CBEA ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

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Acronyms

Acronym	Full word
AfDB	African Development Bank
AQNMP	Air Quality and Noise Management Plan
BRA	Baseline Risk Assessment
CITES	Convention on International Trade of Endangered Species
CBEA	CrossBoundary Energy Access
DevCo	Development Committee
EPRP	Emergency Preparedness and Response Plans
ESG	Environment, Social and Governance
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
FPIC	Free, Prior, Informed Consent
GRI	Global Reporting Initiative
GHG	Greenhouse gas
IFC PS	International Finance Corporation Performance Standard
ILO	International Labour Organisation
OHS	Occupational Health and Safety
PQC	Project Qualifying Criteria
TCFD	Taskforce on Climate-related Financial Disclosures
VPSHR	Voluntary Principles on Security and Human Rights
WMP	Waste Management Plan

1. INTRODUCTION

A. Overview

CrossBoundary Energy Access (CBEA) finances, owns, and manages solar mini-grids that provide clean, renewable, and affordable electricity to rural households and businesses in Sub-Saharan Africa (SSA). Solar mini-grids typically consist of a group of solar panels, diesel generators, distribution poles and wires, in-house wiring, smart meters, a battery system for energy storage, and an inverter to convert the energy for use in rural homes and businesses. The mini-grids operate independently from the main grid but can be integrated if necessary.

CBEA has developed this Environmental and Social Management System (ESMS) manual to manage the environmental and social (E&S) impacts of its solar mini-grids and associated facilities (herein referred to as "Project").

The ESMS comprises policies, procedures, and guidelines CBEA incorporates into its investment processes. The procedures outlined in this ESMS are applied to each Project as part of CBEA's overall risk management framework.

CBEA ensures effective implementation of this ESMS through:

1. Developing E&S organisational capacity by institutionalizing an environment, social, and governance (ESG) Committee that is fully committed to the implementation of the ESMS through the ESG Manager as well as ensuring that all internal staff are aware of their roles and responsibilities in relation to the ESMS.
2. Establishing an ESG Policy that sets out CBEA's commitment to managing its E&S performance in line with Applicable E&S Standards to instill best practices in CBEA's operations.
3. Developing a set of Developer's E&S requirements including guidelines and procedures to guide Developers in addressing E&S risks across the Project cycle.
4. Establishing an active monitoring and reporting plan to track E&S progress, identify areas for improvement, and report on CBEA's E&S performance.
5. Establishing an effective communication mechanism with:
    - Investors to collaborate and make informed decisions pertaining to the investments' E&S risks and opportunities.
    - Internal and external stakeholders to ensure effective implementation of the ESMS throughout CBEA's operations.
6. Commitment to continually review and improve the ESMS to ensure it remains relevant and effective in addressing CBEA's E&S risks and impacts.

B. Structure of the ESMS

The ESMS has been developed in alignment with African Development Bank's (AfDB) and International Finance Corporation (IFC) Interpretation Note on Financial Intermediaries and is structured in two (2) parts as follows:

1. CBEA E&S requirements

This section describes specific E&S policies, procedures and systems undertaken by CBEA as part of its overall ESG strategy. It includes:

- Applicable E&S standards
- ESG policy
- E&S organisational capacity and competency
- Integration of the ESMS into the investment cycle

2. Developers' E&S requirements

This section serves as an annex that outlines the E&S guidelines and requirements of CBEA, which serve as a template for E&S contractual obligations for developers. It includes:

- E&S management plans and systems
- E&S management guidelines

3. E&S tools

This section is an annex providing E&S tools to be developed and implemented by CBEA in supporting the requirements of the ESMS. It includes:

- CBEA ESG policy
- E&S exclusion list
- E&S screening checklist
- ESDD checklist
- ESDD report template
- E&S document request list
- ESAP report template
- E&S KPIs

C. Applicable E&S Standards

CBEA commits its investments and its operations to conform with the following E&S standards and guidelines (collectively referred to as the Applicable Standards):

- IFC E&S Performance Standards (2012) and associated Guidance Notes;
- World Bank Group's Environmental, Health, and Safety (EHS) Guidelines;
- International Bill of Human Rights;
- African Development Bank (AfDB) Integrated Safeguards System (ISS) and Operational Safeguards (Oss);
- The International Labour Organisation (ILO)'s Core Labour Conventions;
- Voluntary Principles on Security and Human Rights (VPSHR); and
- All relevant national laws and regulations pertaining to E&S in countries of operations.

2. ESG POLICY

CBEA has established an ESG Policy that provides a guiding framework for integrating and managing E&S risks. Specific commitments in the policy include:

- Development and implementation of an ESMS across all its investments;
- Conformance with the Applicable Standards with a mandate to go beyond local compliance and achieve best practices;
- Compliance with relevant national E&S legislation; and
- Commitment to managing broad E&S risks affecting the mini-grid sector and key focus areas including:
    - Climate risk
    - Biodiversity
    - Cultural heritage
    - Community development
    - Indigenous peoples
    - Human rights
    - Land acquisition and resettlement

CBEA is also establishing additional relevant E&S policies as part of its commitment to comply with requirements and continually improve the effectiveness of the ESMS. The policies support CBEA's ESG strategic direction and demonstrate compliance with specific E&S factors in the renewable energy sector. The policies create a framework to demonstrate CBEA's commitments and shall be communicated to the internal staff through formal meetings, awareness training, and other internal communication channels, and shall be reviewed regularly for suitability and relevance. The E&S policies include:

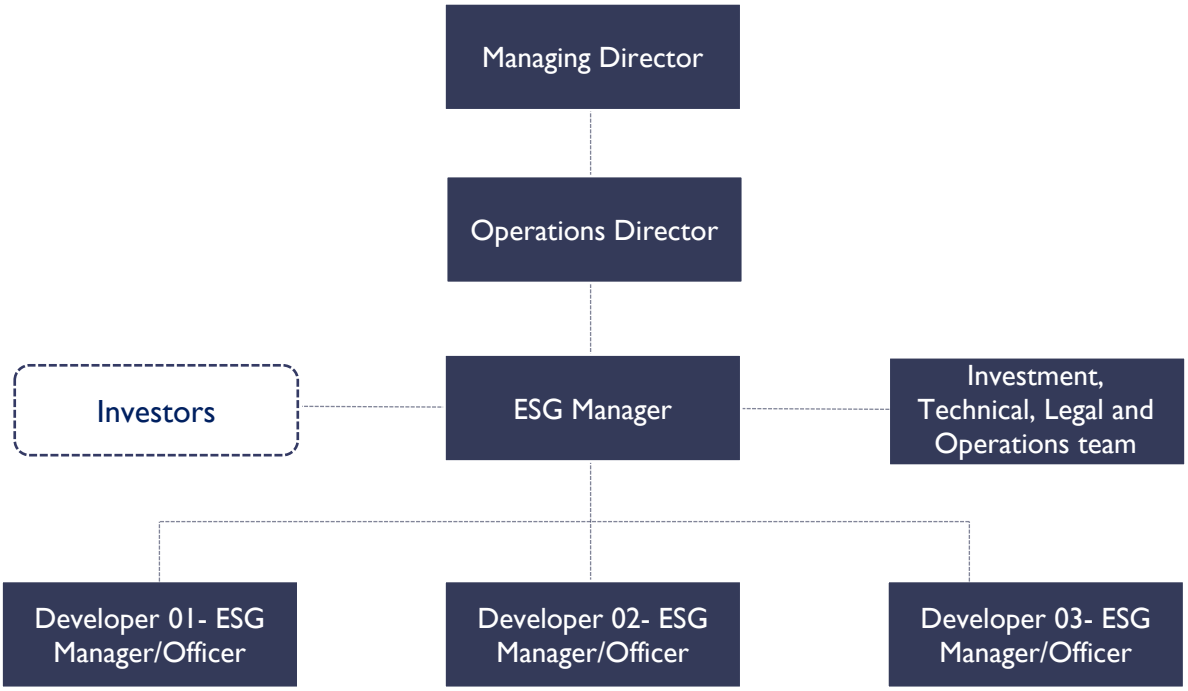
1. Human rights policy
2. Climate policy
3. Gender policy
4. Procurement policy

3. E&S ORGANISATIONAL CAPACITY AND COMPETENCY

A. Organisational structure

The organisational structure (Figure 1) presents a governance framework within CBEA to manage E&S aspects and integrate ESG considerations into its decision-making processes. The structure includes roles and responsibilities to identify, assess, and manage E&S risks and opportunities. The CBEA ESG Committee holds the overarching responsibility for overseeing E&S performance.

Figure 1: E&S governance framework cuts across all levels in the organisation



B. Key roles and responsibilities

i. ESG Committee

CBEA has demonstrated full leadership and commitment to its ESMS by establishing an ESG Committee that oversees the implementation of the ESMS. The Committee comprises:

1. Managing Director
2. Operations Director
3. ESG Manager

4. Senior Legal Counsel
5. Technical Manager

The ESG Committee shall demonstrate leadership and commitment with respect to the ESMS by:

1. Reviewing and approving ESMS policies and procedures.
2. Managing the ESMS to ensure that it is adequately maintained, updated, and resourced as necessary.
3. Regularly reviewing the effectiveness of the ESMS and to identify areas of improvement which will be documented in an action plan
4. Ensuring that the integrity of the ESMS is maintained when changes to the ESMS are planned and implemented.
5. Ensuring that the ESMS conforms to the Applicable Standards.
6. Providing overall direction and support and recommending to CBEA board resources required for the successful implementation of the ESMS.
7. Communicating the importance of the effectiveness of the ESMS to relevant stakeholders and confirming the ESMS requirements.
8. Encouraging the proactive involvement of all Project personnel in executing the relevant management programs and ensuring risk-based thinking and continual improvement.
9. Ensuring that the Project ESG KPIs appropriately represent the performance of each Project.
10. Ensuring that there is an adequate budget for the operation of the CBEA ESG function.
11. Holding quarterly meetings to track the progress of the ESMS implementation and to address upcoming E&S developments that may require attention or action.

ii. Managing Director

The Managing Director has the ultimate responsibility for the implementation of the ESMS and the investments that are presented to DevCo for approval. They will work closely with the Operations Manager and the ESG Manager to ensure that all E&S aspects are discharged in accordance with the procedures outlined in ESMS and sit on the CBEA ESG Committee.

iii. Operations Director

The Operations Director oversees the ESMS implementation and works closely with the ESG Manager to ensure that the ESMS is effectively implemented on a day-to-day basis.

iv. ESG Manager

The ESG Manager will have the responsibility of implementing the ESMS throughout the investment process with specific duties including:

1. Conducting the pre-screen process of all proposed investment opportunities, which will include reviewing the Developer/Project's E&S documentation and permits.

2. Collaborating with the investment team to define the scope of the detailed Environmental and Social Due Diligence (ESDD) and arrange for its resourcing by the ESG Manager or an external E&S consultant.
3. Negotiating the Environmental and Social Action Plan (ESAP) after completion of the ESDD with the Developer to ensure that it is reasonable.
4. Collaborating with legal and the investment teams to ensure that E&S requirements are included in relevant legal and contractual documentation for the investment.
5. Working with the investment team to prepare E&S input for investment proposals presented to the Development Committee (DevCo).
6. Ensuring that E&S performance data from the Developer/Project is regularly collected, reviewed, and compiled for reporting to investors on a quarterly and annual basis.
7. Reporting any significant E&S incidents to investors as soon as possible.
8. Providing E&S stewardship at the board level and on the Developer E&S function to ensure alignment to the CBEA ESG policy.
9. Develop annual ESG reports including ESMP and share with investors.

C. E&S Training

CBEA is committed to conducting frequent E&S training for its employees. E&S training aims to equip CBEA staff with knowledge and skills to identify and mitigate potential E&S risks associated with Projects and to take proactive measures to prevent or minimise them.

