pipeline/concept stage and updated at pre-feasibility/ESIA scoping; its results inform ESMS categorisation, the ESIA Terms of Reference (including IP specialist inputs), and whether an IPP and FPIC are required.

- b. Categorization according to the level of vulnerability severity will follow. ASCF projects will be assigned categories depending on the significance of the potential impacts on IPs:
 - Category A: If the proposed ASCF project is likely to have significant impact on IPs, a social impact assessment will be required
 - Category B: If the proposed ASCF project is likely to have limited impact on IPs, a social impact assessment may be required
 - Category C: If the proposed project is not expected to have impacts on IPs. No further action is required.
- c. Undertake a culturally appropriately and gender-sensitive social impact assessment (SIA) or use similar methods to assess potential project impacts, both positive and adverse, on IP. Given a full consideration to options the affected IP prefer in relation to the provision of project benefits and the design of mitigation measures, the assessment will elicit social and economic benefits for affected IP that are culturally appropriate as well as gender and inter-generationally inclusive with measures to avoid, minimize, and/or mitigate adverse impacts on IP. All sub-project ESIA's will explicitly apply the GCF IPP definition and include culturally appropriate, gender-disaggregated social baselines for all identified Indigenous Peoples.

¹⁷ ¹⁷ See Table 1 (General Requirements) for more details

- d. Undertake meaningful consultations with affected IP communities and concerned IP organisations to solicit their participation in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and in tailoring project benefits for affected IP communities in a culturally appropriate manner. To enhance IP' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the IP' concerns.
- e. Ascertain the consent of affected IP communities to the ASCF project activities, including:
 - Commercial development of the cultural resources and knowledge of IP;
 - Physical displacement from traditional or customary lands;
 - AFC shall obtain the Free, Prior and Informed Consent (FPIC) of Indigenous Peoples in all cases where ASCF financed activities may affect their lands, territories, resources, livelihoods, or cultural heritage. FPIC is defined as an iterative process requiring the consent of Indigenous Peoples before final approval to disburse, based on their own independent decision-making processes, free from coercion or manipulation. Information must be provided in a timely, culturally appropriate, and accessible manner, in local languages understood by the communities. FPIC does not require unanimity but must reflect legitimate collective consent reached through inclusive deliberations, including the participation of women, youth, elders, and persons with disabilities.
 - FPIC shall be required where proposed activities could:
 - i. affect lands, territories, or natural resources under traditional ownership, use, or occupation, including those without formal legal title;
 - ii. involve relocation or resettlement of Indigenous Peoples, whether physical or economic, or result in restrictions on land use;
 - iii. cause material changes to legal, governance, or tenure arrangements affecting Indigenous rights or access; or
 - iv. result in significant adverse impacts on cultural heritage, sacred sites, spiritual values, or traditional knowledge, including its commercial use.
 - FPIC will be treated as a continuing process of good-faith engagement, not a one time event. Consent shall be sought, verified, and documented at project design, pre construction, at any material modification during implementation, and prior to operations. The process shall include evidence of mutually agreed outcomes, negotiation records, benefit-sharing arrangements, and culturally appropriate grievance redress measures, consistent with GCF Policy Sections 7.2 to 7.2.3. Commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of IPs. For the purposes of IPF implementation, the consent of affected IP communities refers to a collective expression by the affected IP communities, through individuals and/or their recognised representatives, of broad community support for such project activities.
 -
- f. Broad community engagement and support should be sought to:
 - Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected IP communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared.
 - Initiate a process for formulation of IP action plan that will be based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected IP communities. The IPF includes a framework for continued consultation

with the affected IP communities during project implementation; specifies measures to ensure that IP receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.

- g. Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves:
- Activities that are contingent on establishing legally recognised rights to lands and territories that IP have traditionally owned or customarily used or occupied, or
 - Involuntary acquisition of such lands.
 - Monitor implementation of the IP framework and plan using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPF's objective and desired outcome have been achieved, taking into account the baseline conditions, the results of IP monitoring and disclose of monitoring reports.

General Requirements of the IPPF

In line with the GCF IPP guidance, ASCF will not support projects where there is a risk of significant impact on IP communities such that an FPIC process will be triggered. In cases where FPIC would not be triggered, but where potential adverse impacts to IP communities would arise, ASCF will require the Project to put in place all necessary measures to avoid such adverse impacts. When avoidance is not feasible, the Project shall minimize, mitigate or compensate for these impacts in a culturally appropriate manner. The proposed actions will be developed with the informed participation of affected Indigenous Peoples and included in a time-bound Indigenous Peoples Plan.

A Project shall not proceed beyond the development phase unless it is able to demonstrate that the requirements have been met. In so doing, the general principles and requirements to be followed by ASCF if the existence of an IP community is confirmed within the Project area of influence are as follows:

Table 1: General Principles/Requirements of IPP

Topic	Description
Impact assessment	• If IPs have been identified during the E&S screening and due diligence, further analysis will be undertaken during the ESIA that will be commissioned post DF IC approval (i.e. during the development phase and prior to proceeding to seeking Investment Committee approval).
Participation and consent	• The Project shall aim to establish a continuing relationship with the affected IP group(s) as well as with the broader project affected communities as early as possible in the project planning and throughout the life of the project. • Engagement will all stakeholder groups (including IP communities) will typically commence formally during the early stage of the ESIA1. • Projects shall engage with the affected IP community through a process of information disclosure and informed consultation and participation (ICP). In some specific cases, it will be necessary to obtain Free, Prior and Informed Consent (FPIC) from the IP community. • Specialists shall be engaged to assist Projects to design and implement an appropriate approach to meaningful consultation and participation
Institutional arrangements	• The following institutional arrangements shall be established by the Project Company where IP communities are confirmed to exist in the Project area:

		-Grievance mechanism and management process that is culturally appropriate and accessible for IP communities; - Access to IP experts to support with ongoing management of IP-related commitments; -Repository of plans and project documents that is made available to the affected IP community in an appropriate form, manner and language;
Impacts on traditional or customary lands	on or	• Project Companies shall consider alternative Project designs to avoid being located on, and/or causing adverse impacts to the livelihoods or cultural, ceremonial, or spiritual uses of traditional or customary lands that define the identity and community of the IPs. • If this is not possible, and adverse impacts are expected, the Project sponsors shall ensure that a process of FPIC is followed as part of the ESIA. • As part of the FPIC process the Project Company shall: - Document efforts to avoid or at least minimize the proposed project footprint; -Document land uses in collaboration with the affected IP communities without prejudicing their land claim; -Inform affected IP communities of their rights with respect to their land under national laws, particularly those recognizing customary rights or use; -Offer affected IP communities fair compensation and due process such as benefit-sharing mechanisms; and/or land based and/or in-kind compensation in lieu of cash compensation where feasible; and - Enter into good faith negotiations with the affected IP communities and document their informed participation and outcomes of consultations.
Relocation of indigenous peoples	of	• Project Companies shall consider alternative Project designs to avoid relocation of indigenous peoples from their communally held traditional or customary land. • If relocation is unavoidable, projects will not proceed, unless there has been good faith negotiation with the affected indigenous peoples communities, and documented evidence of FPIC as an outcome of the negotiation. • Any relocation of Indigenous Peoples will need to be consistent with IFC PS 5 (Land Acquisition and Involuntary Resettlement). The option for relocated indigenous peoples to return to their traditional or customary land, should the reason for their relocation cease to exist, should remain throughout the project cycle.
Cultural resources		• Where a project proposes to use the cultural resources, knowledge, or practices of indigenous peoples for commercial purposes, the Project shall document and inform the indigenous peoples and communities of: - their rights under national laws; -the scope and nature of the proposed commercial development; and -the potential consequences of such development.
Development benefits		•Through the ESIA process and subsequently as part of ongoing engagement, opportunities shall be identified for culturally appropriate development benefits. Such opportunities should be commensurate with the degree of project impacts, aimed at improving their living standards and livelihoods in a culturally appropriate manner, and to foster the long- term sustainability of the natural resources on which they depend. •The benefits and the agreed process for sharing benefits will be documented in the IPP (and in the Project's Community Development Programme) and be provided to the IP communities as part of an ongoing process of transparent inclusion, engagement and decision-making.

