



Environmental and Social Management System (ESMS)

Template for Armenian Banks

October 12, 2021

Abbreviations

CBD	Convention on Biological Diversity
E&S	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
ESMP	Environmental and Social Management Plan
FPIC	Free, Prior and Informed Consent
GCF	Green Climate Fund
GEF	Global Environment Facility
GRM	Grievance Redress Mechanism
ODA	Official Development Assistance
MEL	Monitoring, Evaluation and Learning
NAPs	National Adaptation Plans
NDCs	Nationally Determined Contributions
SDGs	Sustainable Development Goals
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change

Table of Contents

Abbreviations	2
1. Introduction and Background to the Template	5
2. The Structure of the Environmental and Social Management System (ESMS).....	6
2.1 Elements of the ESMS	6
2.2 ESMS Implementation Responsibilities.....	7
2.2.1 Banks.....	7
2.2.2 Clients/Loan Recipients.....	8
2.3 Excluded Activities	8
3. Environmental and Social Policy	9
4. Environmental and Social Standards	10
5. Environmental and Social Due Diligence	10
5.1 Introduction.....	10
5.2 Screening	11
5.3 Exemptions	12
5.4 Assessment Studies.....	13
5.5 Management	14
5.6 Grievance Redress.....	14
5.7 Monitoring.....	15
6. Integrating ESMS Requirements within Existing Risks Management Procedures	16
7. Responsibilities of ESMS Office Holders	20
8. Annex I: Environmental and Social Standards.....	21
8.1 Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	21
8.2 Performance Standard 2: Labour and Working Conditions.....	22
8.3 Performance Standard 3: Resource Efficiency and Pollution Prevention	23
8.4 Performance Standard 4: Community Health, Safety and Security	24
8.5 Performance Standard 5: Land Acquisition and Involuntary Resettlement	25
8.6 Performance Standard 6: Biodiversity Conservation and Sustainable Management	27
8.7 Performance Standard 7: Indigenous Peoples.....	28
8.8 Performance Standard 8: Cultural Heritage.....	29
9. Annex II: ESMS Screening Questionnaires	31
10. Annex III: Outline of a Targeted Environmental and Social Assessment	39

11. Annex IV: Indicative Template/Outline for a Process Framework (Access Restrictions) ..	41
12. Annex V: Abbreviated Occupational Health and Safety Plan	43
13. Annex VI: Social Assessment and IPP/IPPF for Indigenous Peoples	45
14. Annex VII: Abbreviated ESMP	47
15. Annex VIII: Recommended format for a Full Environmental and Social Impact Assessment (ESIA)	49

1. Introduction and Background to the Template

This Environmental and Social Management System (ESMS) template has been produced as part of a consultancy focused on designing model green finance guidelines for Armenian banks. The consultancy builds on earlier work undertaken as part of the Green Climate Fund-supported project titled, “Scaling up Green Finance Practices in the Republic of Armenia”. This earlier work includes:

- (i) Survey among Beneficiaries of Green Finance Instruments (October 2020)
- (ii) Report for Review: “Scaling Up Green Finance Practices” (March 2021)
- (iii) Scoping Study and Mapping of Existing “Green Finance” Practices in the Republic of Armenia (October 2020).

These studies have surveyed existing green finance instruments used to date by Armenian banks, and have outlined international “best practice” sources of green finance. Research undertaken during these studies has indicated that international organizations, donor agencies, and multi-lateral development banks have channelled approximately 100 million USD through Armenian commercial banks in the last 5 years in the form of loans to SMEs and households, aimed at increasing energy efficiency and introducing renewable energy solutions. However, it has been pointed out that Armenia’s banking sector underutilizes green financing, primarily due to a lack of expertise and guidance on environmental and social safeguards.

This consultancy has responded to this observation by developing a generic Environmental and Social Management System (ESMS) template that can be adapted to suit the specific circumstances of individual Armenian banks. It recognizes that investment funds and multi-lateral/bilateral donors are increasingly requiring their “financial intermediaries”, such as commercial banks, to have ESMSs in place, *for all project types, and not just for projects considered to be “green”*. These are often prerequisites for commercial banks wishing to obtain access to finance. As such, an ESMS is the primary green finance guideline that a bank requires.

This document is structured as follows:

- * Section 2 outlines the required structure of an Environmental and Social Management System.
- * Sections 3, 4, and 5 outline the required components of an ESMS.
- * Section 6 focuses on how environmental and social risk should be integrated within existing bank risk management procedures.
- * Section 7 outlines the responsibilities of the bank’s ESMS Office Holders.
- * Sections 8 to 15 consist of relevant Annexes.

