

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK



**JAMAICA
ENERGY MANAGEMENT AND EFFICIENCY PROGRAM (EMEP)
JA-G100**

**ENVIRONMENTAL AND SOCIAL STRATEGY
(ESS)
01/05/2017**

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Environmental and Social Strategy (ESS)	
Operation Name	Energy Management and Efficiency Program (EMEP)
Operation Number	JA-G1003
Operation Details	
IDB Sector	Energy - Energy Efficiency and Renewable Energy in End Use
Type of Operation	IGR - Investment Grants
Impact Categorization	B
Disaster Risk Rating	Moderate
Borrower	Jamaica
Executing Agency	Petroleum Corporation of Jamaica (PCJ)
IDB Loan US\$ (and total project cost)	US\$ 10 million (US\$ 10 million)
Applicable Policies/Directives	OP-102; OP-704; OP-761; OP-703 (B.1, B.2, B.3, B.4, B.5, B.6, B.7, B.10, B.11, B.14, B.17)
Operation Description	
<p>Jamaica's electricity generation is dependent on old, inefficient diesel generators that run on expensive oil imports, and to a transmission system that continues to suffer from high technical and non-technical losses. Energy Efficiency and Conservation (EEC) technologies and measures, has been recognized by the Government of Jamaica (GOJ) within its National Energy Policy (NEP) 2009-2030 as the least expensive, lowest risk and most effective strategies for immediately reducing energy consumption and related negative environmental impacts. The Ministry of Science, Energy and Technology (MSET) and its agency, Petroleum Corporation of Jamaica (PCJ), are mandated to promote the increased take-up of EEC and renewable energy (RE) in Jamaica, supporting diversification away from fuel imports. MSET is also required to assess how much additional RE is needed to meet its targets and how this capacity affects grid reliability and cost to final consumers.</p> <p>The general objective of the program is to promote a more efficient use of energy resources that would free public funds through lower government hospital electricity bills and reduced oil imports, contributing to GHG emissions reduction. The proposed project is an expansion of the project "Energy Management and Efficiency Programme" (JA-L1056), approved in 2016. With financing from the European Union Caribbean Investment Facility (EU-CIF) the project will enable the addition of 7 government-funded hospitals receiving a deep EEC retrofit package and bringing the total number of government facilities receiving support from 23 to 30. Additionally, it will also provide more support to Electricity Planning. The specific components of the project could be summarized as follows:</p> <p>a) Retrofitting of 7 hospitals – will finance the implementation of EEC measures in 7 public hospitals facilities: (i) purchase, installation, operation and maintenance of EEC technologies, including related activities such as waste management; (ii) training workshops and manuals for facilities personnel and (iii) the design and implementation of a Communications and Visibility Plan to raise awareness among targeted stakeholders regarding EEC and RE, specifically with respect to building codes, equipment standards, solar PV connection charges and net-billing implementation guidelines.</p> <p>b) Support to Electricity Planning and Jamaica's Integrated Resource Plan (IRP) for Electricity – will finance (i) the development of Jamaica's Integrated Energy Plan (IEP) that builds upon the IRP and widens it to consider the energy needs in the transport and mining sectors.</p>	

Key Potential ESHS Risks and Impacts

The key potential Environmental, Social and Health and Safety (ESHS) risks and potential impacts associated with the project mainly refer to the retrofitting of the seven hospitals (purchase, installation, operation and maintenance of EEC technologies,), and could be summarized as follows:

- Construction activities might generate impacts on current users of the facility and nearby communities, generating temporary minimal to moderate potential impacts: traffic disruption; dust and minimal to moderate air emission and affectation of air quality; impacts on water/soil, especially if waste and hazardous materials are not adequately managed; temporary noise impacts; occupational and community health and safety impacts.
- Construction and retrofitting activities will generate relevant quantities of solid (scrap wood, concrete, glass, and cardboard, etc.) and hazardous waste (mercury from fluorescent light bulbs and thermostats, hydrofluorocarbons and other refrigerant gases from air conditioning units, used oils, asbestos containing materials, etc.). Solid waste can be disposed in existing landfills, however, up to date there are no hazardous waste disposal facilities in Jamaica (currently hazardous wastes are either disposed of in local landfills or shipped abroad to treatment facilities).
- The operations of the hospitals will continue generating impacts associated to solid and hazardous waste and wastewater generation, traffic and affectation of nearby communities, that will need to be properly mitigated and managed.
- The hospitals might be exposed to natural hazards (flooding, storm surge, hurricanes, seismicity, landslides) and climate change could increase the risk of many of these hazards.
- The local authority might not have the in-house capacity to ensure the proper management of all ESHS aspects associated with the project.