Impact Assessment

If IPs are identified in the Project area of influence during the screening and due diligence, the scope of the ESIA shall be adapted to include IPs as a specific stakeholder group. The breadth, depth, and type of assessment should be proportional to the nature and scale of the proposed project's potential impacts on indigenous peoples and the vulnerability of the IPs. The consultancy appointed to conduct the ESIA will be required to include an IP specialist and specialist knowledge and expertise pertaining to the specific IP group(s) will be sought. The scope of the ESIA as it specifically relates to IPs shall include the elements detailed below:

ESIA Scope for Projects where Indigenous Peoples Exist

Table 2: Impact Assessment of IPP

Topic	Description
Scope for IP Impact Assessment (component of ESIA)	• Description of the project and potential issues or impacts to indigenous peoples, including an indication of any potential impacts that are expected to affect IPs differently to other groups within the affected community. • Baseline information on the demographic, social, cultural, and economic characteristics of the IP community including consideration of any specific vulnerabilities (see below) within the IP community. • Assessment of the potential adverse impacts on IPs and benefits to IPs that are likely to be associated with the project. • Summary of preferences and concerns of the IP community in relation to project objectives, access and cultural appropriateness of project benefits, mitigation of any adverse impacts, and project implementation arrangements.
Participation and Consent	• Engagement with IP communities shall be undertaken in accordance with the standard requirements IFC PS1 and in addition will: - Involve IP representative bodies and organisations (e.g. councils of elders or village councils) as well as members of the affected communities of IPs; - Be inclusive of both women and men and of various age groups in a culturally appropriate manner; - Respect and provide sufficient time for the decision-making processes followed by the IP community; and - Facilitate the expression of views, concerns, and proposals in the language of the IP community's choice, without external manipulation, interference, or coercion, and without intimidation. • Projects with IP communities in the project area will facilitate the communities' informed participation on matters that affect them, such as proposed impact mitigation measures, sharing of development benefits and opportunities, and implementation issues.
Free Prior and Informed Consent (FPIC)	• In some specific cases, it will be necessary to obtain Free, Prior and Informed Consent (FPIC) from the IP community. • The circumstances in which FPIC is required are where: - The project may lead to impacts on lands and natural resources subject to traditional ownership or under customary use (IFC PS7 paragraphs 13-14); - Indigenous Peoples will need to be relocated from lands and natural resources subject to traditional ownership or under customary use (IFC PS7 paragraph 15); and/or - Critical cultural heritage may be significantly impacted by the Project and

	or the Project proposes to use the cultural heritage for commercial purposes (IFC PS7 paragraphs 16-17). - FPIC will also be obtained where activities may restrict access to natural resources within customary lands or impose governance/tenure changes materially affecting Indigenous rights or access. • The aim is to obtain and maintain free, prior and informed consent for the projects. This determination generally is based upon collective and evidenced expression of supportive views regarding subproject purposes, plans, and implementation arrangements. This determination does not require unanimity as support may exist even when there is internal disagreement within the community or when there is limited opposition to subproject purposes or proposed arrangements. • The IPP will describe the basis of the determination as well as the consultation process undertaken.
Assessment of Vulnerabilities	• A key aspect of the assessment is understanding the relative vulnerabilities of the affected indigenous peoples, how the project may affect them and how the project may enhance their role in contributing to transformative climate action. • The ESIA shall include participatory process to define vulnerability and its criteria, such as a questionnaire or other tools developed in such a way that is understood and usable by communities. • The analysis of vulnerability will include consideration of IP's: - Economic, social and legal status; - Status, including under national and customary law, of the lands, territories and resources to which they have collective attachment (see below); - Institutions, customs, culture and/or language; - Dependence on natural resources, including through customary and traditional livelihoods; and - Past and ongoing relationship to dominant groups and the mainstream economy.
Collective Attachment	• The ESIA shall determine the level and type of collective attachment that may exist among the IP community. • When determining and evaluating collective attachment, consideration shall be given to the fact that IP groups live under many different circumstances with varying levels of attachment to the areas in which they live.
Consideration of Unintended Consequences	• In certain circumstances, project benefits, such as enhancing access to roads, healthcare, and education, can have unintended adverse impacts on indigenous peoples due to their particular circumstances or vulnerabilities. • The ESIA shall consider the potential impacts which may include loss of language and cultural norms, undermining of traditional governance structures, the creation of internal conflict, increased pressures and encroachment on lands, and pressures on or contamination of natural resources. • The ESIA shall include the use of participatory methodologies to identify the potential for, and scale of, such adverse impacts, and the ways to avoid, mitigate or compensate for them.
Consideration of Differential Impacts	• Indigenous peoples may be heterogeneous and may comprise multiple groups and different social units within these groups (such as individuals, clans, communities, and

		ethnic groups). Issues of cultural identity, geographic access, language, governance structures, cohesion and priorities may differ greatly between groups. • Projects also may have different impacts on different subgroups within a community. For example, land for a project may be acquired from one clan, but such acquisition could impact other clans' traditional access to and use of such land and the resources located on it. • The social assessment carried out as part of the ESIA shall form the basis for identifying the different groups and understanding the nature and significance of potential impacts on each of them. In the context of climate change, awareness, participation and consultation shall be key to stakeholder engagement. Further to provisions of the GCF Indigenous Peoples Policy and the 1989 ILO Indigenous and Tribal Peoples Convention framework, ASCF recognises that extreme vulnerability and exposure to climate change can force indigenous peoples to migrate. In most cases, this is not an adequate solution for adapting to climate change and instead renders them more vulnerable to discrimination, exploitation (especially women) and environmental hazards in their destination areas. It can also lead to the loss of traditional socioeconomic and cultural values. In this regard, interest of the indigenous people will be safeguarded in ASCF by creating awareness and putting in place adequate measure for making relevant information available and accessible to strengthen participation and consultation of the IP who may affected.
		Natural and Services Resources and Ecosystem • Projects can adversely impact indigenous peoples' identity, natural resource-based livelihoods, food security, and cultural survival. The ESIA shall consider the extent to which such impacts may arise. • ASCF shall seek to avoid such impacts and instead explore viable alternative project designs in consultation and with the participation of IPs. The advice of competent experts shall be sought to avoid such impacts.

Content of an IPP

Where IPs are present in a Project area, and adverse impacts cannot be avoided, a time-bound Indigenous Peoples Plan (IPP) shall be established in accordance with IFC P7 (and accompanying guidance note) and the requirements described in this IPPF. The IPP will include defined actions to be adopted by the Project to mitigate and manage adverse impacts. The actions will be developed with the informed participation of affected IPs. Opportunities to deliver benefits to IPs will also be incorporated into the Project's Community Development Programme.