2. The Structure of the Environmental and Social Management System (ESMS)

2.1 Elements of the ESMS

The ESMS provides a systematic procedure to screen bank-financed initiatives for potential adverse environmental and social impacts to ensure that negative impacts are avoided or minimised while positive impacts are stimulated. The ESMS also ensures that the implementation and effectiveness of mitigation measures are monitored and that any impacts arising during the execution of projects are addressed.

Figure 1 presents a model for how an ESMS should be constructed. While there is, as yet, no formal “standard” for an ESMS, the outline presented in Figure 1 is consistent with international best practice.

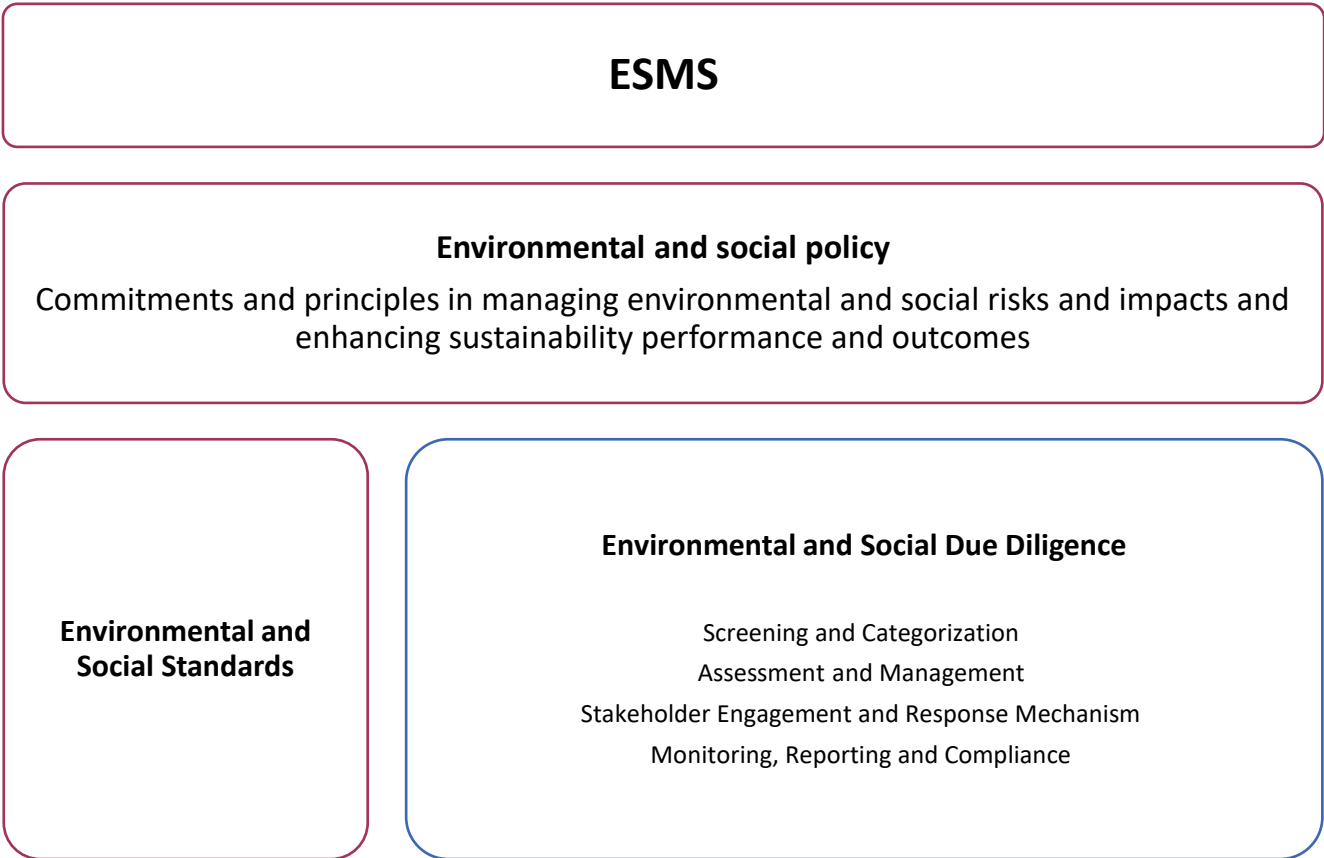


Figure 1: Elements of the Proposed Environmental and Social Management System

The structure consists of three inter-linked parts. The policy component of the ESMS exists to elaborate a bank’s commitment to integrate environmental and social issues into its decision-making and outcomes, and establish the principles, requirements, and responsibilities to deliver on these commitments. High-level environmental and social policies tend to cover objectives and principles; scope of application; and,

institutional and implementation arrangements. They also tend to be passed at management-level, and become binding requirements for any project/programme activities.