At a minimum, the ESG manager will conduct training to the CBEA team at least quarterly on:

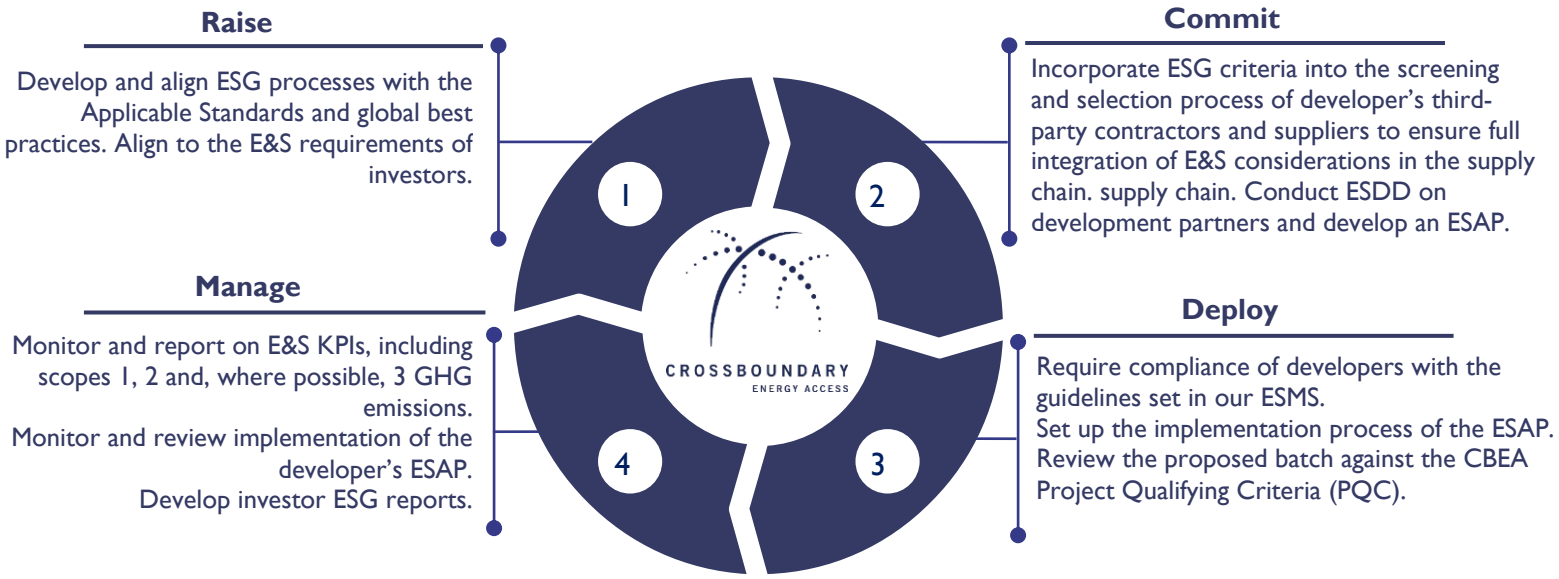
- The ESG policy commitments.
- The requirements of the ESMS and the roles and responsibilities that CBEA staff will play in implementing it.
- Material E&S aspects and high E&S risks of the mini-grid sector and those specific to the geographies in which the assets are being developed. These may include labour rights, human rights, occupational health and safety, community health and safety, waste management, stakeholder engagement, gender, climate risk, indigenous peoples, biodiversity, involuntary displacement, and resettlement.
- E&S monitoring and reporting requirements.

4. ESMS INTO THE INVESTMENT CYCLE

A. Overview

CBEA raises, commits, and deploys capital into Projects. Once capital is deployed, CBEA owns and manages the assets to ensure that they deliver performance including ESG performance.

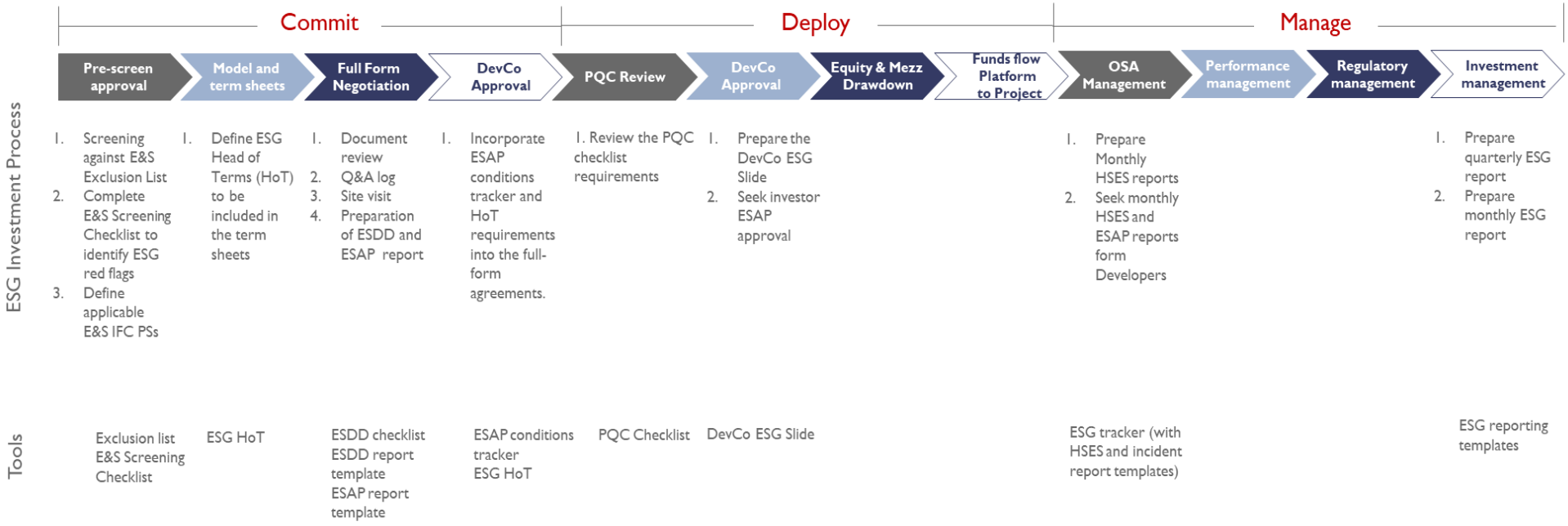
Figure 2: E&S is integrated throughout the CBEA investment cycle from Raise, Commit, Deploy and Manage Stages.



B. ESG Integration into the Investment Process

This section describes key E&S processes in the Commit, Deploy and Manage Stages. The Raise Stage has been excluded as it largely relates to E&S alignment CBEA's processed to that of its investors, hence it does not directly affect Developers. Figure 3 gives a detailed description of E&S processes and tools under each stage in CBEA's investment cycle that are required to implement the ESMS.

Figure 3: The E&S processes and tools under each stage in CBEA's investment cycle contribute to the implementation of the ESMS.



C. Commit Stage

i. Developer E&S screening

Exclusion list

During the pre-screen approval process in the Commit Stage, the investment team, in collaboration with the ESG Manager conducts preliminary review of the Developer's activities[1] against the Exclusion List. Where an investment, procurement, or financing opportunity is found to be associated with activities or products on the Exclusion List, CBEA's investment team will not proceed further with the investment. Should eligibility not be clear, the investment team will first consult with the ESG Manager and, if necessary, the DevCo for further evaluation and clarification. If needed, they will engage with the Developer to gain a better understanding of the internal operations and projects.

E&S Screening

The E&S screening process is conducted after the initial screening against the Exclusion List. The investment team in collaboration with the ESG Manager conducts a pre-screen which is a high-level E&S screening of the Developer's E&S function as well as track record. This screening is documented in the investment Q&A log which entails a list of key commercial, legal, technical, and ESG questions. The ESG questions seek to find out whether at a minimum the Developer has:

1. An ESG Manager or E&S officer.
2. An ESG policy.
3. Developed and implemented an ESMS that is compliant with IFC PSs.
4. Governance policies including but not limited to Anti-Bribery and Corruption (ABC) Policy, Anti-Money Laundering (AML) Policy, and Whistleblowing Policy.
5. Acquired E&S permits in accordance with local regulations.

At this stage, the investment team approves or rejects a Developer based on the minimum commercial, technical, and ESG requirements stipulated in the Q&A log. Once the Developer's activities have been approved by the investment team, a detailed E&S screening is conducted by the ESG Manager. This screening is documented in an E&S Screening Checklist.

The detailed E&S screening is conducted for the Developer's internal operations and the Projects. This screening entails a review of E&S information provided by the Developer including the E&S policies, procedures, programs, and ESIA for Projects. A brief E&S Q&A log may also be distributed to obtain additional information.

[1] Developer's internal operations and solar mini-grid projects undertaken by the Developer.

ii. E&S Due Diligence (ESDD)

Overview

During the full-form contract negotiation in the Commit Stage, the ESG Manager conducts an ESDD to evaluate and manage E&S risks that have been identified in the E&S screening stage. This process is documented in an ESDD checklist which outlines key questions under each IFC PSs. The main output of the ESDD is an ESAP which provides specific measures for Developers to implement in order to align with the Applicable Standards.

Scope definition

To begin the ESDD process, the scope must be clearly defined. This involves identifying the objectives of the assessment and the triggered IFC PSs and AfDB's operational standards from the E&S screening stage. The triggered IFC PS will serve as the benchmark for conducting the ESDD. Additionally, scoping requires identifying the geographic locations of the sites and any relevant regulatory requirements that apply to those locations. A detailed description of the Project, including its type, size, location, and stage of the Project cycle, is crucial in determining the scope.

Document review

Document review entails requesting relevant E&S documentation from the Developers as well as reviewing publicly available documents from third party sources related to the Developer's activities. The ESG Manager provides the Developer with a standard E&S document request list to assess the potential E&S risks and impacts of the Developer's activities.

Site visit

A site visit shall be conducted on selected pilot Projects. Sites with particular E&S sensitivities[2] will be prioritised for site visit. The site visit shall entail:

- Visual inspection of the Project sites, including the facilities such as genset, batteries and battery housing, solar panels, diesel storage tank, security facilities, storage, firefighting equipment, and surrounding E&S conditions.
- Visual inspection of the distribution network from the power plant, including poles, lines, and smart meters.
- Interviews with Developer's representatives, technicians, security guards, and senior community representatives.
- Visits to local business customers such as tailors and clothes makers, grain mills, restaurants, schools, hospitals, etc.

[2] These are sites with involuntary resettlement, potential impact on biodiversity, cultural heritage assets, indigenous people, etc.

iii. ESDD reporting and ESAP

The findings of the ESDD will be compiled into a report following the format specified in the ESDD Report Template, which will detail any identified gaps with reference to the Applicable E&S Standards. Any recommended actions to address these gaps will be included in the form of an ESAP (see Annex 9 for an ESAP template).

If the ESDD is conducted by an external E&S consultant, the ESDD report and ESAP must be submitted to the ESG Manager for review. The ESG Manager will share and discuss or negotiate the ESAP with the Developer prior to it being included in the Full Form Contracts as conditions precedent and/or subsequent to funding.

The findings of the ESDD and the ESAP will be presented in verbal and written format to DevCo for approval.

D. Deploy Stage

In the Deploy Stage, Developers submit multiple proposed Project site locations that will be combined to form a proposed Batch. The ESG Manager, technical, and investment team is required to screen the proposed site locations against a set of ESG, technical, and commercial criteria respectively, stipulated in the Project Qualifying Criteria (PQC). The PQC ESG compliance includes checking whether the Developer/Project has:

1. An approved ESAP.
2. Developed an AfDB / IFC complaint ESMS as per the ESMS guidelines provided in the Annex 1.
3. Carried out a detailed Environmental and Social Impact Assessment (ESIA) as per the ESIA guidelines provided in Annex 1 and obtained an EIA certificate or evidence that an application has been made to obtain the EIA certificate.
4. Submitted applications to obtain all other relevant E&S permits and licenses. Relevant E&S permits include the following:
    - Fire safety certificate
    - Groundwater abstraction permit (where applicable)
    - Hazardous waste permit
    - Bulk Petroleum Liquids Storage License (where applicable)
    - Storm water Discharge permit (Where applicable)
    - Waste transfer agreements and consignment notes

After approval of the PQC, the ESG Manager monitors E&S compliance throughout the construction period based on E&S key performance indicators (KPIs) established by CBEA in collaboration with the investors. The ESG KPIs will be included in the Full Form Agreements with Developers.

E. Manage Stage

i. Active Monitoring and Reporting

E&S KPIs

CBEA establishes E&S KPIs to monitor, evaluate, and improve its E&S performance. The E&S KPIs provide a clear framework for tracking the progress of E&S goals and ensuring that they are measurable and achievable. The E&S KPIs are established through:

- Definition of E&S commitments and goals stipulated in the ESG policy.
- Identification of measurable metrics based on materiality and the practicalities of collecting reliable data.
- Reviewing specific E&S KPIs from its investors and consolidating them with CBEA's internal KPIs.

CBEA anticipates receiving E&S KPI data annually from each Developer and reporting annually to its investors.

Investor Reporting and Meetings

Monthly E&S meetings

In the monthly E&S meetings, the ESG Manager will report on:

- The status of implementation of the ESAP, including the ESMS and ESMP developed for each sub project.
- Summary of E&S incidents or issues that occurred in the preceding one (1) month.
- Summary of grievances reported and mechanism for redress
- Overview of the status and key findings of any E&S screenings or ESDDs of Developers/Projects that are underway.
- Overview of any E&S activities being undertaken within CBEA or the Developers such as upcoming E&S trainings, updates made on the ESMS or E&S policies.

Quarterly E&S reports

The ESG Manager will submit E&S quarterly reports within 30 calendar days after each quarter[3]. The report will provide information on CBEA's internal E&S performance as well as Project's and Developer's E&S performance. The reports will cover a range of E&S topics as defined in the E&S KPIs.

Some of the key components of E&S quarterly reports shall include:

- Status of implementation of the ESAP, including the ESMP.

[3] First quarter (Q1): January 1 – March 31, Second quarter (Q2): April 1 – June 30, Third quarter (Q3): July 1 – September 30, and Fourth quarter (Q4): October 1 – December 31.

- Summary of E&S incidents or issues that occurred during the reporting period.
- Overview of any E&S activities undertaken by CBEA or the Developers such as E&S training, update of the ESMS or E&S policy.
- Any change in ESG function or resources during the reporting period.
- An overview of CBEA's E&S performance for the reporting period. This will include Developer and Project level E&S performance.
- Analysis of trends and patterns in E&S performance over time, and identification of areas of concern or potential improvement.
- Number of grievances reported and addressed during the report period.