Table 3: Content of IPP

Topic	Description
Baseline Information	• Summary of relevant baseline information that clearly profiles IPs, including indigenous women, their circumstances and livelihoods, with descriptions and quantifications of the natural resources upon which indigenous peoples depend. • Description of the methodology and references that describe how the baseline information was obtained (i.e. through the ESIA and associated participatory process).
Key findings and analysis of impacts,	• Summary of key findings, analysis of impacts, risks and opportunities • Overview of the recommended possible measures to (i) avert or mitigate adverse

risks and opportunities	impacts; (ii) enhance positive impacts, (iii) conserve and manage the IP's natural resource base on a sustainable basis; and (iv) achieve sustainable community development in line with the IP's own plans.
Measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities	• Description of the measures agreed to in the process of information disclosure, consultation and informed participation to avoid, minimize and mitigate potential adverse effects on indigenous peoples, and to enhance positive impacts. • Inclusion of an action plan that details the measures to be taken, the responsibilities and agreed schedules, including for implementation (who, how, where and when). Avoidance or preventative measures will be given primacy over mitigatory or compensatory measures.
Community-based natural resource management (where applicable)	• Description of the arrangements to be adopted that ensure the continuation of livelihood activities (e.g. grazing, hunting, gathering or artisanal fishing) key to the survival of the affected IP communities and their traditional and cultural practices. • Description of the measures to be adopted for the conservation, management and sustainable utilisation of the natural resources upon which IPs depend, and the geographically distinct areas and habitats in which they are located.
Result of consultations, the FPIC and future engagement plans	• Description of the process of information disclosure, consultation and informed participation and where relevant the FPIC process, including good faith negotiations and documented agreements with indigenous peoples, and how issues raised have been addressed. • The consultation framework for future engagement shall clearly describe the process for ongoing consultations with, and participation by IPs (including women and men), in the process of implementing and operating the project
Benefit sharing plans	• Description of the measures to enable IPs to take advantage of culturally appropriate opportunities brought about by the project, and to conserve and manage on a sustainable basis the utilization of the unique natural resource base upon which they depend.
Tenure arrangements	• Description of who has rights over the targeted project land, both in State laws and under customary law, and how the legal status of the land will change under the project and what effect this has on rights-holders.
Grievance redressal mechanism	• Description of the appropriate procedures to address grievances by IPs arising from project implementation and operation. • When designing the grievance redress mechanism and procedures, the availability of judicial recourse and customary dispute settlement mechanisms among indigenous peoples will be taken into account. • Indigenous women and men must be informed of their rights and the possibilities of administrative and legal recourse or remedies, and any legal aid available to assist them as part of the process of consultation and informed participation. • The grievance mechanism shall be readily accessible to IPs, including being able to engage with IPs in a language and mode most comfortable to them. • The grievance redress mechanism should ensure anonymity; provide for fair, transparent and timely redress of grievances without costs to those who raise grievances; and, if necessary, provide for special accommodations for women,

	- youth and the elderly, and - other vulnerable groups within the community, to make their complaints.
Costs, budget, timetable, organisational responsibilities	Inclusion of a summary of the costs of implementation, budget and responsibility for funding as well as the timing of expenditure and organisational responsibilities in managing and administering project funds and expenditures.
Monitoring, evaluation and reporting.	- Description of the monitoring, evaluation and reporting mechanisms, including responsibilities, frequencies, feedback and corrective action processes. - Monitoring and evaluation mechanisms shall include arrangements for ongoing information disclosure, consultation and informed participation with IPs (both women and men) and for the implementation and funding of any corrective actions identified in the evaluation process. - Participatory monitoring such as community-based monitoring and information systems shall be considered and supported.
Transparency and Disclosure	In formulation of IP action plan, IPF will be disclosed, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected IP communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected IP communities and other stakeholders.

Scope of IPF in ASCF

This IP framework applies to a distinct social and cultural group in the ASCF project catchment areas and identified in accordance with Green Climate Fund Indigenous Peoples Policy, World Bank ESF and AfDB ISS. Given the wider applicability and likely varying level of vulnerability of affected IP, ASCF supported projects will be required to conduct a social impact assessment of the IP areas, as appropriate. The requirements of the framework will apply to all such groups, whenever IP communities are present in, or have collective attachment to a proposed project area, as determined during the environmental and social assessment, regardless of the significance of any such impacts.

The scope of IPF will also cover communities or groups of IP 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 programmes, dispossession of their land, natural disasters, or incorporation of such territories into an urban area, as well as forest dwellers, hunter-gatherers, pastoralists or other nomadic groups. If IP are established to be present in, or have collective attachment to the project area, the ASCF supported project may be required to seek inputs from appropriate specialists to meet the consultation, planning, or other requirements of the AFC IP framework.

ANNEX 16: ASCF BIODIVERSITY FRAMEWORK

Approach to ASCF Biodiversity Framework

In line with the World Bank ESS6 and the IFC Performance Standard 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), AFC, in particular the ASCF programme recognises the protection and conservation of biodiversity, maintenance of ecosystem services, and sustainable management of living natural resources are fundamental to sustainable development. In so doing, AFC is committed to ensuring that project implementation activities under ASCF are carried out in compliance with guidance of the Convention on Biological Diversity (CBD), which defines biodiversity 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 part. Recognizing that ASCF projects across all target sectors can potentially result in induced impacts from increased access to previously undeveloped areas, fragment habitats and in-migration thereby posing increased threats to biodiversity. In this regard, all ASCF projects will ensure biodiversity is sustainably managed and conserved for future generations.

Relatedly, the framework highlights adaptable Environmental and Social Management Systems IFC's Performance Standard 1: Environmental and Social Assessment and Management Systems as the foundation of all other Performance Standards and establishes the importance of:

- (i) An integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects;
- (ii) Effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them; and
- (iii) The client's management of environmental and social performance throughout the life of the project.

A key component of developing a flexible and robust Environmental and Social Management System (ESMS) is the concept of continuous improvement, as a methodology for monitoring implementation effectiveness. Using this methodology, it will help the project proponent to create a pragmatic ESMS that can be modified over time to accommodate new information and emerging issues.

Need for Biodiversity Framework in ASCF

The ASCF biodiversity framework is a key component of the AFC's commitment to fostering connections between healthy investments, climate mitigation, and adaptation. It supports the transition to resilient, low-carbon development and the pursuit of a long-term, sustainable, climate-smart economy, enhancing delivery efficiency within AFC. the framework presents a plan for the protection and conservation of habitats and the biodiversity they support.

The framework draws from the Convention on Biological Diversity (CBD) and the Convention's Strategic Plan for Biodiversity 2011–2020, which was created in 2010 (Aichi Targets). Both CBD and the Strategic Plan highlight the importance of the private sector in meeting the convention's three main objectives through multi-stakeholder partnerships and industry-driven initiatives. These objectives are:

- to promote conservation of biological diversity,
- to promote sustainable use of its components, and
- to promote fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

In an attempt to stimulate the private sectors involvement in driving the implementation of CBD's objectives, the World Bank Group, including IFC have designed a public-private initiative tool, the Millennium Ecosystem Assessment (MA) to meet the assessment needs of the CBD and other international environmental conventions.

The MA report highlights ways in which businesses depend on ecosystem services (such as the provision of water and food, control of pests, flood control and others), how those services are changing, and the ramifications for business and industry. Thus, the findings from MA coupled with AFC commitment to the pursuit of sustainability underpin the need for a biodiversity framework towards the implementation of ASCF funded projects.

In relations to the need, the framework is also to help elicit information on the direct, indirect and cumulative impacts of ASCF projects on the biodiversity conservation and sustainable management of living natural resources, as presented below.

Direct Impacts:

- Stem primarily from land use and waste generation.
- Usually occur at the same time and place as business activities.
- Can include habitat loss and degradation, erosion, species loss, air and water pollution, soil and water contamination.
- Introduction of non-native species can disrupt surrounding ecosystems.
- Can affect local communities by reducing access to natural resources or disrupting ecosystem services, such as erosion control.
- Location is key for determining the potential for direct impacts: original or remote locations may pose higher risks.
- Can frequently be reduced, and even avoided, through early identification and careful planning.

Indirect Impacts:

- Result from the actions of others, triggered or caused by business activities.
- Can occur in a different place and at a different time from the actions that trigger them. May represent a client's most significant risk for damage to biodiversity.
- Often the most challenging to predict, identify, manage and control.
- Can be caused by third party suppliers in the sourcing and production of goods and services used by a client.
- Can result from the use or disposal of a client's products by consumers or other business users.
- Changes in behaviour by others, including local people and employees, that are prompted by a client's operations may lead to induced negative impacts to biodiversity, including habitat loss and conversion from unplanned settlements and agricultural expansion, or increased demand for and depletion of natural resources as a result of in-migration.