The second component of the ESMS would be a set of environmental and social standards (ESSs). These lay out specific thematic requirements for the design and implementation of projects, and provide guidance to both bank staff involved in project design, and a bank's clients/loan recipients who are responsible for the implementation of a project.

The third component of the ESMS is a set of operational procedures and requirements that enable due diligence to be undertaken. These include the following:

- Exemptions
- Screening and Categorization
- Assessment and Management
- Stakeholder Engagement and Response Mechanism
- Access to Information
- Monitoring, Reporting and Compliance

As will be made clear in the next section, carrying out the operational procedure requirements is the responsibility of the client/loan recipient.

2.2 ESMS Implementation Responsibilities

The ESMS applies throughout the bank's entire project approval cycle, in line with national regulatory requirements. It is applicable to all projects that receive funds from the bank, unless a project is exempt (see Section 5.3). **The way in which the ESMS requirements should be integrated into the existing risk management procedures of the bank is outlined in Section 6.** In general, banks and clients/loan recipients have different Implementation responsibilities, as introduced below.

2.2.1 Banks

By implementing the measures outlined in this ESMS, the bank will be able to provide evidence that best efforts are being made to address environmental and social issues to the extent possible given the project/stakeholder setup, the nature of the projects, and the context of implementation. The bank is responsible for the following:

- (i) Establishing a set of environmental and social standards and procedures that the clients/loan recipients must adhere to during the execution of their projects (See Section 4 and Annex I).
- (ii) At an initial stage of inquiry, the bank will apply its Exclusion List (see Section 2.3). If a project involves an excluded activity, the prospective client will be so informed, and further consideration of financing for the project will be terminated.
- (iii) When the bank indicates that the project does not involve an excluded activity, the prospective client will be informed that the bank (or its consultant) will undertake Environmental and Social

Due Diligence as part of the appraisal process (See Section 5). Such due diligence will involve reviewing the extent to which environmental and social risks have been correctly assessed and screened by clients/loan recipients in the proposal stage, and then categorising, and requesting applicable assessments/studies/management plans, as appropriate.

- (iv) Depending on the complexity of the project, the Environmental and Social Due Diligence could be either: a desk review; a review based on a credit officer's site visit; or, could require a full-scale review conducted by a technically qualified person or consultant.

2.2.2 Clients/Loan Recipients

- (i) The client/loan recipient must be able to demonstrate compliance with the requirements of the ESMS, as further specified in Section 5. When compliance cannot be demonstrated, a Corrective Action Plan must be agreed to, in order for the investment to proceed. The plan must specify all of the necessary actions to bring a project into compliance. A target completion date for each specified action must also be agreed.
- (ii) Prospective clients/loan recipients are responsible for the screening and assessment of potential environmental and social risks/impacts. They are also responsible for carrying out the requisite studies, assessments, mitigation and management plans that may be required for a given project.
- (iii) Prospective clients/loan recipients are responsible for ensuring proper stakeholder engagement (including where relevant, direct and indirect stakeholders and beneficiaries).
- (iv) Prospective clients/loan recipients must provide all requested information, and the bank must have concluded that the project is expected to meet the applicable requirements (with Corrective Action if required), prior to the bank's decision to make an investment.
- (v) Environmental and social performance will be evaluated on an annual basis, including the status of implementation of the Corrective Action. The benchmark for performance will be the ongoing compliance against the applicable requirements. Performance evaluation will be undertaken by the client/loan recipient, who will provide annual reports to the bank, which may follow up as required with further queries or site visits.
- (vi) All investment agreements will contain appropriate environmental representations, warranties, and covenants requiring that projects are in compliance in all material respect with host country environmental, health, safety and social requirements embodied by general laws, and conducted in accordance with any applicable requirements.

2.3 Excluded Activities

It is up to the bank to decide on the kinds of projects that it will not finance. Generally speaking, the bank will not support projects that intentionally degrade the natural environment, or involve the production

of, or trade in, any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans.

To meet the requirements of multi-lateral donors, the bank will not support any activities, which are included in the International Finance Corporation's excluded activities list. These are:

- Production or trade in weapons and munitions;
- Production or trade in alcoholic beverages (excluding beer and wine), and/or production or trade in tobacco;
- Trade in wildlife or wildlife products regulated under CITES;
- Production or trade in radioactive materials;
- Production or trade in or use of unbonded asbestos fibres;
- Purchase of logging equipment for use in primary tropical moist forest;
- Production or trade in pharmaceuticals subject to international phase outs or bans;
- Production or trade in pesticides/herbicides subject to international phase outs or bans;
- Drift net fishing in the marine environment;
- Physical displacement of people (relocation or loss of shelter), neither involuntary (where people may not be able to refuse) nor forced;
- Contact with indigenous peoples living in voluntary isolation;
- Use and/or procurement of pesticides and hazardous materials that are unlawful under national or international laws, the generation of wastes and effluents, and emissions of short- and long-lived climate pollutants;
- Removal, alteration or disturbance of any non-replicable or critical cultural heritage, or the use of any intangible cultural heritage without the Free, Prior and Informed Consent of the communities who it belongs to; or,
- Introduction of species outside their natural range (non-indigenous) that can potentially develop invasive characteristics and become harmful to the environment;