Annual E&S reports

The ESG Manager will prepare and submit the Annual E&S Performance Audit report to investors within 60 days after the calendar year[4]. The annual E&S performance audit report is a comprehensive report that provides information on CBEA's and Developer's/Projects performance over the course of a year.

Some of the key components of the CBEA E&S annual report may include:

- Status of implementation of the ESAP.
- Summary of E&S incidents or issues that occurred during the reporting period.
- Overview of any E&S activities undertaken by CBEA or the Developers such as E&S training, update of the ESMS or E&S policy.
- Any change in ESG function or resources during the reporting period.
- An overview of CBEA's, Developer's and Project's E&S performance for the reporting period, including progress towards E&S targets and goals.
- Detailed information on specific E&S initiatives or Projects, including progress updates and expected outcomes.
- Analysis of trends and patterns in E&S performance over time, and identification of areas of concern or potential improvement.
- Discussion of stakeholder engagement activities related to E&S, including any feedback received from stakeholders and plans for future engagement.
- Information on governance structure and practices, including board composition and compliance.

[4] A calendar year is a one-year period that begins on January 1 and ends on December 31.

Incident Reporting

CBEA, through the ESG Manager will report any serious incidents or accidents no more than two (2) business days after CBEA becomes aware of the occurrence and as soon as reasonably practicable thereafter a more detailed report within five (5) business days outlining:

- The nature of the incident, accident, or circumstance.
- The impact arising from the incident, accident, or circumstance.
- The measures being taken, or plans to be taken, to address them and prevent any future similar event.

In some cases, CBEA may be unable to provide a detailed report of the incident within five (5) business days depending on the complexity of the incident. In such cases, the ESG Manager, the legal team, and the investment lead[5] undertake the following:

1. Collect data of events leading to and after the incident through document review, interviews, and meetings with the affected persons and associated personnel.
2. Assess the impact of the incident including ESG, financial, and legal impact by analysing the data collected.
3. Prepare a comprehensive report that includes all relevant information about the incident, its impact, and any steps taken to mitigate the impact.
4. Submit a finalised report to investors.
5. Monitor the situation and provide ongoing updates to investors as needed, including any new developments or additional measures taken to address the incident.

ii. E&S Monitoring Site Visits

CBEA, through the ESG Manager or ESG consultant, will conduct regular site visits to understand the E&S performance of each Developer/Project with reference to the approved ESAP, including the ESMP, and the Applicable Standards throughout the investment period and actively participate in Bank's supervision and implementation support missions whenever the need arises

The frequency of site visits shall be dictated by the stage of development as illustrated in Table 1

Table 1: Site visit schedule

Investment Stage	Responsibility	Frequency of Site Visit
Commit Stage	ESG Manager	One site visit of Developer's pilot Project
Deploy Stage	ESG Manager	On as need basis, one site visit for sample of Developer's signed Project

[5] A member of the investment team who was leading the project at the time of the incident.

Manage Stage	ESG Manager	One site visit annually of selected Projects in operations

Frequency can be increased as necessary should a series of significant incidents occur or there is a trend in data demonstrating there might be an emerging issue (e.g., large number of grievances logged). In such an event, the ESG manager shall inform the investment team during the annual budgeting process.

The report of each E&S site visit event will be included in the ESMP. The report will:

- Identify any emerging/new significant E&S issues with reference to the Applicable Standards.
- Define the recommendations to address any new or outstanding E&S issues or enhance E&S performance as well as highlight positive sustainability outcomes.

The E&S site visit findings should be communicated to and discussed with the Developer to ensure their understanding and determine whether they need support to implement the actions in the ESMP or recommendations provided.

F. End Of Life Management

CBEA manages its Projects in collaboration with the Developers under an Operations Service Agreement (OSA). The Projects are continually managed over a long period of time hence replacement of solar panels, batteries, inverters and electric distribution cables and poles is required. These components require recycling, re-use, or disposal when they reach the end of their life.

As part of E&S integration, CBEA will ensure that the Developers manage waste including e-waste and hazardous materials as per the hazardous and electronic waste management guidelines. CBEA requires Developers to adopt Extended Producer Responsibility principles and guidelines to ensure responsible management of hazardous waste through recycling, buy-backs, or reuse in an environmentally responsible manner, so as to minimise their impact on the environment.

CBEA's overall plan is to integrate the solar mini-grids into the main grid during decommissioning. CBEA will ensure that E&S impacts of main grid integration is assessed and mitigated as per the guidelines provided in the ESMS.

5. ANNEXES: PART ONE-DEVELOPER E&S REQUIREMENTS

Annex 1: E&S Management Plans and Systems

i. Environmental and Social Management System

Developers are required to have in place and implement an ESMS. Drawing on the elements of the established E&S management process of "plan, do, check, and act", an ESMS entails a methodological approach to identify and manage E&S risks and impacts.

An effective ESMS incorporates the following elements as outlined in IFC PS1and AfDB OS1.

1. Policy: Develop an overarching policy defining the E&S objectives and principles that guide internal operations to achieve sound E&S performance. The policy will commit to compliance with the applicable laws and regulations of the jurisdictions of the Projects, including host country laws as well as conformance with the Applicable Standards.
2. Identification of risks and impacts: Requirement for ESIAs to be conducted for every Project (refer to the Environmental and Social Impact Assessment section), and for a full E&S risk register to be developed for all project phases.
3. Management programs: Establish management programs, operational procedures, and action plans that set out mitigation and performance improvement measures and actions that address the identified E&S impacts from the ESIA and risk register.
4. Contractor management procedure: Develop a process that entails application of E&S criteria in the selection, contracting, onboarding, management and monitoring of third-party contractors, including EPCs and diesel suppliers, to ensure ethical, and E&S-sound construction of Projects. This shall include a requirement for the third-party contractors to comply with the Applicable Standards, ESIA commitments, any other E&S permitting/licensing commitments, and the E&S Management Guidelines as relevant.
5. Organisational capacity and competency: Refer to the organisational capacity and competency section.
6. Emergency preparedness and response plan, including a spill prevention and response plan and any other incidents involving or that could impact the community.
7. Monitoring and review: Develop a monitoring program including an auditing and inspection system as well as a set of E&S KPIs to track progress against E&S goals and targets. In addition, a corrective action plan procedure should be developed.
8. Stakeholder engagement and grievance mechanisms: Stakeholder engagement is to be conducted throughout all stages of Project development, and with reference to the IFC's *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets*. In instances where the Project impact are of interest to IPs, the Developer is

required to conduct and document stakeholder consultation in a manner that is in line with IFC's requirements for informed consultation and participation.

9. External communications: This entails reporting to CBEA as per the Investor reporting requirements.
10. Ongoing reporting to affected communities is to be conducted on an annual basis.

ii. Environmental and Social Impact Assessment

Developers are required to appoint an E&S consultant (herein referred to as "Consultant") to undertake an ESIA for every Project (whether individually or a cluster of Projects) in line with all local regulations and the Applicable Standards. The ESIA is to be developed to at a minimum cover the topics provided in the ESIA sample outline in Annex 11.

The ESIA is to be approved or permitted by local authorities where required. The breadth, depth, and type of analysis of E&S impacts is to be documented through the ESIA process and should be proportionate to the nature and scale of the proposed Project's potential E&S impacts. The Developer will be required to submit a copy of the ESIA report and any associated approval or permit to CBEA during the Deploy Stage.

iii. Environmental and Social Management Plan

An ESMP for the project describes all measures that need to be taken to avoid, mitigate, offset and monitor any adverse E&S impacts and risks identified by the ESIA, and is typically the final chapter of an ESIA report.

The measures are usually split by project phase, i.e., i) preparation (conception, planning); ii) construction and commissioning; and iii) operations. It may comprise an overarching ESMP document with supplementary documents, e.g., Resettlement Action Plan (RAP) or, Land Restoration Plan (LRP) etc. where these are required. It will also assign responsibilities for implementing such measures.

The ESMP should include sub-sections on the following:

- Overview of roles and responsibilities;
- Overview of capacity building / training arrangements; and
- Overview of monitoring, inspection, and audit arrangements.
- Overview of reporting and review arrangements
- Definition of detailed E&S management plans/procedures that should be developed

The main component of an ESMP is a table that sets out the mitigation measures, monitoring requirements, etc., typically divided into three phases of project development namely: preparation/planning, construction and commissioning, and operations.

Each phase is further divided into E&S aspects, and associated mitigation measures, each allocated responsibilities and monitoring requirements.

iv. Organisational E&S Capacity and Competency

CBEA requires each Developer to have in place an E&S function. As a general rule, a Developer should have a full-time E&S Manager (or Officer if the number of projects to be developed is less than 20) in place. If there are more than 50 projects in operations or under construction in a single country, then there should be an E&S Manager allocated to that country from that year; otherwise, the E&S Manager may be able to sit at group level.

These roles should be given central responsibility for the implementation of the Projects' ESMSs, and in particular for conducting regular site inspections and audits, delivering training, inducting, and overseeing the performance of contractors, and monitoring and reporting on E&S performance. Their remit should focus on the broad range of E&S risks as they pertain to the Projects, not just OHS or EHS.

If not already familiar with the Applicable Standards of the investment, the E&S functions shall undergo training by an external provider to familiarise themselves with the expectations.

v. Investor E&S Reporting

Monthly E&S meetings

In the monthly E&S meetings, the Developer's ESG Manager will report on:

- The status of implementation of the ESAP, including the ESMP.
- Summary of E&S incidents or issues that occurred in the preceding one (1) month.
- Overview of any E&S activities being undertaken by the Developer such as upcoming E&S training, updates made on the ESMS or E&S policies.

Quarterly E&S reports

The Developer's ESG Manager will submit E&S quarterly reports within 10 calendar days after each quarter[6]. The report will provide information on internal E&S performance as well as Project's and Developer's E&S performance. The reports will cover a range of E&S topics as defined in the Developer E&S KPIs as outlined in Annex 10.

Some of the key components of E&S quarterly reports shall include:

- Status of implementation of the ESAP, including the ESMP.
- Summary of E&S incidents or issues that occurred during the reporting period.

[6] First quarter (Q1): January 1 – March 31, Second quarter (Q2): April 1 – June 30, Third quarter (Q3): July 1 – September 30, and Fourth quarter (Q4): October 1 – December 31.

- Overview of any E&S activities undertaken by the Developer such as E&S training, update of the ESMS or E&S policy, and any change in ESG function or resources during the reporting period.
- An overview of the Developer's E&S performance for the reporting period.
- Analysis of trends and patterns in E&S performance over time, and identification of areas of concern or potential improvement.

Annual E&S reports

The Developer's ESG Manager will prepare and submit the annual E&S report to CBEA within 30 days after the calendar year[7]. The annual E&S report is a comprehensive report that provides information on the Developer's/Projects performance over the course of a year.

Some of the key components of the E&S annual report may include:

- Status of implementation of the ESAP, including the ESMP.
- Summary of E&S incidents or issues that occurred during the reporting period.
- Overview of any E&S activities undertaken by the Developers such as E&S training, update of the ESMS or E&S policy, and any change in ESG function or resources during the reporting period.
- An overview of Developer's and Project's E&S performance for the reporting period, including progress towards E&S targets and goals.
- Detailed information on specific E&S initiatives or Projects, including progress updates and expected outcomes.
- Analysis of trends and patterns in E&S performance over time, and identification of areas of concern or potential improvement.
- Discussion of stakeholder engagement activities related to E&S, including any feedback received from stakeholders and plans for future engagement.
- Information on governance structure and practices, including board composition and effectiveness, risk management, and ethical leadership.

Incident Reporting

The Developer's ESG Manager will report any serious incidents or accidents no more than two (2) business days after the Developer becomes aware of the occurrence and as soon as reasonably practicable thereafter a more detailed report within five (5) business days outlining:

- The nature of the incident, accident, or circumstance.
- The impact arising from the incident, accident, or circumstance.
- The measures being taken, or plans to be taken, to address them and prevent any future similar event.

[7] A calendar year is a one-year period that begins on January 1 and ends on December 31.

Annex 2: E&S Management Guidelines

i. Overview

This section provides E&S management guidelines for Developers and their Contractors to apply to ensure sustainable and responsible development and operation of CBEA's Projects with respect to the environment, communities, and stakeholders and to achieve compliance and conformance with the Applicable Standards.

ii. Human Rights

Labour and Working Conditions

Developers are required to have in place and implement human resources policies and procedures to ensure workers are employed in compliance with local labour laws, AfDB Operational Standards 2, IFC PS2, and ILO core conventions. These standards cover: employment contracting, working terms and conditions (including salary, payment dates, working hours and overtime, leave, and other benefits), freedom of association and collective bargaining, non-discrimination and equal opportunities, prohibition of forced and child labour, health and safety in the workplace (see the Occupational Health and Safety section), and employee grievance mechanism. This applies to direct and third-party workers.

Workers Accommodation

Developers are required to have in place and implement a Worker Accommodation Management Plan to ensure that workers' sanitary and living (where workers are required to stay over-night or extended period of time) facilities are designed and managed in compliance with IFC PS 2 and the European Bank for Reconstruction and Development (EBRD) *Workers' Accommodation: Processes and Standards*. This applies to direct and third-party workers.