Given that the Project objectives are to promote energy and resources efficiency, it is expected that there will be long term positive environmental and social impacts. A more efficient use of energy resources will generate a GHG emissions reduction. The Project may bring also additional indirect benefits as improved patient, visitors, worker well-being from better air conditioning and lighting.

Information Gaps and Strategy for Analysis and Management

The project has been classified as Category B, as it is anticipated that it is likely to cause mostly local negative environmental and social impacts for which effective mitigation measures should be implemented. Consequently, following B.3 and B.5 Directives of Operation Policy 703 (OP-703), it is required that the Borrower undertakes appropriate Environmental and Social Analysis (ESA) and prepares an Environmental and Social Management Plan (ESMP), with the aim of identifying and managing ESHS impacts and risks of the operation (during both construction and operation), including meaningful consultation with stakeholders.

The ESA and ESMP will assess the impacts of the Program during all phases, with special focus to construction, as temporary minimal to moderate potential impacts to local communities are expected, especially in relation to traffic disruption, dust and minimal to moderate air emission and affectation of air quality, temporary noise impacts, occupational and community health and safety impacts.

The ESA and ESMP will include specific provisions for solid and hazardous wastes that will be generated by the Project during all phases. These will include details on how to handle, dispose and treat all contaminated components to reduce occupational and community health and safety risks. e Provisions and instructions for treatment and disposal facility selection (most likely hazardous wastes to be shipped abroad as treatment facilities are not available on the island) and auditing of the facility

will also be included. A specific Solid and Hazardous Waste Management Plan (SHWMP) will be developed.

The ESA and ESMP will also assess natural disaster risks, defining procedures and mitigation measures to prevent, and be applied during, any relevant event.

The Borrower will develop an Emergency Preparedness Plan (EPP) for the hospitals, for all phases, to ensure all measures are in place in case of any event (i.e. medical emergency, evacuation, etc.).

The Borrower will develop yearly Resource Efficiency Report, to assess and monitor energy consumption and resource efficiency at all locations, and reporting GHG emissions.

The Borrower will carry out inclusive, meaningful, gender-sensitive and sociocultural appropriate consultations with all affected groups (i.e. communities leaving nearby the hospitals). Following B.6 Directive, the main goal of the consultations will be to inform, gather comments, and adjust the ESA and the corresponding ESMP. A comprehensive Stakeholders Engagement Plan (SEP) that includes a Grievance Mechanism (GM) will be prepared, and will be continuously assessed and improved at the different stages of the operation, aiming at ensuring that proper information sharing, stakeholders involvement and GM have been put into practice.

A fit-for-disclosure ESA, ESMP, SEP, and SHWMP must be ready for review and public disclosure prior to the analysis mission through the Borrower and IDB's webpage following the Access to Information Policy OP-102. No ESHS documentation has yet been submitted for review.

The Bank will assess if the Borrower has enough organizational capacity to properly assess and manage all ESHS aspects of the Project, especially in relation to meaningful consultation activities with possible affected stakeholders (i.e. hiring a dedicated social specialist to support the Borrower).

Since the Project is a repeat loan based on JA-L1056, during the analysis the IDB will assess whether significant ESHS liabilities related to the first loan are still pending resolution, as per OP-703 B.14.

Opportunities for IDB Additionality (if any)

Through this Program, IDB will help the Borrower reducing its GHG emissions. The Borrower will develop yearly Resource Efficiency Report, to assess and monitor energy consumption and resource efficiency at all locations, and reporting GHG emissions. Furthermore, building upgrades may have also additional indirect benefits, including improved patient, visitors, and workers' well-being from better air conditioning and lighting.

Annex Table: Operation Compliance with IDB Safeguard Policies

Operation Compliance table attached at the end of the document.