3. Environmental and Social Policy

The bank does not support projects/programmes that unnecessarily harm the environment, vulnerable communities or women or contribute to poverty, social inequality or gender discrimination.

To carry out this Policy the bank shall:

- * Have an environmental and social management system that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/programme design;
- * Avoid, reduce or limit negative environmental, social and climate impacts and improve the E&S benefits of its initiatives;
- * Support the preservation and protection of biodiversity and sustainably manage natural resources;

- * Avoid negative impacts on the living conditions, livelihoods and land tenure of communities;
- * Ensure the health and safety at work of its own employees and require its subcontractors and executing entities to implement measures to protect the health and safety of their employees at work;
- * Condemn forced labour and child labour, prohibit discrimination, prohibit and combat harassment and support the freedom of association and the right to collective bargaining of workers;
- * Comply with all relevant environmental, social, health and safety as well as land acquisition policies, laws and regulations of the countries of intervention and international standards;
- * Monitor the status of those mitigation measures during and at the end of implementation; and,
- * Assure that adequate opportunities are provided for the informed participation of all stakeholders in the formulation and implementation of projects/programmes supported by the bank.

4. Environmental and Social Standards

All projects supported by the bank will be designed and implemented to meet Environmental and Social Standards. The eight Performance Standards of the International Finance Corporation (IFC) will apply. These are aligned with international best practices, and are the Standards most often applied by private sector firms, and accepted by donors. The full set of Performance Standards are summarized in Annex I. It must be noted that the particular Standard relevant to each project may vary depending on the nature and scope of the project. In other words, depending on the nature and scale of a project/programme all of the Performance Standards may not be relevant to every project.

In addition, the bank is required to comply with all relevant Armenian environmental and social safeguard laws and regulations. As such, Annex 1 includes both a broad outline of the Performance Standards to which the bank should comply, along with a brief summary of national legislation and regulation relevant to each of the Standards outlined.

In some circumstances, where the bank is applying funds from multi-lateral or bi-lateral donors, or from investment funds, the Environmental and Social Standards of the funder will be applied to client/loan recipient project proposals. This will sometimes entail a discussion between the bank and the donor as to whose Standards will apply.

5. Environmental and Social Due Diligence

5.1 Introduction

As indicated in Section 2.2.1, when the bank indicates that the project does not involve an excluded activity, the prospective client will be informed that the bank (or its consultant) will undertake

Environmental and Social Due Diligence as part of the appraisal process. The bank's due diligence will be based on reviewing the following work to be undertaken by the client/loan recipient:

- (i) screening of the proposed project to determine the level of potential environmental and/or social risk;
- (ii) undertaking applicable assessments/studies/management plans as appropriate;
- (iii) indicating how it intends to undertake stakeholder consultation during the development of the project;
- (iv) designing a relevant project-level grievance mechanism; and,
- (v) indicating how it will monitor and report on performance against environmental and social mitigation commitments.

5.2 Screening

All proposed projects must undertake a project ESMS screening in order to determine their respective risk levels/categories.

The purpose of screening is to:

- * understand whether a project could lead to any negative social and environmental impacts;
- * avoid, reduce or limit environmental pollution and environmental damage including climate-damaging emissions and pollution;
- * determine the E&S risk level i.e. low, moderate or high; and
- * where risks have been identified, to determine the appropriate type and level of assessment needed to ascertain the extent of the risks.

Project ESMS screening consists of two distinct phases: (i) the completion of an initial ESMS Screening questionnaire, and (ii) the completion of a full ESMS Questionnaire. Both questionnaires are presented in Annex II, respectively in Table 1 and Table 2.

The purpose of the initial questionnaire is to determine whether a project should be either exempted, or excluded. The initial screening serves to establish if the project is exempt from further screening (see Section 5.3) or if it would include any activities that are excluded, as listed in Section 2.3. After the initial screening the project will be required to complete the full ESMS screening questionnaire (i.e. Table 2, Annex I). This full screening results in an overall project risk categorisation, the process for which is explained in Annex 1.