Cumulative Impacts:

- Arise when the operations of several companies in proximity begin to collectively affect biodiversity.
- Although individual business decisions or activities may have insignificant direct impacts on biodiversity, when combined, their impact may be significant.

Justification

The World Bank ESS6 and IFC PS6 alike, recognise the need to consider the livelihood of project-affected parties, including Indigenous People, whose access to or use of biodiversity or living natural resources may be affected by ASCF projects. The potential, positive role of project-affected parties, including Indigenous Peoples, in biodiversity conservation and sustainable management of living natural resources is also considered.

In light of the above and to protect and conserve biodiversity and habitats; appropriately apply mitigation hierarchy and precautionary approach in the design and implementation of projects that could have an adverse impact on biodiversity; promote the sustainable management of living natural resources; as well as support livelihoods of local communities, including indigenous People; and inclusive economic development, through the adoption of practices that integrate conservation needs and development priorities, a robust management framework system is essential to achieve good environmental, social and health and safety performance and thereby build trust among stakeholders, hence the justification for development of ASCF biodiversity framework.

Applicable Biodiversity Conservation references and related frameworks

The following references and frameworks will be the benchmark standards for the ASCF biodiversity frameworks.

1. African Ministerial Declaration on Biodiversity
2. UN Convention on Biological Diversity (CBD) – Strategic Plan 2011–2020 (Aichi Biodiversity Targets)
3. WWF – Responsible Investment framework for resilient and sustainable portfolios
4. Conservation International – Global Biodiversity Framework
5. IFC Performance Standards on Environmental and Social Sustainability

6. World Bank Environmental and Social Framework
7. African Development Bank Integrated Safeguards System

Methodology

Project activities face a growing pressure from the stakeholders, including the clients, financial partners, shareholders, governments, NGOs and the public to identify and report on their social and environmental performance, and biodiversity is one of the key areas of interest. Positive performance on biodiversity can create real business value for the client's business. At the same time, poor performance or negative impacts on biodiversity can seriously undermine corporate value and affect the business's ability to operate and survive in today's markets.

In AFC, methodology for the implementation of biodiversity management framework is underpinned by the continual improvement system. The system is pragmatic and based on the PDCA four steps approach, comprising: planning, doing, checking, and acting.

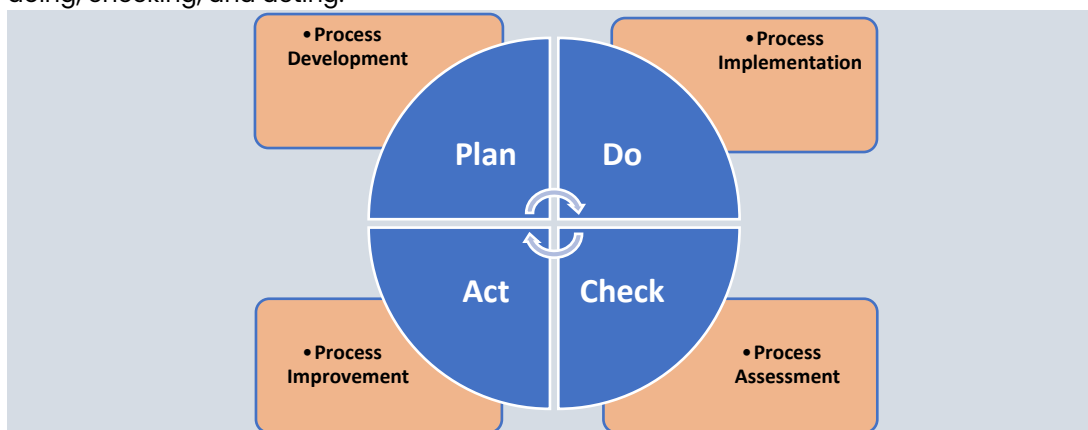


Fig 1. Continual improvement based on the Plan-Do-Check-Act frame

In implementing the continual improvement system, ASCF project sponsor will be required to implement an environmental and social risk management system (ESMS) that is appropriate to the nature and scale of the project as well as commensurate with the level of environmental risks and impacts in relation to Performance Standard 1. Furthermore, the continual improvement system should be adaptive, robust and flexible enough to respond to environmental, social and occupational health and safety risks relevant to them.

The ESMS will be followed by a review of the project's [Environmental and Social Impact Assessment \(ESIA\)](#) process to ascertain whether pertinent E&S material issues have been identified and assessed, including the biodiversity impacts and potential opportunities for conservation associated with business activities. Where applicable and compelling evidence of biodiversity impacts exist, a supplementary biodiversity impact study may be requested. This is to ensure full consideration of seasonal issues, migratory species and other emerging biodiversity related issues.

In the same vein and depending on the nature of complexity of the project, a detailed stakeholder consultations may be required to help identify risks and concerns from the immediate affected communities and the project affected people, alike. The consultation will help to build strong relationships between the project and affected community, foster inclusiveness and promote clarity and trust.

The review findings and feedback from the stakeholder engagement, particularly where project operations may have a significant impact on biodiversity or use of natural resources, the client will be required to develop a Biodiversity Action Plan (BAP), either as a stand-alone management system or, preferably, integrated into the broader ESMS.

Another component of the biodiversity management framework and tenet of Continual Improvement is a monitoring programme. The programme is to evaluate the impacts of project activities and determine the effectiveness of mitigation measures.

Biodiversity issues can often result in complex inter-relationships and sensitive ecosystems and their impacts may not be predictable. In such instance, an adaptive management approach will be required for continually monitoring of ecological change and effectiveness of management policy, practice and systems accordingly.

Finally, documentary evidence of the client's biodiversity performance, which enable better understanding of a client's biodiversity impacts and performance will help communicate commitments, progress towards implementation and challenges to be faced in the implementation and build trust and credibility with key stakeholders. Such document will be incorporated in the standard reporting procedures, as may be required by the financial institutions, regulators and other stakeholders.

Scope of Biodiversity Framework

This framework is prepared to support ASCF funded projects that may impact on the modified habitat, natural habitat and critical habitat, including a terrestrial, freshwater, or marine geographical unit of living organisms and their interactions with the non-living environment. The impacts coverage may also include areas managed for agriculture, forest plantations, reclaimed coastal zones and reclaimed coastal wetlands, as well as areas with significant biodiversity values as determined by the risks and impacts identification process required in Performance Standard 1. For the protection and conservation of habitats and the biodiversity they support, ASCF funded projects will be required to develop a mitigation hierarchy to include biodiversity offsets, as a last resort after all technically and financially feasible avoidance, minimization and restoration measures have been considered. Projects shall explicitly avoid critical habitats and prioritize route alignment through already disturbed or modified corridors where feasible, consistent with IFC PS6 and GCF ESP paragraphs 44–47.



Fig.2 Mitigation hierarchy

The framework is also applicable to legally protected and internationally recognised areas of high biodiversity value, Invasive alien species and Sustainable management of living natural resources.

Recognising the evolution and unpredictability in biodiversity discourse, the ASCF biodiversity framework is also applicable to the adaptive management in response to new information and changes in the contexts of biodiversity values for continually management of biodiversity practices. The adaptive management offers a basis for implementation, monitoring, and evaluation and adjustment in biodiversity plans and practices in a pragmatic manner.

ANNEX 17: GRIEVANCE REDRESS MECHANISM

As an international financial institution, AFC does not directly account for material environmental and social risks and impacts to the host communities. However, through its investment activity, the Corporation's portfolio (projects financed) may indirectly give rise to material potential adverse environmental or social risks or impacts.

The GRM is intended to address even minor complaints, both formal and informal, to avoid escalation into serious grievances. The Grievances Redress Mechanism (GRM) will also address any complaint related to the sexual abuses and sexual exploitation issues in ensuring labour and working conditions effectiveness, and safeguarding against Sexual Exploitation and Abuse and Sexual Harassment (SEAH). It intends to do so without retribution and with the assurance of a timely response. For more information, reference shall be made to the ASCF Grievance Redressal Mechanism Procedure on the websites.