Occupational Health and Safety Management Plan

Developers are required to have in place and implement an Occupational Health and Safety (OHS) Management Plan that sets out principles for the positive management of health & safety on the Projects during construction and operation. It should incorporate mitigation and enhancement of health and safety measures in order to establish arrangements that will avoid accidents and promote a safe and healthy working environment. The OHS Management Plan applies to direct and third-party workers.

Elements of the OHS Management Plan shall include:

1. OHS Policy: Sets out the Developers' commitment to providing a safe and healthy working environment and the provisions that will be put in place to achieve this. It shall be communicated to all personnel involved in the Project.

2. Risk Assessments and Safe Systems of Work:
    - Baseline Risk Assessment (BRA) should be conducted for all phases of the Project.
    - Method statements including control measures should be developed for all phases of the Project.
    - Daily task risk assessments and safety task instructions should be developed for all sites.
    - Permit to work system for high-risk activities should be obtained.
    - Toolbox talks should be carried out on a daily basis.
    - OHS rules and procedures should be available and displayed on all sites.
    - Audit and inspection regime should be established and implemented.
    - Leading and lagging indicators as well as monitoring and reporting regime should be established and implemented.
    - Incident reporting and investigation regime should be established and implemented.
    - Emergency response plans for OHS-related incidents should be developed for each site.
3. OHS training plan, including induction, refresher, and hazard/task-specific training should be developed and implemented.
4. OHS Committee should be established, and regular meetings conducted.

Supply Chain

Developers should have in place and implement a human rights policy and procedure that covers human rights risks in the supply chain. Developers should specifically consider the Uyghur population being used under forced labour conditions to mine quartz and produce polysilicon that enters the global solar panel supply chain. Developers should avoid sourcing materials, components and equipment for the development and operation/maintenance of the Projects that has been produced using forced or child labour or involving significantly hazardous working conditions.

Community Health and Safety

Developers should have in place and implement a Community Health and Safety Management Plan (or separate plans) to ensure the health and safety of the communities where the Projects are developed in line with IFC PS4 and AfDB OS 4. This plan applies to construction and operation of solar mini-grids, as well as interactions with local communities.

Aspects of community health and safety that the plan should cover include the following:

1. Infrastructure and equipment design and safety, particularly related to preventing electric shocks from attempts to steal electricity from the distribution network or access the mini-grid power plant sites.

2. Exposure to hazardous materials, particularly related to storage and handling of diesel, batteries, general e-waste and pesticides at the site.
3. Exposure to disease, particularly through hygiene and sanitation at the site during all Project phases, managing environments to ensure they are not conducive to disease vectors, and having strict rules to prevent sexually transmitted disease.
4. Prevention of gender-based violence and harassment by having strict rules, training, and appropriate grievance mechanisms in place.
5. Degradation of priority ecosystem services that protect communities, for example land use changes or the loss of natural buffer areas such as wetlands, mangroves, and upland forests that mitigate the effects of natural hazards such as flooding, landslides, and fire, or the diminution or degradation of natural resources such as freshwater that may result in health-related risks and impacts.
6. Security, particularly related to relationships with the community and ensuring proportional response to a security incident in line with the VPSHR. Reference should be made to the IFC's *Good Practice Handbook: Use of Security Forces: Assessing and Managing Risks and Impacts* given the potential use of untrained locals and vigilante groups, including those that may not be directly employed or contracted by the Developer but rather provided by the community.

Involuntary Displacement and Resettlement

Displacement may be either physical or economic. Physical displacement is the actual physical relocation of people resulting in a loss of shelter, productive assets, or access to productive assets such as land, water, and forests. Economic displacement results from an action that interrupts or eliminates people's access to productive assets without physically relocating the people themselves. Displacement or resettlement is involuntary when it occurs without the free, prior, informed consent (FPIC) of the displaced persons or, if they give their consent, without having the power to refuse resettlement. People who may be subject to involuntary displacement or resettlement can for formal or informal landowners and users, including squatters.

For all Projects that involve involuntary resettlement, regardless of the number of people affected or the significance and severity of anticipated impact, the process should be conducted in accordance with local laws, IFC PS5, and AfDB OS5.

Indigenous Peoples

Developers should avoid Projects that directly impact Indigenous Peoples, triggering obtaining their Free, Prior and Informed Consent under IFC PS7, and guidelines provided in AfDB OS 7.

Cultural Heritage

Developers should avoid Projects that directly impact critical cultural heritage as defined by IFC PS8.

iii. Resource Use and Efficiency

Greenhouse Gas Monitoring Plan

During the Project design, the facilities, equipment, and technologies shall be selected to ensure the greenhouse gas (GHG) emissions intensity does not exceed 550g CO_{2e}/kWh of power generation on an annual average basis.

Developers should develop and implement a GHG Monitoring Plan for the operations phase of all Projects to:

- Monitor and calculate scope 1, 2 and material 3[8] GHG emissions of each Project in line with the GHG Protocol Corporate Accounting and Reporting Standard on a calendar year annual basis.
- Monitor and calculate GHG emissions intensity of each Project on a calendar year annual basis, and check against the base limit defined above.

Water Use

Developers are required to develop and implement a Water Use Management Plan to apply to Projects which:

1. Are in high or extremely high-water stress areas (as identified through the Water Resources Institute's Aqueduct Water Risk Atlas (https://www.wri.org/aqueduct) or WWF's Water Risk Filter (https://https://riskfilter.org/).
2. Could consume per year during operation more than 10,000 liters of water from local sources.

The Management Plan shall be developed in accordance with IFC PS3 and AfDB OS 3 and shall entail:

1. Estimating annual water use during operations, identifying the water source (and the quality of it in relation to its planned use) for the Project, identifying other water users (communities and/or ecosystems) in the area through community engagement, desktop research and site visit surveys, and determine water stress level of the area.
2. Water efficiency measures to minimise water use including, but are not limited to:
    - Installing low-flow fixtures to hoses.
    - Installing water meters.
    - Regular maintenance and cleaning of water infrastructure to minimise losses.
    - Installing rainwater harvesting infrastructure.
3. Avoiding developing Projects on sites with water sensitive ecosystems, e.g., wetlands.
4. Community engagement (integrated with the Stakeholder Engagement Plan guidelines) to identify and manage any water use conflicts.

[8] Material scope 3 emissions will be agreed upon with CBEA

5. Training of workers on water conservation measures.
6. Monitoring and reporting on water consumption during operations.

iv. Pollution Prevention and Control

Waste Management

Developers are required to have in place and implement a Waste Management Plan (WMP) to manage all waste types (solid, liquid, general, hazardous, electronic) generated during construction, operation, and decommissioning of Projects in an environmentally responsible and safe manner. The management plan shall be designed to ensure that waste management activities are conducted in accordance with local laws and regulations, WBG EHS Guidelines, and IFC PS3.

The Management Plan shall be developed in accordance with IFC PS3 and AfDB OS 3 and shall entail:

1. Identification of each waste stream.
2. On-site waste storage standards for each waste stream.
3. Health and safety measures to be observed during waste handling.
4. Waste management method for each waste stream and demonstrating implementation of the waste management hierarchy[9].
5. Waste collection, transportation, disposal, and management standards, including contracting of licensed waste management providers and facilities.
6. Waste management documentation, monitoring, and reporting requirements.

For e-waste in particular, arrangements should be made for an Extended Producer Responsibility programme with suppliers.

Air Quality and Noise

Developers are required to have in place and implement an Air Quality and Noise Management Plan (AQNMP) to mitigate air and noise pollution during construction and operation phases on local communities in line with local laws, permitting conditions, IFC PS3 and AfDB OS 3.

It is likely that the power plant sites will be located close to sensitive receptors such as houses, schools, clinics, etc. Therefore, particular attention will need to be paid to manage pollution levels to avoid nuisance and health impacts. During construction, this will mainly pertain to dust generation from soil disturbance as well as noise generation related to heavy machinery and piling work. In operations phase, noise and air quality concerns will likely be as a result of co-generation with diesel generators.

[9] The waste management hierarchy gives top priority to waste prevention, followed by re-use, recycling, recovery and finally disposal.

For the diesel generators in particular, air emissions and/or noise monitoring may be required to be conducted on a regular basis to demonstrate compliance with local standards. Equally, demonstration also needs to be provided that noise levels shall comply with the WBG EHS Guidelines' standards, particularly given their likely operation during night-time hours within residential settings. In these locations, the permissible noise level is 45 and 55 dBA for night and daytime hours respectively for residential areas, or a maximum of a 3dBA increase.

The following mitigation measures are recommended:

1. Equipment: Encourage acoustic soundproofing around noise-generating equipment and conduct regular maintenance of the equipment. This may involve purchasing new equipment or retrofitting existing equipment.
2. Schedule noise-intensive activities during off-peak hours, when fewer people are likely to be affected. This may involve coordinating with local communities and planning construction and operation activities accordingly. Community engagement activities through the SEP (see the Stakeholder Engagement Plan guidelines) should cover consultations on these direct impacts.

v. Biodiversity

Developers are encouraged to avoid Projects on sites which could have an impact on critical habitat, or Legally Protected and Internationally Recognised Areas as defined by IFC PS6 and AfDB OS 6. In the event that there is impacts to natural habitat, the species should be identified through the ESIA process and Developers will be required to have in place and implement a Biodiversity Action Plan (BAP) in line with IFC PS6 to achieve no-net-loss[10](NNL).

vi. Stakeholder Engagement Plan

Developers are required to have in place and implement a stakeholder engagement plan (SEP) to include stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and reporting. In addition, Developers are required to dedicate a Community Liaison Officer to foster positive relationships and effective communication during stakeholder engagements.

At a minimum, developing a SEP should reference the IFC Good Practice Handbook on Stakeholder Engagement and entails:

1. Identification of the range of stakeholders and formulation of a framework for dialogue with the stakeholders.

[10] 'No Net Loss' is a goal for a development project, policy, plan, or activity in which the impacts on biodiversity it causes are balanced or outweighed by measures taken to avoid and minimise the impacts, to restore affected areas and finally to offset the residual impacts, so that no loss remains.

2. Development of a stakeholder engagement framework to outline objectives, scope, and approach to engaging and involving stakeholders in the Project. The framework should be developed in collaboration with relevant stakeholders and should consider the interests, needs, and perspectives of all stakeholders.
3. Establishing effective communication channels to ensure that all stakeholders are informed about the Project, have access to relevant information, and are able to provide input and feedback on the Project. All engagements should be documented electronically and on paper, and in certain cases, the ESAPs and Project ESIAs shall be uploaded on the Developer's website for a minimum of 30 days during engagements.
4. Engaging stakeholders in a transparent, inclusive, and participatory manner throughout the Project cycle, from Project design to implementation and monitoring. This should include regular meetings, consultations, and other forms of engagement, as well as opportunities for stakeholders to provide input and feedback on the Project. In the meetings, relevant Project information will be disclosed to help the affected communities to understand the risks and impacts of the Project. Specifically, the affected communities should be given access to the purpose, nature and scale of the Project, the duration of the Project, any risks, and potential impacts as well as mitigation measures, the envisaged stakeholder engagement process and the grievance mechanisms.
5. Managing stakeholder feedback in a systematic and transparent manner, including tracking, and responding to stakeholder concerns and requests, and incorporating feedback into the Project design and implementation as appropriate.
6. Ensuring regular monitoring and evaluation of the stakeholder engagement process to ensure that it is being implemented in accordance with the SEP and that the needs and interests of all stakeholders are being effectively addressed. The results of the monitoring and evaluation should be used to make any necessary adjustments to the SEP.

vii. Grievance Redress Mechanisms (GRM)

CBEA requires establishment of grievance mechanisms by Developers to receive and facilitate resolution of affected communities' concerns and grievances about the Project's E&S performance. The grievance mechanism should be scaled to the risks and adverse impacts of the Project and have affected communities as its primary user.

The grievance mechanism should:

- Allow stakeholders to register grievances, concerns, suggestions, inquiries, and compliments.
- Support submission of grievances at multiple locations and through multiple mechanisms.
- Be accessible to all stakeholders regardless of their social, cultural, or economic standing.
- Use existing formal and informal mechanisms where feasible and suitable, with supplementation as needed.

- Cover a broad range of potential escalation mechanisms for various issues that could affect a Project such as:
    - Environmental concerns such as poor waste management.
    - Social concerns such as service quality, safety, involuntary resettlement, tariff, gender-based violence.
    - Address concerns and handle grievances promptly and effectively and in a transparent and culturally appropriate manner.
- Seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern.
- Be discreet, objective, sensitive. and responsive to the needs and concerns of the project-affected parties.
- Allow anonymous complaints to be raised.
- Include a log for registering and tracking grievances and actions taken.
- Include a procedure for dissemination of information on the grievance process to affected communities

Ways in which grievances can be submitted should include:

- In person, through intermediaries such as community leaders or Project community liaison officer (CLO).
- Electrically by phone, text message, mail, or email.
- Company website.
- Social media.

Developers are required to develop grievance mechanisms for every Project site with guidelines outlines above.