Once the full ESMS questionnaire has been completed by the client/loan recipient, the bank will determine the overall risk category of the proposed activities. Projects will be assigned one of three potential risk categories:

- **High risk projects (Category A):** Projects with the potential to cause significant adverse environmental and/or social impacts. These impacts may influence an area broader than the project site, may be related to sensitive receptors – human populations or environmentally important areas, may severely affect the health and quality of life of the receptor, may be of long duration, and may be irreversible and very likely to occur.
- **Moderate-risk projects (Category B):** Projects with potential environmental and social impacts that are less adverse and fewer in number than those of high-risk projects. Typically, these impacts are site-specific, their extent can be determined with a reasonable degree of certainty, few if any of them are irreversible, and mitigation measures could be readily designed and implemented to successfully address these concerns.
- **Low-risk projects (Category C):** Projects that are likely to have minimal or no environmental or social impacts, and/or when mitigation measures have already been devised as part of the project’s activities that appropriately address the risks. No further assessment is required for low-risk projects.

The designation of a risk category determines the need for further safeguard assessment requirements. The client/loan recipient is responsible for the implementation and monitoring of any required safeguard instrument, or other required measures to address the applicable safeguard requirement. Further assessment requirements are outlined in Section 5.4.

5.3 Exemptions

Projects that consist solely of any of the following functions or activities will be exempt from the screening requirements of this ESMS:

- Preparation and dissemination of knowledge products;
- Organization of capacity building activities, such as workshops and trainings;
- Strengthening capacities of partners to participate in national and international policy processes;
- Partnership coordination and management of networks; and/or,
- Global/regional/national activities (e.g. activities such as knowledge management, inter-governmental processes) with no field-level activities.

The exemption criteria only apply when they make up the entire scope of the project. During the initial screening, it will be determined if a project is exempt from the full ESMS screening requirements as outlined in Table 2 of Annex II of this ESMS.

5.4 Assessment Studies

The client/loan recipient will follow the principles of the mitigation hierarchy, and will as a first priority seek to avoid most impacts/risks. Impacts can be avoided through careful project design and diligent environmental and social risk screening.

Category C: If, during the environmental and social screening, a project is identified to be of Low risk (i.e. Category C), there will generally not be a need for further studies/assessments to be undertaken. In certain circumstances, where there may be small-scale construction associated with a project, the client/loan recipient may be required to develop an abbreviated Environmental and Social Management Plan (ESMP) or an abbreviated Occupational Health and Safety Plan. Typical activities that could require the production of such plans include construction of small facilities, use of agricultural equipment, and/or the limited use of agricultural chemicals. A template for an abbreviated ESMP is included as Annex VII, and an abbreviated Occupational Health and Safety Plan template/outline is attached as Annex V.

Category B: If a project is determined to be of a Moderate risk level (i.e. Category B), then certain risk assessment studies/frameworks may be required. The need for such risk/impact assessments will be established in the ESMS screening questionnaire. For such projects, the screening will identify initial risks that will need to be further explored through appropriate assessment studies. The level of assessment should be proportionate to the level of risk identified during screening. Given that the main aim is to achieve positive environmental and social outcomes, the expected environmental and social risks for Category B projects are expected to be limited and temporary, and as such a full scale Environmental and Social Impact Assessment will not likely be required.

For Category B projects, a targeted environmental and social assessment is to be completed. A template is outlined in Annex III. An outcome of a targeted environmental and social assessment or full ESIA may be a requirement to modify project design to avoid potential risks/impacts. In theory, this could include re-siting of the project. After the conduct of environmental and social assessment, the project may also be required to develop and implement an Environmental and Social Management Plan (ESMP), which will be used to manage, monitor and respond to environmental and social mitigation measures. The requirements for an abbreviated ESMP are outlined in Annex VII.

A full ESIA may occasionally be required when triggered under national legislation. In such instances, the client/loan recipient must comply with the law and produce a full ESIA.

For any project that is screened as having potential to result in access restrictions, a Process Framework will be required. The purpose of the Process Framework is to establish a process by which members of potentially affected communities can participate in the design of project components. Guidance and an indicative template for a Process Framework are outlined in Annex IV.

Category A: If a project is determined to be of a High risk level (i.e. Category A), then certain risk assessment studies/frameworks may be required. The need for such risk/impact assessments will be

established in the ESMS screening questionnaire. For such projects, the screening will identify initial risks that will need to be further explored through appropriate assessment studies.

Given that Category A projects may have the potential to cause significant adverse environmental and/or social impacts, a full Environmental and Social Impact Assessment study will be required (Guidance on the structure of an ESIA is presented in Annex VIII). In addition, the project will also be required to develop and implement an Environmental and Social Management Plan (ESMP), which will be used to manage, monitor and respond to E&S mitigation measures. The requirements for an abbreviated ESMP are outlined in Annex VII.