Access to AFC and GCF Grievance Mechanisms

In addition to the project-level and portfolio company GRMs established under the ASCF Programme, stakeholders may also access the AFC's corporate-level Grievance Redress Mechanism and the Green Climate Fund's Independent Redress Mechanism (IRM) for issues that remain unresolved or are directly related to the accredited entity's oversight.

AFC Grievance Redress Mechanism

Stakeholders may submit complaints concerning AFC operations through any of the following channels:

- Email: grievances@africafc.org
- Postal Mail: *Africa Finance Corporation, Environmental & Social Risk Management Department, 3a Osborne Road, Ikoyi, Lagos, Nigeria*

GCF Independent Redress Mechanism (IRM)

For grievances related to GCF-financed activities, stakeholders may contact the GCF IRM directly at:

- Email: irm@gcfund.org
- Mail: *Head of Independent Redress Mechanism, Green Climate Fund, 175 Art Centre-daero, Yeonsu-gu, Incheon 22004, Republic of Korea*
- Website: <https://irm.greenclimate.fund>

Complainants may approach the IRM without fear of retaliation, in confidence, and at no cost. Both AFC and GCF GRMs operate under principles of fairness, transparency, and non-discrimination.

Project level GRMs must disclose these external grievance avenues in all community consultations, stakeholder engagement materials, and E&S disclosure reports.

GRM Principles

The GRM is developed based on the following principles:

- **Transparency and fairness:** The Grievance Redress Mechanism is easy to understand, transparent and available at no cost and without retribution.
- **Accessibility and cultural appropriateness:** Access to the Grievance Redress Mechanism is provided via diverse channels, including the possibility to submit grievances verbally, in writing or digitally. Possible pathways to submit grievances will include submitting them into publicly available drop-off boxes or sending them via letter, confidentially addressing designated Project personnel, or submitting them digitally via a form on the AFC

website or via mail. The GRM will be designed to be accessible in all locally relevant languages, explicitly including minority languages. Information on the purpose, mechanism and accessibility of the GRM will be clearly pointed out during Stakeholder Consultations, and will be made easily available in digital and written format.

- **Proportionality:** The mechanism is appropriate to the scale of the ASCF and its investments/projects.
- **Recording:** All grievances are registered on a Grievance Form, logged in the Grievance Register, and monitored through to resolution and close out.
- **Dialogue and site visits:** All grievances warrant discussions with the complainant and a site visit may be recommended where relevant, to gain a first-hand understanding of the nature, validity and severity of the grievance.
- **Timely resolution:** aims to respond to all messages received by its grievance mechanism within two working days and to provide a full response within 45 working days. The complainant will be informed if there are any delays.
- **Survivor focus:** Particularly for receiving, processing and resolving grievances involving accounts of SEAH perpetrated or suffered by Programme personnel or otherwise linked to the Programme, the GRM will align with survivor focus principles. These require, among others, treatment of the victims with dignity and respect, giving the victims the choice of action to take, ensuring the victims' privacy and confidentiality, application of non-discrimination principles, and the provision of comprehensive information to victims about their options¹⁸.
- **Gender-Responsiveness:** The GRM will be designed to ensure equal access and equal outcomes between the genders. This means that the design of the GRM will specifically take into account the potential barriers faced by women, including linguistic and literacy skills, access to information and digital technology, mobility, and time constraints arising from unpaid care and household responsibilities. Equality in outcomes will be ensured by ensuring gender diversity among the GRM personnel, the provision of gender sensitivity and unconscious bias training, and the involvement of gender committees and women counsellors in the remediation processes
- **Service provision for SEAH survivors:** The sub-projects/activities will make provisions to provide medical care, psychosocial support, legal support, community driven protection measures, and reintegration support, as appropriate, to SEAH survivors. The relevant personnel will be trained to identify the need for such support and provide the contacts with the relevant experts, while guarding the survivor's privacy and other rights outlined in this Section.

Purpose and Objectives

- Provide a predictable, transparent, and credible process to all parties for resolving grievances, resulting in outcomes that are seen as fair, effective, and lasting.
- Build trust as an integral component of broader stakeholder relations activities.
- Enable more systematic identification of emerging issues and trends, facilitating corrective action and pre-emptive engagement.

Scope

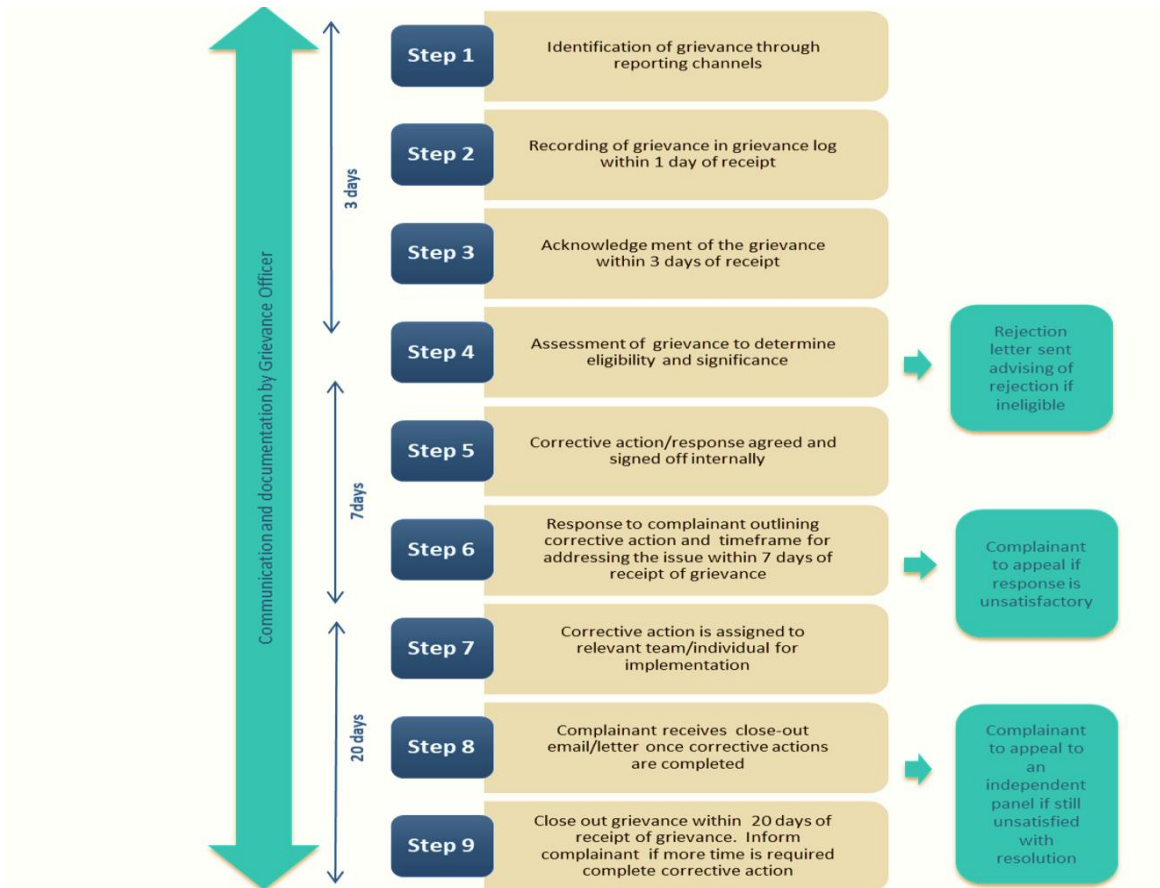
The GM applies to AFC's external stakeholders. It is not designed to manage community complaints or grievances emanating from ASCF Programme's activities for which a separate grievance mechanism must be established and implemented at the level of the project entity (see Annex 17A). AFC operates an internal

¹⁸ For more information, see: <https://www.endvawnow.org/en/articles/652-survivor-centred-approach.html>

grievance mechanism available to all employees of the Fund Manager and this is described in the Human Resources Policy.