6. ANNEXES: PART TWO-CBEA E&S TOOLS

Annex 3: CBEA ESG Policy

Introduction

The renewable energy sector is a key contributor to the Paris Agreement goal[11] to limit global warming to well-below 2°C and ideally to 1.5°C compared to pre-industrial levels and the UN's Sustainable Development Goal 7 (ensure access to affordable, reliable, sustainable, and modern energy for all). With more 600 million people still lacking electricity in Africa, the sector plays a key role in advancing clean energy access to reduce environmental and climate change risks as well as to demonstrate progress in economic, social and governance issues.

CBEA's mission is to unlock capital for sustainable growth and strong returns in underserved markets. CBEA believes that universal access to electricity is a vital step towards ending poverty. By investing in solar mini-grids, CBEA directly contributes to UN Sustainable Development Goal (SDG) 1, 7 and 10 through provision of clean, renewable, and affordable electricity to rural households and businesses as well as improving economic outcomes of communities.

CBEA however recognises that, while providing clean energy, there can be E&S risks associated with such Projects, particularly if there are local E&S sensitivities. CBEA is committed to managing climatic, environmental, social and governance (ESG) risks and opportunities in its operations through:

- Development and implementation of an ESMS across all its investments.
- Conformance with the Applicable Standards (defined below) with a mandate to go beyond local compliance and achieve best practice:
- Compliance with relevant national E&S legislation; and
- Commitment to managing broad E&S risks affecting the mini-grid sector and key focus areas including:
    - Climate risk

[11] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

- Biodiversity
- Cultural heritage
- Community development
- Indigenous Peoples
- Human rights
- Land acquisition and resettlement

We reflect upon these concepts by institutionalizing this ESG policy (the "Policy") and associated frameworks within our business model. CBEA Head of Energy Access is responsible for ensuring that this Policy is implemented and communicated to all CBEA staff.

Scope and Purpose

The Policy shall serve as a guiding document for CBEA to ensure that ESG risk factors and opportunities are considered across its investment cycle, portfolio investments and within its internal operations.

In this respect, CBEA will progressively and continuously support its portfolio investment partners in managing ESG risks in order to align to the requirements set out in this Policy and to ultimately improve their ESG practices and policies.

This Policy is subject to change as CBEA considers it necessary or advisable. The Policy is intended to be reviewed annually.

ESG Standards

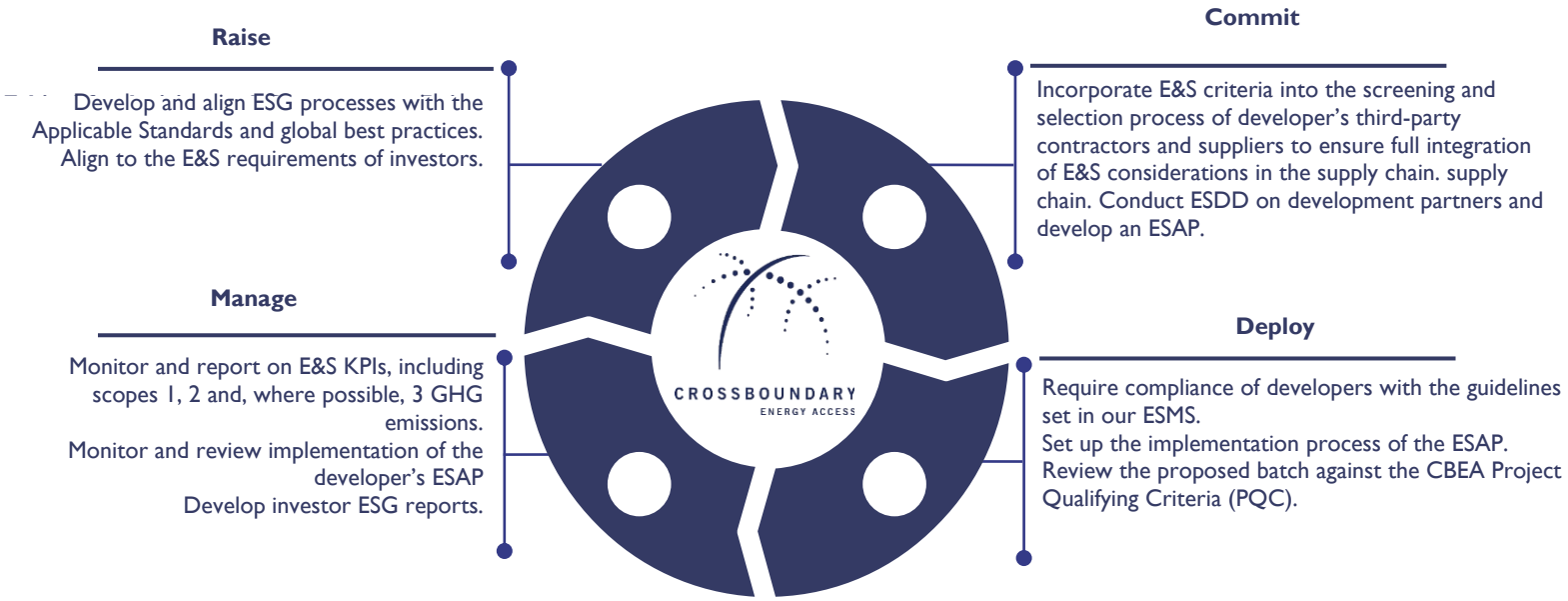
CBEA commits its investments and its own operations to conform with the following standards and guidelines (collectively referred to as the Applicable Standards):

- International Finance Corporation (IFC) E&S Performance Standards (2012) and associated Guidance Notes:
- World Bank Group's general, and relevant sectoral, EHS Guidelines;
- International Bill of Human Rights;
- African Development Banks ISS and OSs;
- The International Labour Organisation (ILO)'s Core Labour Conventions;
- Voluntary Principles on Security and Human Rights (VPSHR); and

- All national laws and regulations pertaining to E&S relevant to each investment.

ESG at CBEA

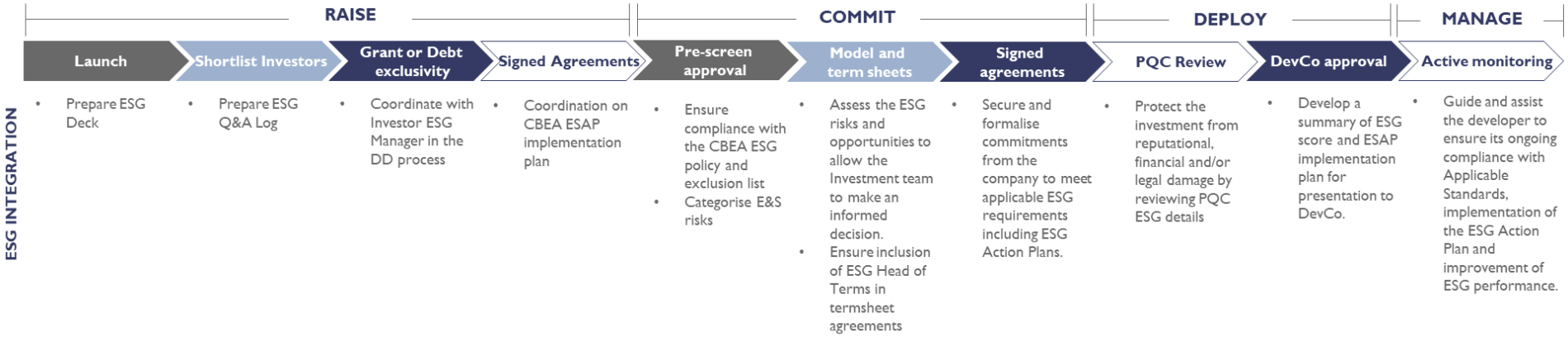
The Policy provides a 4-pillar framework structured around CBEA's corporate objectives, the business model that guides our operations and the impact we intend to create in our communities. The Policy provides a framework to guide CBEA in achieving its corporate sustainability objectives throughout its investment phases (raising, committing, deploying, and managing capital).



Integration to Investment Lifecycle

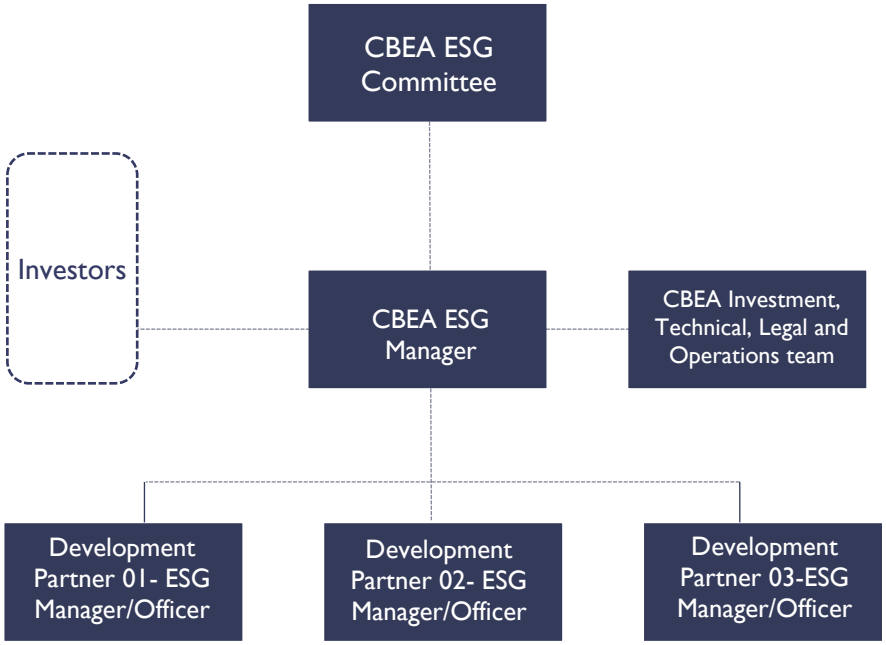
On behalf of its investors, CBEA evaluates and oversees the development and operation of solar mini-grids over an extended lifetime of up to 25 years. The nature of these investments raises a set of ESG considerations – both opportunities and risks – that are specific to the sector. Each investment is unique, but there are common aspects that require consideration and monitoring throughout their lifecycle.

CBEA raises, commits, and deploys capital into portfolios of solar mini-grids that it then owns and manages.



Oversight and Implementation

Ultimate oversight of the Policy and CBEA's approach to integrating ESG into its activities rests with the CBEA ESG Committee, who reviews ESG performance on an annual basis. The Committee ensures that a robust governance framework is in place through the ESG Manager. The ESG Manager ensures that ESG best practices are integrated into each part of the business and each phase of the investment cycle in collaboration with the Developers and internally with CBEA's investment, technical and operation teams.



CBEA acts as an asset manager on behalf of its investors and ensures proper ESG oversight of its portfolio of investments. CBEA reports to its investors confirming that proper ESG practices are in place.

ESG Reporting and Communication

CBEA's voluntary disclosures and reporting approach will continuously draw references from leading international E&S-related disclosure/reporting standards, including the Taskforce on Climate-related Financial Disclosures (TFCD) and the Global Reporting Initiative (GRI), amongst others.

External reporting to investors is conducted quarterly and annually on material ESG KPIs.
Internal reporting is conducted by presenting key ESG risks of each Project to the Development Committee and Board of Directors prior to investment. ESG data and performance are included in the CBEA ESG annual report.

In addition, CBEA develops and manages its ESMS and provides oversight of Developers' ESMS development and implementation at each stage of the investment cycle. Developers are required to develop Project-specific management programs including a grievance mechanism and stakeholder engagement plan in accordance with IFC PS 1 ensuring that interactions with stakeholders are inclusive, transparent and relationship building, driven throughout the whole lifecycle of the Project, from planning through to construction and operations.

Annex 4: E&S exclusion List

CBEA shall not invest in the following businesses or activities:

1. Production or trade in any product or activity deemed illegal under host country laws/regulations or international conventions and agreements, or subject to international phase-outs or bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, Polychlorinated biphenyls (PCBs), wildlife or wildlife products regulated under the Convention on International Trade of Endangered Species (CITES).
2. Production or activities involving forced labour[12] or child labour[13].
3. Production or use of or trade in hazardous materials such as radioactive materials[14], nuclear reactors and components thereof, unbounded asbestos fibres and products containing PCBs.
4. Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations or waste incineration (other than forestry or agricultural waste used for biomass power schemes) and processing of toxic waste (other than landfill gas (or other waste gas) waste-to-energy schemes or flaring);
5. Destruction[15] of critical habitat[16] or commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.
6. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
7. Power generation Projects with GHG emissions of more than 550 gCO_{2e}/kWh-e.

[12] Forced labour means all work or services, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.
[13] Employees that are 13 years old and younger, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.
[14] Exception: Medical equipment, quality control (measurement) equipment and any other equipment where EFP considers the radioactive source to be trivial and/or adequately shielded.
[15] Destruction means either; (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use, or (2) modification of a habitat in such a way that the habitat's ability to maintain its role is lost.
[16] Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union ("IUCN") classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.

8. Thermal power is generated by coal or gas.
9. Projects which have the effect of limiting people's individual rights and freedoms or violating their human rights.
10. Carry out any lobbying activity. For the purposes of this clause, membership to an industry association shall not be considered as a lobbying activity.
11. Processing of toxic waste.