Additional Annexes (if any)

NA

Table: Operation Compliance with IDB Safeguard Policies

Policies / Directives	Relevant Aspect of Policy / Directive	Is This Policy / Directive Applicable?	Rationale for Applying Policy / Directive Rationale	Actions required during Preparation & Analysis
OP-703 Environment and Safeguards Compliance Policy				
B.2 Country Laws and Regulations	Project Design	Yes	The project will comply with Jamaica ESHS laws and regulations.	The Borrower will comply with Jamaica ESHS regulations (i.e. file for NEPA permits).
B.3 Screening and Classification	Screening and Classification	Yes	The project was screened and classified as Cat. B.	No Actions Required.
B.4 Other Risk Factors	Institutional Capacity	More information required	PCJ might not have the capacity to ensure the proper management of all ESHS aspects of the project.	During due diligence, the Bank will assess PCJ capacity to manage ESHS aspects of the project.
	GHG – Energy and Resource Efficiency	Yes	The project promotes energy and resource efficiency, and GHG reduction.	The Borrower will develop yearly Resource Efficiency Report, to monitor energy/resource efficiency and reporting GHG emissions.
B.5 Environmental Assessment and Plans Requirements	ESA and ESMP	Yes	ESA and ESMP are required.	The Borrower will develop the ESA and ESMP for all phases in line with IDB requirements.
B.5 Social Assessment and Plans Requirements	ESA and ESMP	Yes	The presence of nearby community triggers the need of a Social Assessment, a SEP, and a GM.	The Borrower will include in the ESA a Social Assessment, and in the ESMP a SEP and GM.
B.6 Consultation	Meaningful consultations with key stakeholders and affected population	Yes	Since this projects have been categorized as Category B, gender-sensitive and socio-culturally appropriate consultation activities with all the affected	The Borrower will report on public consultation activities per IDB requirements. IDB will support the Borrower to guarantee that meaningful

			parties are necessary during project preparation. A SEP will need to be included as part of the ESMP.	consultations are carried out during the preparation of the project. IDB will supervise the SEP implementation during the execution phase.
B.7 Supervision and Compliance	Monitoring from IDB	Yes	Continuous monitoring is necessary to ensure compliance with ESA, ESMP, Loan Agreement, and IDB Requirements.	ESHS requirements will be included in the loan agreement. Ensure that budget for monitoring activities is allocated. in the project total costs The IDB will supervise the indicators included in the Environmental and Social Monitoring Plan (part of ESMP)
B.8 Transboundary Impacts	-	No	Impacts are local.	No actions required
B.9 Natural Habitats	Natural Habitats	No	The Operations are carried out in urbanized areas, within already existing structures.	No actions required
B.9 Invasive Species	Invasive Species	No	The Operation will not introduce invasive species.	No actions required
B.9 Cultural Sites	Cultural Sites	No	The Operations are carried out in urbanized areas, within already existing structures.	No actions required
B.10 Hazardous Materials	Use of hazardous materials	Yes	Construction works and operations will include the use, generation, and disposal of hazardous materials and waste.	The Borrower will include in the ESMP a specific Solid and Hazardous Waste Management Plan (SHWMP). Provisions and instructions for treatment and disposal facility selection (most likely

				hazardous wastes to be shipped abroad) and auditing of the facility will also be included.
B.11 Pollution Prevention and Abatement	Pollution prevention	Yes	Construction work and operation will cause possible pollution (air, noise, water, and soil).	The Borrower will include in the ESMP specific mitigation measures to ensure pollution prevention and monitoring during all phases.
B.12 Projects Under Construction	-	No	Project still in the design phase.	No Action Required
B.13 Noninvestment Lending and Flexible Lending Instruments	-	No	Not Applicable	No Action Required
B.14 Multiple Phase and Repeat Loans	Repeat Loan	Yes	The Project is a repeat loan based on JA-L1056	During the analysis, the IDB will assess whether significant ESHS liabilities related to the first loan are still pending resolution.
B.15 Co-financing Operations	-	No	Not Applicable	No Action Required
B.16 In-Country Systems	-	No	Bank Policies will be applied	No Action Required
B.17 Procurement	Incorporate sustainable procurement into loan agreement, operating manual and bidding documents	Yes	ESHS requirements should be included into the contracts of all contractors.	Contractors contract will include reference to IDB ESHS requirements.
OP-704 Natural Disaster Risk Management Policy				
Disaster Risk Assessment	Exposure to natural disaster risks	Yes	Due to the location, natural disaster risks could be moderate, generating possible affectation to	In the ESA, the Borrower will assess natural disaster risks and impacts that could affect the operation.