5.5 Management

If as a result of assessment studies described in Section 5.4, a project is required to undertake an environmental and social assessment, or where deemed necessary for a Category C project, environmental and social management measures will need to be undertaken by the client/loan recipient to mitigate and manage any potential adverse risks. The instrument that will be required to demonstrate that management plans are in place is an ESMP. An ESMP can either be a stand-alone document or can be incorporated into the overall ESIA assessment report. The ESMP should include proposed mitigation and management measures, with responsible parties attributed to each specified measure, along with a monitoring and reporting process outlined. Further guidance/an indicative template for an ESMP is presented in Annex VII.

5.6 Grievance Redress

A grievance is defined as an issue, concern, problem or claim (perceived or actual) that an individual or community group wants the client/loan recipient, to address and resolve. Examples include specific complaints about impacts, damages or harm caused by the project, and concerns about project activities during construction or operation, or perceived incidents or impacts.

All bank-funded projects will need to design and implement project-level Grievance Redress Mechanisms (GRM). The purpose of GRMs is to provide people affected by projects/programmes supported by the bank with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental or social harms caused by any such project/programme.

Stakeholder engagement measures will work pro-actively towards identifying and addressing issues before they become grievances. However, when grievances are reported they need to be addressed in a consistent and verifiable manner. The purpose of the Grievance Mechanism is to implement a formalised process (identification, tracking and redress) to manage project-related complaints from communities, workers and other stakeholders. A Grievance Mechanism needs to ensure that stakeholder comments, suggestions and objections are captured and considered. The Grievance Mechanism is designed to be a transparent process that is gender responsive, culturally appropriate, and readily accessible to all segments of the stakeholders at no costs and without retribution.

The Grievance Mechanism is required to be:

- * Systematic: All forms of complaints related to the project need to be considered;
- * Transparent: Stakeholders must be informed that a grievance mechanism is in place, and grievances must be documented and registered;
- * Appropriate: Tailored to the Project scope, adapted to local conditions and culturally acceptable; and,
- * Lead to corrective actions: Grievances must be answered as relevant and the answers must be documented. Timely resolution of grievances is vital to ensure successful implementation of the project.

Resolution of complaints should be sought at the lowest possible level following a three-stage process, as outlined below:

- (a) First, complainants should bring up the issue with the project management/applicable authority to attempt to resolve the issue together;
- (b) If this is not effective, the concern should be escalated to a senior Director of the bank, who should act as a neutral party mediating the situation;

If both of these avenues are not successful at remedying the situation, a formal complaint should be escalated to an independent national arbitrator, such as an Ombudsperson.

At the project level, a person should be appointed as the grievance mechanism manager. This may often be the project implementation supervisor, who will inform colleagues and contractors about grievance mechanism procedures, gather grievance forms, enter them into a grievance register, and provide input to project reporting. The grievance register should at least include the following categories:

- * Name and contact details of contact (unless requested to remain anonymous);
- * Date and description of grievance;
- * Response made to the grievance / corrective action implemented.

For the grievance mechanism to be effective and accessible, the client/loan recipient must inform all relevant project stakeholders of the existence of the mechanism. This should ideally be done during the project design phase, but no later than within the first quarter of project implementation. Stakeholders need to know when issues eligible to be dealt with using the grievance mechanism, the three-stage process, contact information and the mechanism for complaint submission. The information should be delivered in a culturally appropriate form assuring that all relevant groups are reached, including women, indigenous peoples and vulnerable groups. It can be communicated verbally (in consultation meetings or through media) and in writing.

5.7 Monitoring

Clients/loan recipients are directly responsible for the day-to-day monitoring of the implementation of the environmental and social requirements and stakeholder engagement in their respective projects. In instances where an ESMP has been developed, monitoring and reporting of the proposed mitigation measures will be done through the ESMP template 2 (Annex VII).

It is the client/loan recipient’s responsibility to agree with its contractors or project implementers on how the monitoring will be conducted. Contractors will immediately report on arising emergency situations. The client/loan recipient is responsible for conducting its own monitoring and reporting (including instances of emergency situations), and informing the bank of environmental and social performance. “Emergency situations” include: encountering unforeseen environmental/social impacts of a high magnitude; unforeseen accidents; unacceptable working conditions (including instances of GBV/SEAH, child labour, forced labour); and non-compliance with national legislation.

6. Integrating ESMS Requirements within Existing Risks Management Procedures

As indicated in Section 2.2, and in Section 5.1, responsibilities for screening and assessment of risks, and then environmental and social management during implementation, rests substantially with clients/loan recipients. However, the bank will have its own due diligence procedures to follow, and so the effective and efficient integration of ESMS requirements in the credit risk management processes of the bank is important. Figure 2 demonstrates how loan applications are usually dealt with, and Figure 3 indicates how the due diligence requirements outlined in Section 5 should be integrated into the traditional risk assessment process.