Annex 5: E&S screening checklist

Project E&S Screening Checklist

Developer name:
Project name:
Country and State:
PV capacity:
Number of connections:
Project location, including description of closest community/communities:
Short project description:
Project status (tick one): ☐ Planning/Design ☐ Construction ☐ Commissioning ☐ Operation
Assessment and Management of Environmental and Social Risks and Impacts

Check the box with the correct and appropriate answer. Provide details where necessary.			Yes/No	Provide any details here
1.	ESMS	Is there an Environmental and Social Management System and/or Management Plan in place? If so, provide any details here.		
2.	Risk Identification	Has an Environmental and Social Impact Assessment (ESIA) been conducted for the project? If so, provide any details here, including whether it was completed to international (IFC or equivalent) standards.		
		What significant environmental and social impacts were identified?		
		Have management programmes being developed for the environmental and social impacts identified? If so, provide any details here.		
		Is there a risk register for the project? If so, provide any details here.		
3.	E&S Permits	Does the project have in place the necessary environmental and social related permits, authorisations, certificates, licenses for the current stage of development/operation? If so, provide any details here.		
		In the last three years, have national, regional, or local authorities sanctioned or penalised the project/developer? If so, provide any details here.		
4.	Stakeholder Engagement	Has stakeholder engagement on the project been conducted? If so, provide any details here including whether it was completed to international (IFC or equivalent) standards.		
		Is there a negative perception of the developer or project from stakeholders? If so, provide any details here.		
		Do you have a Community Liaison Officer (CLO)? If so, provide any details here.		
5.	Grievance Mechanism	Is there a community grievance mechanism in place? If so, provide any details here.		
		Is there a grievance register? Please provide details here.		
6.	Emergency Preparedness and Response Plans (EPRP)	Is there EPRP on the site? If so, provide any details here.		
7.	E&S monitoring and review	Is there an E&S monitoring and reporting plan for the project?		

8.	Organisational capacity and competency	Is there (a plan for) organisational capacity to manage environmental and social issues for the project? If so, provide any details here.		
		Has any HSES training been conducted? If so, provide any details here detailing the date, specific training, attendees' names, and role.		
9.	Other	Other important environmental and social assessment and management information can be summarised here.		
10	Site selection	What criteria does the developer use to select the community and the site where the project has been built?		
11	Biodiversity and ecosystem services	Is the project within, near to or is (likely to) impact internationally / nationally ecologically or culturally important features such as any of the following? Tick as applicable: ☐Primary forests ☐Coral reefs ☐Wetlands ☐Mangroves ☐Estuaries ☐Locally or international recognised cultural heritage sites ☐Ramsar sites ☐National Parks ☐Nature Reserves ☐Key Biodiversity Areas (KBA)		
12	Land acquisition and Involuntary Resettlement	Will the project cause involuntary resettlement, loss of livelihood (loss of businesses or enterprises, agricultural, crops, trees, other productive assets, and/or other income sources and means of livelihoods), and/or loss of access to natural resources, communal facilities, and services?		
13	Indigenous Peoples	Are there distinct socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the investment area? Do such groups		

		maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories? Will the investment directly or indirectly affect their traditional socio-cultural and belief practices (e.g., child-rearing, health, education, arts, and governance) and/or their livelihood systems? If so, provide any details here.		
		Will the project disproportionately impact the poor, women, and children, Indigenous Peoples (IPs), or other vulnerable groups? If so, provide any details here.		
14	Cultural heritage	Will the project affect tangible or intangible cultural heritage or cultural values? If so, provide any details here.		
15	Community health and safety	Are there nearby communities that could be impacted by the project from a health and safety perspective, e.g., noise and vibration, harmful air, water and waste emissions, exposure to hazardous substances, failure of major infrastructure such as dam, destruction of ecosystem services that provide H&S benefits, increase in transmission of vector borne or communicable diseases, increased traffic, etc.? If so, provide any details here.		
		Will the project affect (quality and/or quantity) sources of water for human or ecological use? If so, provide any details here.		
		Will the project impact access to or availability of ecosystem services for local communities that rely on these? If so, provide any details here.		
		Other important environmental and social setting information can be summarised here.		
16	Working conditions and Employment	Do site workers including security guards have employment contracts?		
		Have the security guards been paid on time? Does the contract specify a payment date every month?		
		Do the guards receive other benefits in addition to salary? e.g., medical cover?		
		What are their rights with respect to annual leave or holidays? Is this included in the contract?		
		How many hours a day does each guard work?		
		Are the guards trained on firefighting?		

		Are there any migrant workers? If yes, do they have equivalent terms and conditions to non-migrant workers carrying out similar work?		
		Is there quality accommodation and provision of basic services for workers to be accommodated?		
17	Grievance mechanism	Is there a workers grievance mechanism? Please provide details here.		
18	Forced and child labour	Are there any indications of forced or child labour on site?		
19	Occupational health and safety	Is there any indication of site safety hazards?		
		☐ Working at height ☐ Electrical safety ☐ Lifting and handling loads, including cranes. ☐ Working with hand and power tools ☐ Manual handling ☐ Exposure to hazardous materials ☐ Driving in poor road conditions ☐ Slips, trips, and falls. ☐ Diesel spills		
		Other important labour-related information can be summarised here.		
20	Water consumption	Where is water sourced from and how is it used on site?		
		What is the volume of water used to clean solar panels?		
		Are there water conservation strategies?		
21	Waste	Amount of e-waste disposed and methods of disposal		
		Volume of non-hazardous and hazardous waste		
		Types and amount of e-waste generated		
		Do you have Extended Producer Responsibility?		

22	Air quality, noise, and vibration.	Is air quality monitored and are there any mitigation measures taken?		
		Is noise and vibration monitored and are there mitigation measures taken to minimise the impacts?		
23	GHG	What are the current sources of GHG emissions?		
24	Hazardous material management	Who supplies diesel on the mini grid? What is the contractor's name?		
		What is the capacity of the diesel tank and generator? How often is the diesel tank refilled		
		How does the contractor refilling diesel ensure there is no spillage/ manage spillage if it happens?		
		What mitigants does the contractor have to prevent diesel theft during transport?		
		How is e-waste managed on site?		
		Other important labour-related information can be summarised here.		
	Which IFC Performance Standards are triggered for environmental and social due diligence? (tick all that are applicable) – see overleaf to assist with applicability ☐ IFC Performance Standard 2: Labour and Working Conditions ☐ IFC Performance Standard 3: Resource Efficiency and Pollution Prevention ☐ IFC Performance Standard 4: Community Health, Safety, and Security ☐ IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement ☐ IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources ☐ IFC Performance Standard 7: Indigenous Peoples ☐ IFC Performance Standard 8: Cultural Heritage			
	Recommendations for the detailed ESDD?			
	☐ Internal?			

	☐ External?		
	Completed by:	Scope:	Budget:

Developer E&S Screening Checklist

Developer name:				
Geographies:				
Short business description:				
Environment				
Check the box with the correct and appropriate answer. Provide details where necessary.			**Yes/No**	**Provide any details here**
1.	ESG systems and processes	Is there an Environmental and Social Management System and/or Management Plan in place? If so, provide any details here.		
		Have you developed an ESG policy?		
		Have you developed any other broad E&S training (I.e., Climate, gender, human rights etc.)		
2.	Governance	What does the organisation currently do to safeguard against illegal practices? Any corporate governance and/or ethical related employee claims/breaches/ enforcement/litigation action relating to issues such as anti-bribery and corruption, cases of unfair labour practices, human rights abuses, and other unethical business practices?		
3.	Supply chain	Have you developed a procurement policy?		
		Have you developed a supplier/EPC code of conduct?		
		What is the process to select EPC/subcontractors?		
		What criteria must EPC/subcontractors meet and what policies must they have? Is HSE included?		

		What does the EPC /subcontractor report to the developer on? HSE issues?		
4.	Stakeholder Engagement	Have you developed a stakeholder engagement plan?		
		Have you conducted any stakeholder engagements? If so, what were the key outcomes?		
		Do you have a Community Liaison Officer? If so, provide any details here.		
5.	Grievance Mechanism	Is there a community grievance mechanism for both employees and at project level?		
		Is there a grievance register? Please provide details		
6.	Emergency Preparedness and Response Plans (EPRP)	Have you developed EPRPs for the sites?		
7.	E&S monitoring and review	Are there arrangements in place to monitor E&S aspects in the company and at project level?		
8.	Organisational capacity and competency	Does the developer's board include a director responsible for E&S issues? Put N/A if there is no board. Who is responsible for managing ESG aspects in the company?		
		Has any HSES training been conducted? If so, provide any details here detailing the date, specific training, attendees' names, and role.		
		Is there a training manual for future training?		
		Do you conduct training for the EPC contractors?		
9.	Other	Other important environmental and social assessment and management information can be summarised here.		
10	Site selection	What criteria does the developer use to select the community and the site where the project has been built?		
11	Land acquisition and Involuntary Resettlement	How does the developer acquire land?		
		Will the project cause involuntary resettlement, loss of livelihood (loss of businesses or enterprises, agricultural, crops, trees, other productive assets, and/or other income sources and means of livelihoods), and/or loss of access to natural resources, communal facilities, and services?		
12	Indigenous Peoples	Has the developer included IPs as part of its ESG policy?		

13	Human resources policies and procedures	Have you developed a human rights policy?		
		Do you provide employment contracts to site security guards?		
		Do you provide employment contracts to migrant workers, if any?		
14	Grievance mechanism	Is there a workers grievance mechanism?		
15	Forced and child labour	Does the HR policy give provisions on forced and child labour?		
16	Occupational health and safety	Do you have an OHS system in place		
		Does the developer conduct OHS audits?		
17	Water consumption	Sources and uses of water		
		Volume of water used to clean solar panels		
		Water conservation strategies and percentage of reduced water usage as a result of water conservation		
18	Waste	Volume of non-hazardous and hazardous waste		
		Types and amount of e-waste generated		
19	Air quality	Is air quality monitored and are there any mitigation measures taken?		
20	Noise and vibration	Is noise and vibration monitored and are there mitigation measures taken to minimise the impacts?		
21	GHG	Current sources of GHG emissions		
22	Hazardous material management	Have you developed a hazardous waste management plan? Please provide details here.		
	Which IFC Performance Standards are triggered for environmental and social due diligence? (tick all that are applicable) – see overleaf to assist with applicability ☐ IFC Performance Standard 2: Labour and Working Conditions ☐ IFC Performance Standard 3: Resource Efficiency and Pollution Prevention ☐ IFC Performance Standard 4: Community Health, Safety, and Security ☐ IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement			

	☐ IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources ☐ IFC Performance Standard 7: Indigenous Peoples ☐ IFC Performance Standard 8: Cultural Heritage		
	Recommendations for the detailed ESDD?		
	☐ Internal? ☐ External?		
	Completed by:	Scope:	Budget:

Annex 6: ESDD checklist

Site Information			
Site Name:		Doc. Owner	
Coordinates:		Doc. No.	
State:		Version No.	
PV Capacity (kWp):		Issue Date	

Ref	Topic	Indicators
Assessment and Management of Environmental and Social Risks and Impacts (IFC PS1, AfDB OS1, EIB ES 1&10)		
1.0	E&S Management System	Does the project developer have (a plan to have) in place an ESMS, whether integrated or separated by topic? Are there procedures to monitor and measure the effectiveness of the ESMS?
1.1	E&S Policy	Does the project developer have clearly articulated E&S policies in place?
1.2.	Identification of risks and impacts	Has an ESIA been undertaken of the project? If yes: • Has it been conducted to IFC PS and/or local standards? • Does it identify and assess the applicable E&S aspects and impacts as defined by the IFC PSs? • Does it define the Area of Influence of the project? • Does it consider all the key stages in the project life – pre-construction, construction, operations, and decommissioning? • Has it considered all related activities and facilities within the proposed project's Area of Influence? • Does it consider the E&S risks posed by third parties involved in the project (e.g. national governments, contractors, and suppliers)? • Does it consider cumulative E&S impacts? • Does it consider E&S risks of Associated Facilities? • Was it conducted by experienced and qualified persons? Are the impacts identified in the ESIA able to be mitigated to a sufficient level to provide confidence that the project can be implemented in a manner as to achieve no significant harm?
		Does the project have a formal E&S risk assessment process in place and has a risk assessment been conducted for the current phase of the project?