			structures, facilities users, and local community.	
Disaster Risk Management Plan	Exposure to natural disaster risks	Yes	Possible exposure to natural disaster risks.	Within the ESMP, the Borrower will include specific procedures and mitigation measures to prevent, and be applied during, any event. The Borrower will develop an EPP for both phases.
OP-710 Operational Policy on Involuntary Resettlement				
Resettlement Minimization	Resettlement	No	The project will not involve any type of resettlement.	No Action Required
Resettlement Plan Consultations	Resettlement	No	The project will not involve any type of resettlement.	No Action Required
Impoverishment Risk Analysis	Resettlement	No	The project will not involve any type of resettlement.	No Action Required
Resettlement Plan or Resettlement Framework (Prior to Analysis Mission/Board Approval)	Resettlement	No	The project will not involve any type of resettlement.	No Action Required
Livelihood Restoration Program (LRP)	Resettlement	No	The project will not involve any type of resettlement.	No Action Required
Consent (Indigenous Peoples (IP) and other Rural Ethnic Minorities)	IP Resettlement	No	The project will not affect the territories of indigenous people or rural ethnic minorities and therefore, no consent is required.	No Action Required
OP-765 Operational Policy on Indigenous Peoples				
Sociocultural Evaluation	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
Good-faith Negotiations	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
Agreement with Affected Indigenous Peoples	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required

Indigenous Peoples Protection, Compensation, and Development Plan or Framework prior to Board Approval	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
Discrimination Issues Assessed and Addressed	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
Transborder Impacts Addressed	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
Impacts on Isolated Indigenous Peoples Addressed	Indigenous People	No	No Indigenous People are affected by the project.	No Action Required
OP-761 Operational Policy on Gender Equality in Development				
Gender-based Exclusion Addressed	Gender-based Exclusion	No	No gender-based exclusion is expected.	No Action Required
Equal Access to Project Benefits/ Compensation Measures	Equal Access	No	The project will not introduce unequal requirements for access to project benefits.	No Action Required
Uneven Impact Burden Addressed	Gender-based adverse impacts	No	No gender-based adverse impacts are expected.	No Action Required
Disaggregation of Impact Data by Gender	Disaggregate project impacts and beneficiaries by gender	Yes	The project indicators will be disaggregated by gender	The social baseline of the ESA will include impact data disaggregated by gender.
Consultation of Affected Women	Consultation	Yes	The project will seek the equitable participation of women and men in its consultation process. If applicable, specific measures will be implemented.	The Borrower will seek equitable participation of women and men. The IDB will monitor the inclusion of women at all consultation activities.
OP-102 Access to Information Policy				
Disclosure of relevant Environmental and Social	Disclosure of information	Yes	A fit-for-disclosure ESA, ESMP, SEP, SHWMP, must be ready for review and	The Borrower will prepare the relevant assessments. The Bank will ensure they

Assessments ¹ Prior to Analysis Mission, QRR and submission of the operation for Board consideration ²			public disclosure prior to the analysis mission through the Borrower and IDB's webpage. IDB will disclose the final versions of the documents prior to the QRR.	are disclosed prior to the analysis mission through the Borrower and IDB's webpage. In addition, IDB will disclose the final versions of the documents prior to the QRR.
Provisions for Disclosure of Environmental and Social Documents during Project Implementation	Disclosure of information	Yes	In case during the project execution phase new relevant ESHS documents are delivered, these will be made available to the public.	The Borrower will publish all new relevant ESHS documents that will be developed during the Project's implementation. It will be also included as condition in the Loan Contract.

¹ Environmental and Social Assessments include ESIA's, ESMP's, RPs, RFs, and ESMF's.

² Please refer to the Protocols for ESHS Documentation and Information Disclosure for more details on the disclosure timing of the different Environmental and Social Assessments.