Figure 2: Traditional Loan Assessment Process

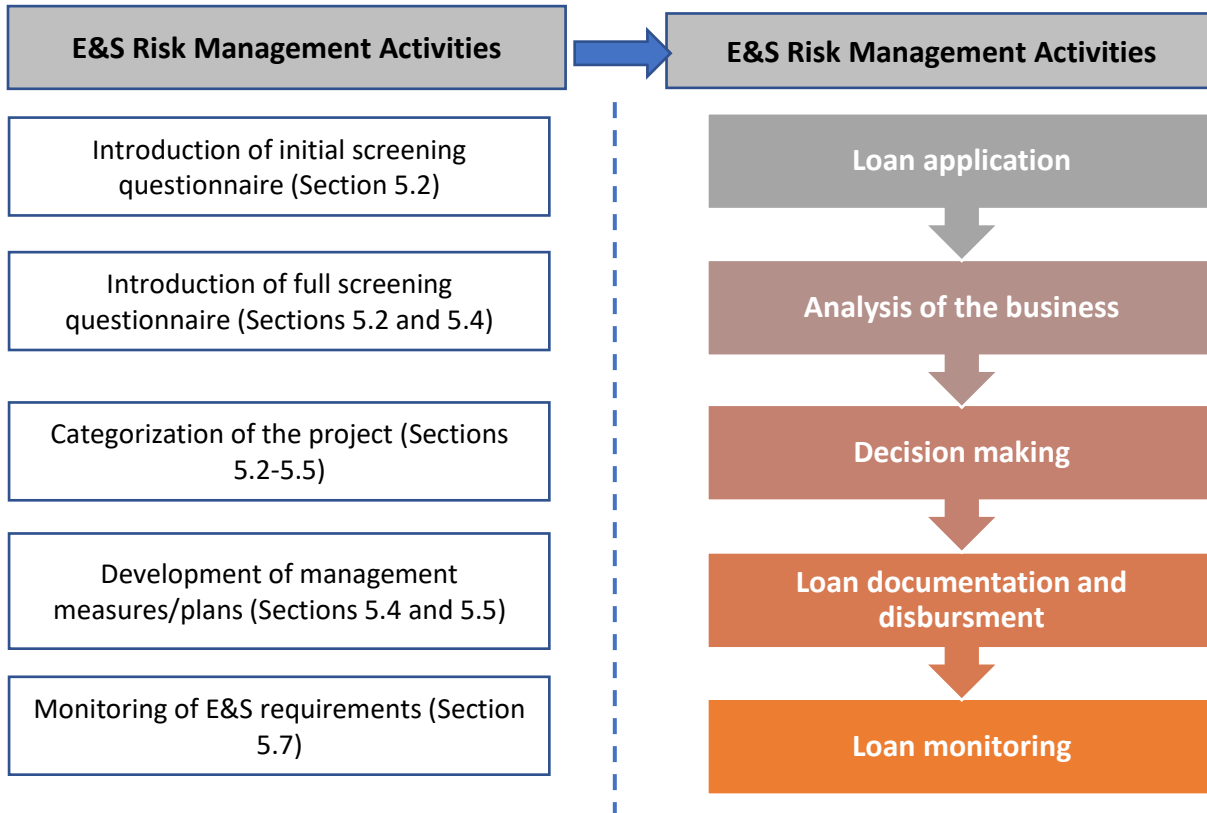


Figure 3: Integration of ESMS Requirements into the Loan Assessment Process

The bank will need to revise relevant internal procedures that regulate the lending process to introduce ESMS requirements, as described in Table 1.