Ref	Topic	Indicators
1.3	Management Programs	Has the project identified adequate control measures and systems to mitigate identified significant E&S impacts/risks? If no, where do you feel the weaknesses are?
1.4	Organisation Capacity and Competency	Is there an ESG Manager/officer?
1.5	Emergency Preparedness and Response	Does the project developer have an Emergency Preparedness and Response Plan in place detailing what actions should be taken to protect employees and communities in the event of an emergency?
1.6	Monitoring and Review	Has the project identified adequate control measures and systems to mitigate identified significant E&S impacts/risks?
1.7	Stakeholder Engagement	Is there a stakeholder engagement plan in place for the current phase of the project? Who is responsible for implementing it and where are they based?
1.8	External Communications and Grievance Mechanism	Does the project developer operate a formal Community Grievance Mechanism? Is it adequate and aligned with IFC PS1?
1.9	Ongoing Reporting to Affected Communities	Are there procedures for periodic external reporting to affected communities on progress in implementing the mitigation measures of the ESIA and on issues that consultation and the grievance mechanisms may identify?
2.0	Procurement	How do local content requirements apply to procurement and contracting? What proportion is sourced locally or nationally?
	Human rights	Has the project developer conducted a Human Rights Risk Assessment/Due Diligence of the project? Has the Human Rights Risk Assessment/Due Diligence indicated potential for elevated risks? If so, has the project conducted a Human Rights Impact Assessment (HRIA)? What are the key human rights risks? Are they manageable?
Labour and Working Conditions (IFC PS 2, AfDB OS 5, EIB ES 8 & 9)		
2.1	Human Resources, Policies and Procedures	Does the project developer have a human resources policy that aligns with national labour and employment laws and IFC PS2?
2.2	Working Conditions and Terms of Employment	Are working conditions and terms of employment documented and communicated to employees in a form that the employees understand them in advance of their employment? Is project site accommodation provided for workers (including those of contractors)? Are there any guidelines in place for the design and operation of this accommodation in terms of the living conditions and labour right?

Ref	Topic	Indicators
		Are they in compliance with the standards set out in 'Workers' accommodation: processes and standards - A guidance note by IFC and the EBRD'?
2.3	Workers' Organisations	Is there a demonstrated willingness to respect collective bargaining agreements where these exist? Is there evidence of compliance with national law on rights to form or join workers organizations and bargain collectively (where this exists)?
2.4	Migrant workers	Are there large foreign workforces supporting construction/operation activities? If so, how many, and where are they from?
2.5	Retrenchment	Are there any retrenchment plans for the project? If yes, does the project developer have a plan to manage the adverse impacts of retrenchment on employees, and were employees, and where appropriate government, consulted in the development of the plan?
2.6	Grievance Mechanism	Has the project developer implemented an employee grievance mechanism for workers (including indirect/contract workers) to raise workplace concerns without retribution? Is it used? Is it adequate and aligned with IFC PS2?
2.7	Child Labour	Are there unacceptable forms of labour at the project site, i.e. child and or forced labour? Do they have HR policies that commit to never using child or forced labour? If yes, how do they practically enforce these?
2.8	Occupational Health and Safety	How are contractors managed? How does the project developer ensure that high standards and compliance for Occupational Health and Safety (OHS) and labour rights are maintained by their contractors? Does the project developer promote and provide safe and healthy working conditions? How? What does the project site manager/H&S manager feel are the most significant H&S risks at project site? What do they have in place to manage these risks? If not, summarise your key concerns.
2.9	Workers Engaged by Third Parties and Supply Chain	Has the project developer implemented a human rights policy?
Resource Efficiency and Pollution Prevention (IFC PS 3, AfDB OS 4, EIB ES 2 and 4)		
3.1	Greenhouse Gas Emissions	Does the project developer monitor the project's annual operational GHG emissions?
3.2	Water Consumption	Is the project likely to face water stress (include water quantity and / or quality) over the life of the project? Has the project considered resource conservation measures in the design?

Ref	Topic	Indicators
3.3	Air Quality and noise	What are the key emissions of the project to air, water, and land (likely to be)? Is the project (likely to) significantly pollute air, water and/or land? (Consider all phases of the project's life) If yes, what control measures are (planned to be) in place to control/mitigate and reduce these impacts? Are these adequate to achieve compliance and consistent with good international industry practices? Has the project consulted with all communities potentially adversely affected by the impacts or risk of pollution?
3.5	Wastewater	Will the project alter/Has the project altered surface water hydrology that is/could impact human access to water and/or degrade freshwater ecology? If yes, what control measures are (planned to be) in place to control/mitigate and reduce these impacts? Are these adequate to achieve compliance and consistent with good international industry practices?
3.6	Solid waste	Do/Will project activities (likely) generate significant volumes of waste? (Consider all phases of the project's life) Are these wastes (planned to be) managed in accordance with the waste management hierarchy? Are these wastes (planned to) be disposed of in accordance with local legislative requirements?
3.7	Hazardous materials management	Will/Do project activities (likely) involve the use, handling, storage and transport of chemicals and hazardous materials? (Consider all phases of the project's life) If yes, what control measures are (planned to be) in place to control/mitigate and reduce these impacts? Are these adequate to achieve compliance and consistent with good international industry practices? Has the project site (planned to) prepared an Emergency Preparedness and Response Plan for spills or leaks? If yes, is it adequate and consistent with good international industry practices?
3.8	Pesticide use and management	Will/Do project activities (likely) involve the use of pesticides? If yes, please provide the pesticide specifications.
Community Health, Safety, and Security (IFC PS 4, AfDB OS 5, EIB ES 9)		
4.1	Community H&S General	Do/Will any of the community health and safety impacts identified above have a disproportionate impact on the poor, women, children, Indigenous Peoples, or other vulnerable groups? Is the project employing/likely to employ temporary workers (directly or indirectly) which could cause an influx of people into the area resulting in the possibility of social conflict and/or increased burden on social infrastructure and services (such as water supply and sanitation systems)? If so, has the Project developed a plan to manage the impact of project-induced in-migration (PIIM)?

Ref	Topic	Indicators
4.2	Infrastructure and Equipment Design and Safety	Does the project include high risk structural elements? If yes, have these been designed to meet GIIP standards
4.3	Ecosystem Services	Do/Will project activities (such as change in land use) (likely) exacerbate risks to communities from natural hazards, e.g. from landslides or floods? If yes, what control measures are (planned to be) in place to control/mitigate and reduce these impacts? Are these consistent with good international industry practices?
4.4	Community Exposure to Disease	Do/Will project activities (likely) result in disease being spread in communities by creation of breeding habitats for diseases such as those transmitted by mosquitoes and rodents? If yes, what control measures are (planned to be) in place to control/mitigate and reduce these impacts? Are these consistent with good international industry practices?
4.5	Emergency Preparedness and Response	Is there a credible risk of an emergency event associated with the project extending beyond the project site boundary with the potential to cause safety risks for a community? If so, have such community safety risks been/planned to be addressed in an Emergency Preparedness and Response Plan? Has/Will the project developer engage with local government agencies in preparing to respond to emergency conditions. Has there been any safety incidents or cause of health issues on the community related to the project, e.g. traffic accident, fire/explosion that has affected community, pollution discharge contaminating community water supply, etc.? What was the response and the impact? What were the learnings and how have operations and/or emergency planning changed as a result?
4.6	Security Personnel	Does the project require the use of private or government security staff (either private or government) to safeguard the project site operation and its employees? If yes, has the client assessed the risks to community and worker safety and implemented management measures? Are security guards armed? If yes, how does the project site ensure that any use of force is proportionate? Has the project committed to working in accordance with the Voluntary Principles on Security and Human Rights? Are you aware of any allegations from either project site employees or local communities of unlawful or abusive acts from security personnel (e.g. beating or threatening the public/protesters/workers)?
Land Acquisition and Involuntary Resettlement (IFC PS 5, AfDB OS 2, EIB ES 6)		
5.1	Project design	Will/Has the land acquisition cause(d) people to be moved to another location (physical displacement)? If so, how many? Will/Has the land acquisition cause(d) a loss of income or livelihood (economic displacement), regardless of whether or not the affected people are physically displaced? If so, how many?

Ref	Topic	Indicators
5.2	Compensation and benefits for displaced persons	Are there any legacy issues associated with resettlement/displacement which have been undertaken in the past (either by the project developer or the government) for the purpose of the project's development? Are there people affected by the loss of (access to) assets as a result of the development of the project who have (i) formal legal rights to the land; or (ii) a claim to the land that is recognizable under national law, or (iii) have no recognizable legal rights to the land nor claims to the land recognised under national law (i.e. squatters)?For people who face(d) either economic displacement and/or physical displacement, has/did the project developer pass(ed) the following seven tests: a) Considered feasible alternative project designs to avoid or minimise the displacement? b) Carried out a census to determine eligibility for compensation? c) In the absence of host government procedures, establish a cut-off-date for eligibility? d) Disclosed relevant information and consulted with affected persons? e) Established a grievance mechanism consistent with IFC PS1 to receive and address concerns, and including a 'recourse mechanism' to resolve disputes? f) Documented all transactions to acquire land rights, compensation measures and relocation activities? In cases where affected persons reject compensation offers (and thus there is the risk that expropriation of assets will result in compensation at a level less than IFC PS5), has the client explored opportunities to collaborate with the responsible government agency in order to remain consistent with IFC PS5?
Biodiversity Conservation and Sustainable Management of Living Natural Resources (IFC PS 6, AfDB OS 3, EIB ES 3)		
6.1	General	Is it likely that the project presents a major threat to natural habitats that are considered 'critical' because of their high biodiversity value, e.g., they support critically endangered or endangered species, restricted-range species, migratory birds, or unique assemblages of species? If yes, or if the project might adversely affect a legally protected area or introduce alien species, has the project developer used a qualified and experienced external expert to assist in the assessment?
Indigenous Peoples (IFC PS 7, EIB ES 7)		
7.1	Impact Identification and Assessment	Is the project located on traditional or customary lands that are being used by Indigenous Peoples, and do so in such a way as to undermine the livelihoods, culture or spirituality that defies their identity? If yes, does/is it (likely to) give rise directly or indirectly to the physical relocation of Indigenous Peoples from their traditional or customary lands under use? Has the project developer identified (through consultation consistent with IFC PS7), development benefits commensurate with the degree of project?

Ref	Topic	Indicators
7.2	Participation and Consent	Has the project secured the free, prior, and informed consent (FPIC) of affected indigenous peoples for activities related to resettlement or impacts affecting critical cultural heritage? Has negotiation been undertaken in good faith?
Cultural Heritage (IFC PS 8, EIB ES 5)		
8.1	Impact Identification and Assessment	Will/Has the project cause(d) impairment of historical/cultural heritage; disfiguration of landscape or potential loss/damage to physical cultural resources? If so, has/will a cultural heritage impact assessment been conducted, and was/will consultation (be) conducted with Affected Communities who use, or have used, the cultural heritage for long-standing cultural purposes, and relevant national or local regulatory agencies who protect the cultural heritage? Are measures (planned to be) in place to maintain access and control/mitigate and reduce these impacts? Are these adequate to achieve compliance and consistent with good international industry practices? Has/Is the project (likely to) significantly alter(ed), damage(d) or remove(d) any 'critical' cultural heritage, and that in doing so is/may endanger(ing) the cultural or economic survival of communities within the host country who use the cultural heritage for long-standing cultural purposes? Are measures (planned to be) in place to control/mitigate and reduce these impacts? Are these adequate to achieve compliance and consistent with good international industry practices?

Annex 7: ESDD report template

Below is an outline of a typical ESDD report for a project. This outline can also assist in drafting requests for proposals (RfPs) when procuring ESDD. Key items to ensure are clearly defined in ESDD RfPs include:

1. Introduction and Project Background
   - Purpose and scope of the ESDD report
   - Definition of the Applicable E&S Standards
   - Assessment methodology including document review, site visit, interviews, etc.
   - Limitations
2. Project Description
   - Main details including project nature, size, location
   - Main components including pollution control technology in the design
   - Construction methodology including details of the workforce (number, where they are from, where they will be accommodated, if applicable)
   - Description of Associated Facilities
   - Description of E&S context, including aspects that could be impacted
3. ESDD Approach
   - Site visit
   - Document review
   - Risk ranking
4. ESIA Description (if conducted).
   - Scope of project components, activities and impacts covered
   - Approach to E&S baseline data collection, impact assessment, and Environmental and Social Management Plan
   - Summary of Significant E&S Issues

4. E&S Compliance Review

- Summary of E&S permits, licenses, etc. in place, needed in the future, and identification of any missing
- Compliance review of project developer detailing;
- Summary of Significant E&S Issues
    - •Significance of E&S impacts/risks;
    - •Adequacy of the measures (planned to be) in place to mitigate and manage them;
    - •Adequacy of the resources and systems, plans, procedures, etc. in place to implement them;
    - •Potential for associated reputational damage;
    - •Potential for E&S impact to project development schedule; and
    - •Significance of cost to manage a potential E&S impact.

The gap analysis should ideally be presented in tabular format. Each gap should be clearly defined and be assigned an appropriate action to close the gap. These actions will be used to form the ESAP.