GRM Process

An overview of the grievance management process is presented in the figure below:



ANNEX 17A: EXTERNAL STAKEHOLDER GRM PROCEDURE (ACTIVITY LEVEL)

The following guidelines are designed to manage community grievances emanating from ASCF Programme's activities. They will serve as the basis for the GRM that will be established and implemented at the level of the project entity.

Scope of grievances

A person or group can raise a grievance to the COMPANY 1 if they believe project activities are having an impact on them, the community at large, or the environment.

COMPANY 1 will evaluate all grievances received and respond appropriately. Some grievances may be related to factors not connected to the project activities. In these cases, COMPANY 1 will send a written explanation of why it feels the grievance does not require further action by the Project. In all other cases, COMPANY 1 will investigate the grievance and determine whether the Project is responsible for or has contributed to the issues that led to the grievance.

The process for receiving and treating grievances is intended to resolve issues quickly and fairly. This process does not in any way impede the complainant's access to judicial processes.

Registering a grievance

There are several ways community members can register a grievance as stated in Table 3 (Grievance submission channels) in this document. This also includes contacting the Community Relations Officer (CRO)/ Social and Communities Supervisor (SCS) (Mr ///) by phone (///) or email (///).

The complainant should provide as much information about the concern as possible when presenting the grievance, including copies of any relevant documents or photos. There is no financial cost associated with registering a grievance.

Grievance Procedure

Step 1: Receive and Acknowledge Grievance

Once COMPANY 1 (through CRO/ SCS) receives the grievance, it will be recorded in a register within two working days of receipt. They will acknowledge receipt of the grievance by letter within seven working days of receipt.

The acknowledgement letter will specify a contact person within COMPANY 1 and a description of what the complainant can expect next, including a timeline.

Step 2: Evaluate and Investigate

COMPANY 1 through the CRO/ SCS will assess the grievance to determine how it should be managed. He will work to understand, investigate, resolve, and follow-up with the complainant. This may involve seeking information from different departments within COMPANY 1.

COMPANY 1 will seek to complete investigations as quickly as possible however will take no longer than 30 days. This timeframe may be extended to 60 days if the case is particularly complex.

Step 3: Consult on and Implement Resolution

Once the grievance has been investigated, in consultation with the complainant, COMPANY 1 will discuss the results and proposed resolution with the complainant, including a timeline for implementation.

COMPANY 1 will implement the resolution either directly or through a third party, which will be done in consultation with the complainant.

Step 4: Close and Monitor

After the grievance has been fully investigated, the resolution has been implemented and monitored, and no further action is deemed necessary to resolve the issue, COMPANY 1 will close the grievance and ask the complainant to sign a statement to acknowledge resolution.

Signing the statement does not preclude the complainant from raising the issue again or seeking other avenues for redress should the resolution not result in a permanent fix, or if the issue recurs.

If the complainant does agree with the resolution offered, COMPANY 1 will close the grievance. The complainant may choose to appeal the decision to close the grievance (see Step 5) or seek other recourse.

COMPANY 1 may re-open the grievance if the complainant provides new information and may contact the complainant after closure to ensure no other problems have arisen.

Step 5: Appeal (optional if a complainant is not satisfied)

COMPANY 1 has established an additional mechanism for community members to appeal closure of a grievance when they are not satisfied with the outcome of the investigation and/or the proposed resolution.

COMPANY 1 will designate a Grievance Appeals Panel (the Panel) comprised of senior managers or trusted external third parties, including technical specialists familiar with the issue.

The Panel may decide to refuse an appeal if they feel the grievance has not been presented in good faith. The decision to refuse an appeal must be reviewed and signed off on by COMPANY 1.

In certain circumstances, COMPANY 1 may decide to appoint an individual mediator or Independent Appeals Panel that is neutral and wholly independent from the Project.

The selection of the mediator or individuals comprising the Independent Appeals Panel will be conducted in consultation with the complainant and other key stakeholders to ensure transparency in the process.

Confidentiality and Anonymity

The external stakeholder grievance mechanism encourages community members to openly exchange views and concerns about operations within the Project. Confidentiality will be observed at all times to maintain confidence in the community grievance mechanism.

Details will not be disclosed when a complainant asks COMPANY 1 to protect their identity and will remain secure with those staff members investigating the grievance. However, the situation may arise where it will not be possible to resolve the grievance without revealing the grievant's identity (for example, when evidence needs to be presented in court). In this case, COMPANY 1 will discuss with the complainant whether and how best to proceed.

Complainants raising a concern anonymously need to provide sufficient facts and data to enable COMPANY 1 to investigate the matter without assistance. COMPANY 1 will make every effort to evaluate anonymous grievances; however, anonymity may make it more difficult to investigate, protect the position of the complainant, offer and implement resolution, and give feedback.

ANNEX 18: OUTLINE OF ESIA AND ESMP FOR CATEGORY A AND B SUBPROJECTS

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ANNEX 19: CHANCE FIND PROCEDURE TEMPLATES

1. INTRODUCTION

1.1 Overview

1.2 Scope

This procedure applies to all activities conducted by COMPANY 1, including its contractors, which have the potential to uncover a heritage item/ site. This document details the actions to be taken if a previously unidentified and potential heritage item/ site is found during construction and operational activities.

The CFP also outlines the roles, responsibilities and response times required from both project staff, and any relevant heritage authority.

1.3 Purpose of this Document

The CFP is a project-specific procedure that will be followed if previously unknown cultural heritage is encountered during project activities. It will be included in all contracts relating to the construction of the project, including excavations, demolition, movement of earth, or other changes in the physical environment.

In line with the guidelines in IFC Performance Standard 8, COMPANY 1 will not disturb any chance find further until an assessment by competent professionals is made and actions consistent with the requirements of this Performance Standard are identified. Hence, the CFP highlights the steps to be taken if any cultural heritage artefacts/ resources are subsequently discovered.

1.4 Objectives

The objectives of the CFP include:

- Aligning project activities with International Finance Corporation Performance Standards 8 (IFC PS 8) and other reference framework requirements.
- Providing procedures to avoid, minimize and mitigate project impacts on cultural heritage artefacts (if discovered) as well as establish a protocol for engaging and consulting with cultural heritage stakeholders.
- Reducing project delay due to the discovery of previously unknown cultural heritage resources while engaging with cultural heritage stakeholders.
- Defining the roles and responsibilities for implementing the CFP.
- Reducing potential stakeholder grievances concerning impacts on cultural heritage resources.
- Supporting the protection and preservation of cultural heritage artefacts for future generations from the adverse impacts of project activities.
- Addressing cultural heritage as an integral aspect of sustainable development.

2. HERITAGE RESOURCES ON SITE

The Environmental and Social Impact Assessment (ESIA) conducted in XXXX for the project reported that (no) cultural heritage resources¹⁹ were identified on-site and in the immediate vicinity of the project area, hence the project did / did not trigger IFC PS 8.

However, precautionary measures for unidentified heritage resources that may be encountered during construction and operation phases will be managed by the CFP.