Annex 8: E&S document request list

Document title	Available-Yes/No	Comment
Strategic Documents		
Environmental and Social Management System (ESMS)		
E&S Policies		
Child Labour and Forced Labour Policy		
Climate Policy		
Employment Policy		
Environmental & Social Policy		
Gender Policy		
Health and Safety Policy		
Human Resources Policy		
Human Rights Policy		
Security Policy		
Governance Policies		
Anti- Bribery and Corruption Policy		
Anti-Money laundering policy		
Procurement policy		
Management Plans		
Air Quality and Noise Management Plan		
Communications Plan (part of SEP)		

Community Development Plan		
Community Health and Safety Management Plan		
Contractor Management Plan		
Construction Environmental and Social Management Guidelines (part of CMP)		
Emergency Preparedness and Response Plan		
Employment Management Plan		
E&S Monitoring Plan		
Hazardous Materials Management Plan		
Occupational Health and Safety Management Plan		
Resource Use and Energy Efficiency Management Plan		
Stakeholder Engagement Plan		
Security Management Plan		
Transport Safety Management Plan		
Waste Management Plan		
Water Resources Management Plan		
Workers Accommodation Management Plan (if required)		
Key Procedures, Permits and Compliance Documents		
Chance Find Procedure (if required)		
Community Grievance Mechanism		
Incident Investigation, Corrective and Preventative Action Procedure		
Recruitment Procedure		

Risk assessments		

Annex 9: ESAP template

Ref	Topic	Developer Application	Compliance Review	Risk Rating	Remedial Actions	Timeframe	Monitoring Indicator
I	Applicable standard topic	Developer's applicability from ESDD review	Gap analysis based on information provided and required standards.	Level of E&S risk categorised as low, medium, and high risk	Recommended E&S actions	Period allocated for completion	Verification mechanism

Annex 10: E&S KPIs

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
E&S Management					
Employees Dedicated to Social and Environmental Performance	Number of full-time equivalent employees dedicated to managing social and environmental performance during the reporting period.	#	✓	✓	
Social and Environmental Performance Staff Training	Number of hours that the organisation's employees and third-party contractors participated in training sessions related to any aspect of environmental or social performance management during the reporting period split by: i) direct employees ii) contractors	# hours	✓	✓	
Environment					
Water Consumption	Volume of water used for the organisation's operations during the reporting period, broken down by the following sources: i) groundwater ii) surface water iii) municipal iv) rainwater	cubic metres	✓		

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
	v) wastewater vi) recycled				
	Volume and percentage of water used from regions with high or extremely high baseline water stress during the reporting period.	cubic metres and %	✓	·	
Water Conservation Strategy	Indicates whether the organisation implements a water conservation strategy to reduce its water usage.	Y/N	✓	·	
	Volume and percentage of reduced water usage achieved as a result of the organisation's water conservation efforts during the reporting period.	cubic metres and %	✓	·	
Waste disposal	Amount of waste disposed by the organisation during the reporting period broken down by: i) Landfill ii) Recycled/reused iii) Incinerated iv) Composted	metric tons	✓	✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
	v) Other				
Waste generation	Amount of waste generated broken down by: i) non-hazardous ii) hazardous	metric tons	✓	✓	
E-waste	Amount of e-waste generated	metric tons	✓	·	
	Amount of e-waste disposed by the organisation during the reporting period broken down by: i) Landfill ii) Recycled/reused iii) Incinerated iv) Composted v) Other	metric tons	✓		
Occupational Health and Safety					
Worker Safety Policy	Indicates whether the organisation has policies in place to monitor, evaluate, and ensure worker safety.	Y/N	✓	✓	·

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Occupational Fatalities	Number of occupational fatalities of full-time, part-time, and temporary employees of the organisation during the reporting period for (a) direct employees and (b) contract employees.	#	·	✓	✓
Occupational Illnesses	Number of occupational illnesses which affected any full-time, part-time, and temporary employees of the organisation during the reporting period for (a) direct employees and (b) contract employees.	#	·	✓	✓
Occupational Injuries	Number of lost time injuries which affected any full-time, part-time, and temporary employees of the organisation during the reporting period for (a) direct employees and (b) contract employees.	#	·	✓	✓
Occupational Injuries	Lost time injury rate for (a) direct employees and (b) contract employees at the end of the reporting period	rate	·	✓	✓
H&S training	Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees in the reporting period	hrs	·	✓	✓

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
H&S Audit & inspection	Number of EHS audits performed in the reporting period	#	✓	✓	·
Climate					
GHG Emissions	Amount of GHG emitted through the organisation's operations during the reporting period and cumulatively since ARCH invested broken down by: i) Scope 1 (direct) emissions sources ii) Scope 2 (indirect) emission sources iii) Scope 3 (other indirect) emission sources	Metric tons (t) CO_2-e	Scope 3 emissions need not be reported at the moment	✓	✓
GHG emissions/carbon intensity	GHG emissions/carbon intensity for the reporting period	g CO_2-e/Mwh		✓	✓
Energy Generated for Use	Amount of energy generated and consumed by the organisation during the reporting period and cumulatively since ARCH invested, broken down by: i) non-renewable ii) renewable	MWh		·	✓
GHG emissions avoided	GHG emissions avoided by the organisation during the reporting period and cumulatively since ARCH invested	g CO_2-e			✓

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Capacity of energy commissioned	Capacity of energy installed by the organisation during the reporting period and cumulatively since ARCH invested, broken down by: i) non-renewable ii) renewable	MW			✓
Capacity of energy under construction	Capacity of energy under construction at the end of the reporting period, broken down by: i) non-renewable ii) renewable	MW			✓
Capacity of energy committed but not yet under construction	Capacity of energy committed but not yet under construction at the end of the reporting period, broken down by: i) non-renewable ii) renewable	MW			✓
Climate Resilience Strategy	Indicates whether the organisation implements a strategy to address the effects of climate change on the organisation's operations.	Qualitative		✓	✓
Biodiversity					

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Protected conservation status or endangered species habitat	Indicate whether the sites are in or near sites with protected conservation status or endangered species habitat	Y/N		✓	·
Area of Protected Land	Area of organisation's land within or bordering land with protected conservation status or endangered species habitat as of the end of the reporting period.	ha		✓	·
Number of Threatened Species	Number of threatened species present on land directly controlled by the organisation during the reporting period.	#		✓	·
Project delays	Number and duration of project delays related to ecological impacts	# and # days		✓	·
Community					
Value of Community Development Contributions	Value of payments made by the organisation during the reporting period towards activities that benefit local communities.	US$	✓	✓	
Community grievances	Indicate whether the organisation has in place a grievance mechanism to receive formal community complaints and provide remedy	Y/N	·	✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Community grievances	Number of formal grievances registered by community members about impacts on society during the reporting period.	#		✓	
Community grievances	Number of formal grievances registered by employees of the organisation that were resolved during the reporting period.	#		✓	
Project delays	Number and duration of non-technical delays	#		✓	
Individuals Displaced	Number of individuals displaced and number that were compensated as a result of projects supported/financed by the organisation during the reporting period broken down by: i) physical displacement ii) economic displacement	#		✓	
Client Households	Number of unique households that B9d, broken down by income as follows: i) Low income ii) Poor iii) Very poor	#		✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Client SMEs	Number of unique SME businesses that were served by the operational power projects/sites during the reporting period	#		✓	
Communities Served	Number of communities where power projects/sites were operational during the reporting period.	#		✓	
Labour rights					
Employee Policy Documentation	Describes the types of policy documentation that are provided to employees of the organisation.	Qualitative	✓	✓	·
Anti-discrimination	Indicates whether the organisation has specific, written anti-discrimination policy in place for its employees and a system to monitor compliance of this policy.	Y/N	✓	✓	·
Anti-discrimination	Total number of incidents of discrimination and corrective actions taken	#	✓	✓	✓
Sexual Harassment	Indicates whether the organisation has a written policy to combat and prevent sexual harassment of employees and a system to monitor compliance with this policy.	Y/N	✓	✓	·

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Sexual Harassment	Total number of incidents of sexual harassment and corrective actions taken	#	✓	✓	✓
Employee Voluntary Turnover Rate	Ratio of the number of permanent (full-time and part-time) employees that departed voluntarily, compared to the average number of permanent (full-time and part-time) employees at the organisation during the reporting period.	%	✓	✓	·
Forced Labor	Indicates whether the organisation has a written policy against forced labor and a system to monitor compliance of this policy.	Y/N	✓	✓	·
Forced Labor	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	# and qualitative	✓	✓	✓
Child Labor	Indicates whether the organisation has a written policy against child labor and a system to monitor compliance of this policy.	Y/N	✓	✓	·

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Child Labor	Operations and suppliers identified as having significant risk for incidents of child labor, and measures to contribute to the elimination of all forms of child labor	# and qualitative	✓	✓	✓
Employee Feedback and Grievance System	Indicate whether the organisation has in place a grievance mechanism to receive formal employee complaints and provide remedy, and an established procedure and/or committee to receive and handle employee feedback.	Y/N	✓	✓	·
Number of Employee Grievances Registered	Number of formal grievances registered by employees of the organisation during the reporting period.	#	✓	✓	✓
Number of Employee Grievances Resolved	Number of formal grievances registered by employees of the organisation that were resolved during the reporting period.	#	✓	✓	✓
Labour rights legal proceedings	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	US$	✓	✓	✓
Human rights					

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
HuRi Policy	Indicate whether the organisation has a Human Rights Policy	Y/N	✓	✓	·
HuRi Employee Training	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	# hours and %	✓	✓	·
Supply chain and third parties	Percentage of new suppliers and contractors that were screened using human rights criteria	%	✓	✓	·
Supply chain and third parties	Total number and percentage of significant contracts that include human rights clauses or that underwent human rights screening	# and %	✓	✓	·
Supply chain and third parties	Significant actual and potential negative human rights impacts in the supply chain and third parties and actions taken	Qualitative	✓	✓	·
Indigenous Peoples	Number of individual communities with indigenous peoples in which the organisation operated power projects/sites during the reporting period	#		✓	·
Free, Prior and Informed Consent (FPIC)	Percentage of organisation's power projects/sites with indigenous peoples in the	%		✓	·

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
	communities they serve that had FPIC conducted and obtained prior to commencing project development				
Gender					
Board of Directors: Female	Number and percentage of the organisation's board of directors or other governing body that are female as of the end of the reporting period.	# and %	✓	✓	·
Full-time Employees: Female	Number of paid full-time female employees at the organisation as of the end of the reporting period.	#	✓	✓	·
Permanent Employees: Female	Number of females employed by the organisation as of the end of the reporting period. This is the sum of all paid full-time and part-time female employees.	#	✓	✓	·
Temporary Employees: Female	Number of female temporary employees paid by the organisation during the reporting period.	#	✓	✓	✓
Workforce: Female	Percent of employees (FTE) who are female	%	✓	✓	✓

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
Full-time Employees: Female Managers	Number and percentage of paid full-time management employees (managers) that are female at the organisation as of the end of the reporting period.	# and %	✓	✓	
Female owned businesses	Number of female owned businesses that are served by the organisation's power projects/sites in the reporting period	#	·	✓	
Stakeholder engagements	Percentage of women in community stakeholder engagements				
Governance					
Board of Directors: Independent	Number and percentage of independent board members of the organisation's board of directors or governing body as of the end of the reporting period.	# and %	✓	·	
Meeting Frequency of Board of Directors	Number of times the organisation's board of directors or governing body met during the reporting period.	#	✓	·	
Payments to Government	Value of all transfers to the government made by the organisation during the reporting period.	US$	✓	✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
ABC	Indicates whether the organisation has policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	Y/N	✓	✓	
ABC	Discussion of communication and number of hours of training on anti-corruption policies and procedures	Qualitative and # hours	✓	✓	
ABC	Number of confirmed incidents of corruption and actions taken during the reporting period	#	✓	✓	
ABC	Total value of political contributions by country and recipient/beneficiary	US$	✓	✓	
ABC	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	#	✓	✓	
Anti-competitive behaviour	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes during the reporting period	#	✓	✓	
Non-compliance	Value of payments made by organisation as legal or regulatory fines and settlements for non-	US$	✓	✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
	compliance with laws and regulations during the last reporting period.				
Non-compliance	Number of formal legal and regulatory complaints received by the organisation during the last reporting period.	#	✓	✓	
Insufficient whistleblower protection	Indicates whether the organisation has policies on the protection of whistleblowers	Y/N	✓	✓	
Employment					
Full-time Employees	Number of paid full-time employees at the organisation as of the end of the reporting period broken down by: i) local (within the same province as project or c.50km) ii) national iii) international	#	✓	✓	
Permanent Employees	Number of people employed by the organisation as of the end of the reporting period broken down by: i) local (within the same province as project or c.50km) ii) national iii) international	#	✓	✓	

Topic	Definition	Unit of measure	CBEA	Developers	Contractors
	This is the sum of all paid full-time and part-time employees.				
Temporary Employees	Number of temporary employees paid by the organisation during the reporting period broken down by: i) local (within the same province as project or c.50km) ii) national iii) international	#	✓	✓	

Annex 11: ESIA Sample Outline

An ESIA is a comprehensive study that identifies and assesses the potential environmental and social impacts of a proposed project or development. The IFC has developed a standard ESIA format, which includes the following sections:

1. Introduction
    - Purpose and scope of the ESIA
    - Project description
    - Legal and regulatory framework
2. Project Description
    - Overview of the project
    - Project location
    - Project components and activities
    - Project alternatives
3. National permitting
4. Baseline Conditions
    - Physical environment
    - Biological environment
    - Socio-economic environment
    - Land issues
    - Cultural heritage and archeology
5. Environmental and Social Impacts
    - Identification and assessment of potential impacts
    - Significance of potential impacts
    - Mitigation measures
    - Residual impacts
6. Environmental and Social Management Plan
    - Management plans for environmental and social issues
    - Monitoring, verification, and evaluation plans
7. Stakeholder Engagement
    - Identification of stakeholders

- Engagement and consultation with stakeholders
- Grievance mechanism
- Indigenous peoples

8. Disclosure and Reporting
    - Disclosure of ESIA and other project documents
    - Reporting on project performance
9. Annexes

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