3. REFERENCE FRAMEWORK

COMPANY 1, its employees and contractors must, as a minimum, meet the legal requirements prescribed by existing regulations highlighted in Table 1. These include:

Table 1: Reference Framework

¹⁹ According to IFC PS 8, cultural heritage refers to:

- Tangible forms of cultural resources, such as moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values.
- Unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and
- Certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles

Applicable Standards	Relevance
<i>IFC Performance Standards (2012)</i>	
PS1: Assessment and Management of Environmental and Social Risks and Impacts	- Identify and evaluate environmental and social risks and impacts of the project. - Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to employees, Affected Communities, and the environment. - Promote improved environmental and social performance of COMPANY 1 through the effective use of management systems. - Ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately. - Promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and ensure that relevant environmental and social information is disclosed and disseminated. Hence, CFP aims to manage the potential adverse impacts of the project on cultural heritage.
PS7: Indigenous Peoples	- Ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples. - Anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts. - Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner. - Establish and maintain an on-going relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle. - Ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present. - Respect and preserve the culture, knowledge, and practices of Indigenous Peoples.
PS 8: Cultural Heritage	- COMPANY 1 will identify and protect cultural heritage by ensuring that internationally recognised practices for the protection, field-based study, and documentation of cultural heritage are implemented. - COMPANY 1 is responsible for siting and designing a project to avoid significant adverse impacts on cultural heritage. The

Applicable Standards	Relevance
	environmental and social risks and impacts identification process should determine whether cultural heritage is expected to be found around the proposed site location. • In such cases, as part of COMPANY 1s ESMS, they will develop provisions for managing chance finds through a chance find procedure which will be applied if cultural heritage is subsequently discovered. • Where a project may affect cultural heritage, COMPANY 1 will consult with Affected Communities within the host country who use, or have used within living memory, the cultural heritage for longstanding cultural purposes.
<i>Equator Principles IV (2020)</i>	
EP 2 – Environmental and social assessment	This requires COMPANY 1 to assess the environmental and social impacts and to propose relevant management and mitigation measures for reducing the impacts to an acceptable level. These risks/ impacts may affect cultural heritage; hence they should be appropriately managed.
EP 3 – Applicable environmental and social standards	Social and environmental performance must be evaluated according to the IFC Performance Standards, the WB EHS Guidelines, as well as the host country's laws.
EP 4 – Environmental and Social Management System and Equator Principles Action Plan	COMPANY 1 must develop or maintain an Environmental and Social Management System and an Environmental and Social Management Plan. Where gaps are identified, COMPANY 1 and EPFI will agree on an action plan outlining gaps and commitments to meet applicable standards.
EP 5 – Stakeholder engagement	All Category A and B projects are required to demonstrate that stakeholder engagement is an ongoing, structured and culturally appropriate process with affected communities and, where relevant, other stakeholders. For Projects with potentially significant adverse impacts on affected communities, the project proponent will conduct an informed consultation and participation process and tailor the process to: • The risks and impacts of the Project, • The Project's phase of development, • The language preferences of the affected communities, • Community decision-making processes, • The needs of disadvantaged and vulnerable groups. This process should be free from external manipulation, interference, coercion, and intimidation. A record of consultations and stakeholder engagement activities will be maintained for the duration of the Project. In line with this standard, the CFP shall be communicated to stakeholders in case of chance finds around the project area.
EP 6 – Grievance mechanism	As part of the Environmental and Social Management System (ESMS), COMPANY 1 must establish a grievance mechanism and

Applicable Standards	Relevance
	inform the affected communities about the GRM, so that grievances, clarifications etc. can be addressed appropriately.
National Legislations	
	The requirements of this Act include the following:
	•

4. ROLES AND RESPONSIBILITIES

Table 2 presents roles and responsibilities that will be undertaken for smooth flow of activities

Table 2: Roles and Responsibilities

Roles			Responsibilities
COMPANY	1	Directors/	- Responsible for ensuring that the contents of this procedure form part of the conditions of the contract of all contractors and employees. - Responsible for the appointment of a suitably qualified archaeologist or cultural heritage expert if a chance find occurs. - Ensure that adequate resources are made available and appropriately managed to successfully implement the CFP. - Support in providing relevant information for conducting annual reviews of the CFP to evaluate its effectiveness. - Ensure appropriate actions are taken following the findings and recommendations of the management reviews and audits.
		Management	
			- Ensure that the contents of this document are well understood and are communicated to on-site personnel including the Contractors team. - Ensure that compliance with the CFP is monitored through routine comprehensive inspections of the site and surrounding areas. - Ensure appropriate measures are undertaken to address non-compliance with the CFP specifications. - Monitor implementation, auditing and assist with revising the CFP to ensure that impacts on cultural heritage resources are kept to a minimum, as far as possible. - Responsible for ensuring that this CFP is followed, as well as implementing site-specific instructions as detailed in this procedure. - Provide support during stakeholder engagement, through collaboration with the CLO and enforcing the management measures described in the CFP. - Provide support for training and awareness on cultural heritage artefacts to all contractors and employees that will undertake construction activities. - Ensure that the cultural heritage resource is barricaded from access, complete the chance find register and implement measures as indicated by the CFP if a chance find occurs, in collaboration with the cultural heritage expert/ archaeologist. - Oversee the Project's overall HSEC performance and ensure that it meets investors and international best practice requirements.
		HSEC Manager/ Officer	

Roles	Responsibilities
Community Liaison Officer (CLO)	- Responsible for consultations with all relevant stakeholders and affected communities should a chance find be encountered as well as ongoing consultation to ascertain the potential presence of cultural heritage artefacts in and around the areas of the planned works. - Receive and record any grievances related to cultural heritage artefacts and ensure that these are communicated to COMPANY 1 management and followed up promptly. - Ensure that the responsible parties are informed of a potential find.
Employees and Contractors	- All employees and contractors are responsible for being aware of the contents of this procedure and how it affects their work activities. - They will immediately inform the HSEC Officer should they suspect a cultural heritage resource is in the work area and thereafter assist if required. - If a chance find is observed and/ or disturbed, the site workers will help prevent the illegal disturbance of archaeological material by: - Immediately stopping work in the chance find area safely. - Photograph the discovery (if possible) - Immediately report the discovery to the HSEC officer/ manager to demarcate the discovered site or artefact, (in situ). - Follow any instructions issued by the HSEC officer/ manager to protect the site, including arranging for security (if required) to prevent any loss of removable objects.

5. CHANCE FIND PROCEDURAL REQUIREMENTS

5.1 Induction / Training

All personnel, especially those working on construction works, earth movements and excavations, are to be inducted in the identification of potential unexpected cultural heritage elements and the relevant action for them regarding this procedure.

The CFP awareness training will cover the following:

- Definition of cultural heritage resources, with a focus on archaeological resources.
- Provision of awareness on reference framework for the protection of cultural heritage.
- A review of the CFP and the roles and responsibilities.

5.2 Procedural Steps

Cultural resources can be found by anyone on the project, including project personnel, contractors and subcontractors during the construction and operational phases of the Project. The CFP described below will be followed if previously unknown cultural heritage artefacts are encountered during project activities.

If any person discovers a physical cultural resource, such as (but not limited to) archaeological sites, a shrine, remains and objects, or individual graves during excavation or construction, the following steps shall be taken:

- The HSE officer would inform workers to stop all works in the vicinity of the find.
- They would delineate the discovered site or area; secure the site to prevent further disturbance, damage, or loss of removable objects.
- They would immediately notify the HSEC Manager, record details in an incident report and take photos of the chance find.
- The HSEC Manager will give follow up instructions and notify the cultural heritage expert and relevant authorities about the find.

- The cultural heritage expert/ archaeologist would conduct an assessment of found objects or sites; to identify and implement actions consistent with the requirements of the reference framework (identified in section 0).
- A cultural heritage expert/ archaeologist would assist in the identification, valuation assessment and protection of cultural heritage where applicable.
- A preliminary evaluation of the findings would be conducted by the archaeologist/ cultural heritage expert. The expert will make a rapid assessment of the site or chance find to determine its importance. Based on this assessment the appropriate strategy can be implemented. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage such as aesthetic, historic, scientific or research, social and economic values of the chance find.
- Sites of minor significance (such as isolated or unclear features, and isolated finds) should be recorded immediately by the archaeologist/ cultural heritage expert, thus causing minimum disruption to the work schedule of the Contractor. The results of all archaeological work must be reported to the Ministry of Commerce, Industry and Tourism once completed.
- In case of a significant find, the *heritage commissions and authorities* should be informed immediately and in writing within seven (7) days from the find.
- Where applicable, the archaeologist/ cultural heritage experts shall provide the heritage team with photos and other relevant information for the identification and assessment of the significance of heritage items.
- The Ministry must investigate the facts within two (2) weeks from the date of notification and respond in writing.
- Decisions on how to handle the finding shall be taken by the responsible authorities. This could include changes in the layout (e.g., when finding irremovable remains of cultural or archaeological importance) conservation, preservation, restoration, and salvage.
- Construction works can resume only after permission is granted from the responsible authorities.
- In case no response is received within the two (2) weeks period mentioned above, a reminder would be sent to the relevant authorities and documented.
- If there is still no response (after 7 working days), consultations would be arranged (by CLO in collaboration with the cultural heritage expert) with the community and relevant stakeholders, to discuss appropriate steps to be taken to protect the cultural resource and continue the project.
- When an agreement is reached, it would be considered as authorisation to proceed with suspended construction works.

Record keeping is a very important aspect of the CFP, and all chance finds must be documented. This includes photo logs, copies of communication with relevant authorities, agreements, recommendations, guidance notes, implementation reports etc.

The diagram in Figure 1 summarises the process that needs to be followed if a cultural heritage resource is found on site.

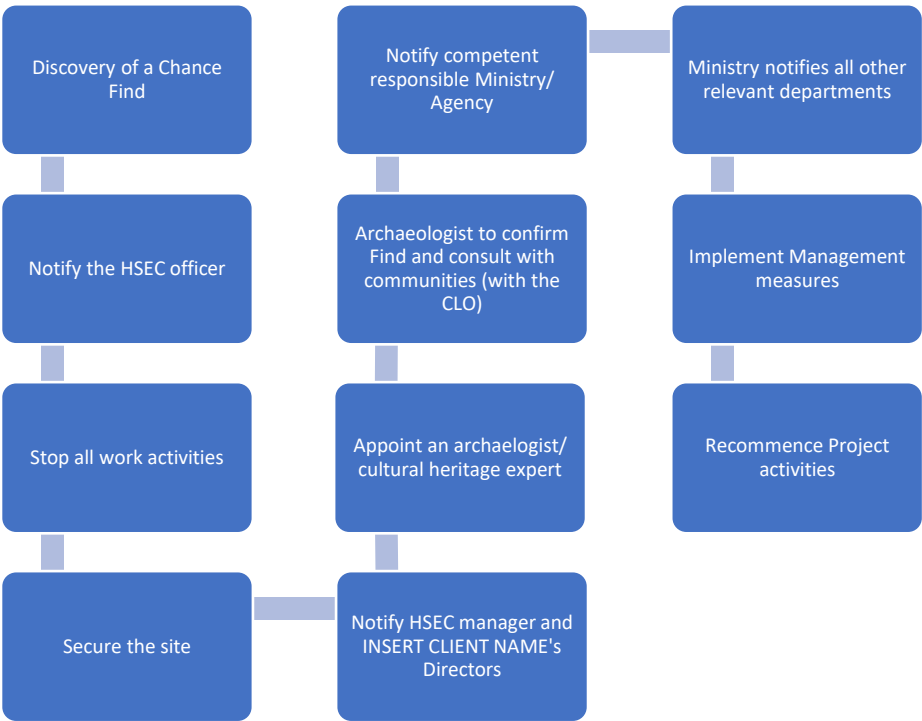


Figure 1: Process Flow Diagram

5.3 Stakeholder Consultation and Accessibility

COMPANY 1 through the CLO, will involve relevant stakeholders for the cultural heritage artefacts that are likely to be encountered during the project life cycle. Stakeholders will include, as relevant:

- Project affected parties, including individuals and host communities within the project area who use or have used the cultural heritage within living memory
- Other interested parties may include national or local regulatory authorities that are entrusted with the protection of cultural heritage, and cultural heritage experts.

5.4 Potential Cultural Heritage Artefacts that may be encountered on Site

Table 3 shows some examples (not exhaustive) of cultural heritage resources that may be accidentally encountered during excavations on-site during the project lifecycle. Measures such as those outlined in this CFP must be implemented to ensure that cultural resources are proactively identified and protected if encountered.

Table 3: Overview of potential cultural heritage artefacts

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5.5 Management Options

5.5.1 Heritage resources

Management options for heritage resources include:

- Site avoidance. If the boundaries of the heritage resource site have been delineated, efforts should be made to redesign the proposed development to avoid the heritage site. (This is the fastest and most cost-effective management option.)
- Mitigation. If it is not feasible to avoid the heritage site through redesign, it is important to sample it using a data collection programme before its loss. This could include surface collection and/ or excavation. (This is the most expensive and time-consuming management option.)
- Site Protection. It may be possible to protect the site through the installation of no-go barriers or security

personnel during construction or management of the chance find and/ or possibly for the longer term. This could include the use of caution tapes or high visibility fencing around the site. The exact remedy would be site-specific.

5.5.2 Replicable Heritage

Where tangible cultural heritage that is replicable²⁰ and not critical is encountered, mitigation measures will be applied via a mitigation hierarchy as follows:

- Avoidance
- Minimization of adverse impacts and implementation of restoration measures, in situ.
- Restoration of the functionality of the cultural heritage, in a different location.
- Permanent removal of historical and archaeological artefacts and structures.
- Where minimization of adverse impacts and restoration is not feasible, compensation of loss will be paid to the relevant authorities in charge of heritage resources after consultation.

5.5.3 Human Remains Management Options

The handling of human remains requires effective communication and appropriate management according to the same procedure described in Section 0.

There are two possible courses of action:

1. Avoid. The project is redesigned to completely avoid the found remains. An assessment should be made as to whether the remains may be affected by residual or accumulative impacts associated with the project, and properly addressed by a comprehensive management plan.
2. Exhume. Exhumation of the remains in a manner considered appropriate by decision-makers or relevant stakeholders. This will involve the predetermination of a site suitable for the reburial of the remains. Certain ceremonies or procedures may need to be followed before development activities can recommence in the area of the discovery.

5.6 Use of Cultural Heritage

If for any reason, COMPANY 1 proposes to use the cultural heritage artefacts found in the project area, including knowledge, innovations, or practices of local communities for commercial purposes (e.g., medicine, sacred or traditional processing techniques etc.), will inform the project communities of:

- Their rights under national law.
- The scope and nature of the proposed commercial use.
- Potential consequences of such commercial use.

COMPANY 1 will not proceed with such commercialization unless it:

- Enters a process of Informed Consultation and Participation (ICP) as described in IFC PS, which uses a good faith negotiation process that results in a documented outcome.
- Provides for fair and equitable sharing of benefits from the commercialization of such knowledge, innovation, or practice, consistent with their customs and traditions.

List of Contacts

5.7 Mitigation and Monitoring

This CFP should be referred to as the standard provisions in construction and operation contracts, when applicable. During project supervision, the HSEC Manager or HSE Officer shall monitor the implementation of the CFP if a chance find is encountered during project activities.

²⁰ Replicable cultural heritage is defined as tangible forms of cultural heritage that can be moved to another location or that can be replaced by a similar structure or natural features to which the cultural values can be transferred by appropriate measures. Archaeological or historical sites may be considered replicable where the eras and cultural values they represent are well represented by other sites and/ or structures

COMPANY 1 will monitor the following Key Performance Indicators (KPI) to determine the efficacy of the CFP:

- The number of chance finds reported per reporting period.
- The number of training sessions and toolbox talks on cultural heritage provided per year.

Mitigation measures detailed in Table 4 can be applied in case of a chance find.

Table 4: Mitigation and Monitoring

Impact	Mitigation	Responsibility for Mitigation	Responsibility Monitoring	for
•				

6. REPORTING AND DOCUMENTATION

7. REFERENCES

ANNEX 20:



Instrumental Infrastructure.
Instrumental Africa.