Table 1: Incorporating ESMS Requirements into Internal Lending Procedures

Loan Application	
<i>Introduction of initial screening questionnaire (chapter 5.2)</i>	<p>As it was mentioned in Section 5.2, the purpose of the initial screening questionnaire is to determine whether a project should be either exempted or excluded. It is advised that the initial screening is conducted at the early stage of the lending process: during the loan application stage.</p> <p>For this purpose, the bank’s Loan Officer/Credit Analyst interviews the client and assesses whether the project falls within the exclusion or exemption list of the bank by filling in the Annex II, Table 1 questionnaire. If the project falls within:</p> <ul style="list-style-type: none"> • The exclusion list of the bank, then the Loan Officer/ Credit Analyst rejects the loan application. Otherwise, he/she proceeds with the business analysis step. • The exemption list, then the Loan Officer/Credit Analyst proceeds with the business analysis stage without any further screening requirements.
Analysis of the Business	
<i>Introduction of full screening questionnaire (chapter 5.2 and 5.4)</i>	<p>The full screening questionnaire is required for all projects that do not fall within the exclusion or exemption lists of the bank. The purpose of the full screening is to determine the overall risk category of the project as defined in chapter 5.2 of this Guideline. The full screening is undertaken by the client/loan recipient, and then undergoes due diligence by the Loan Officer/Credit Analyst.</p> <p>It is suggested that the screening due diligence is conducted after the business analysis has been undertaken, when the Loan Officer/Credit Analyst has a more detailed understanding of the proposed project.</p> <p>For this purpose, after any site visit and business analysis, the Loan Officer/Credit Analyst produced a risk categorization by filling in Annex II, Table 2 questionnaire. The Loan Officer/Credit Analyst should work with the client to obtain any needed additional information for the purpose of analysing environmental and social risk.</p> <p>Depending on the project category, the Loan Officer/Credit Analyst determines the required management measures/plans as defined in Section 5.4, by completing the respective sections of the Annex II, Table 2 questionnaire.</p>
Decision Making	
<i>Categorization of the project (chapter 5.2-5.5)</i>	<p>Along with other documents required for decision making, the Loan Officer/Credit Analyst submits the following documents to the Credit Committee:</p> <ul style="list-style-type: none"> • Initial screening questionnaire; and, • Full screening questionnaire, with his/her recommendations on required management measures/plans. <p>The Credit Committee is responsible for ensuring that the environmental and social risk assessment is performed in accordance with Sections 5.2-5.5 of this ESMS. Based on the above motioned submitted documents and the nature of the</p>

	<p>project presented by the Loan Officer/Credit Analyst, the Credit Committee makes a decision on:</p> <ul style="list-style-type: none"> • Loan approval/rejection, • Final categorization of the project, • Defining required management measures/plans, and • Defining E&S monitoring requirements.
<p>Loan documentation and disbursement</p>	
<p><i>Development of management measures/plans (chapter 5.4 and 5.5)</i></p>	<p>After the approval of the loan application by the Credit Committee, the Loan Officer/Credit Analyst informs the client about the decision, and in the case of approved loans, requires the development of appropriate management measures/plans, as defined in Sections 5.4 and 5.5 of this ESMS. The Loan Officer/Credit Analyst should provide the client with all relevant templates and forms and, whenever possible, should provide support and consultation in development of these documents.</p> <p>Together with the package required for the loan disbursement, the Loan Officer/Credit Analyst submits the following documents to the back-office function of the bank:</p> <ul style="list-style-type: none"> • Initial screening questionnaire, • Full screening questionnaire, with his/her recommendations on required management measures/plans; and, • Developed management measures/plans.
<p>Monitoring of E&S requirements</p>	
<p><i>Monitoring of E&S impacts (chapter 5.7)</i></p>	<p>Appropriate monitoring of environmental and social issues is part of the regular loan monitoring process.</p> <p>The client is responsible for the implementation of the ESMS and regular reporting to the bank. The Credit Committee is responsible for defining on how, when and in what frequency the monitoring will be conducted. Based on the decision of the Credit Committee, the Loan officer/Credit Analyst is responsible for implementing regular monitoring of E&S impact.</p> <p>As it was mentioned in Section 5.7, in instances where an ESMP has been developed, monitoring and reporting of the proposed mitigation measures will be done through the ESMP template 2 (Annex VII).</p>

7. Responsibilities of ESMS Office Holders

Table 2 outlines the roles and responsibilities of the key positions associated with the implementation of the ESMS.

Name of the staff member/position	Responsibility
Senior management	Commitment to E&S Policy. In addition, the following roles are also envisaged: <ul style="list-style-type: none"> - Establishes the bank's E&S requirements and conditions for clients - In cases of unresolved environmental and social issues or noncompliance associated with a transaction that cannot be resolved by the Loan Officers/Credit Analyst, Senior Management determines the appropriate course of action to be followed to reduce the bank's potential exposure to E&S risk, which may include taking legal action against the client
ESMS Officer	<ul style="list-style-type: none"> - Ensures full implementation of ESMS - Coordinates the overall E&S Due Diligence process - Maintains the register of ESMS related requirements - Controls documents, forms and records required by the ESMS
Loan Officer/Credit Analyst	<ul style="list-style-type: none"> - Screens the loan application against Excluded/Exempted activity list - If necessary, requires additional information from the client to complete E&S risk evaluation - Submits documents required for decision making to the Credit Committee - Informs the client about the Credit Committee decision and in the case of approved loans requires approved management measures/plans - Provides the client with all available templates and forms for required management measures/plans - Whenever possible provides respective support and consultation in development of above-mentioned documents - Submits E&S related documents required for the loan disbursement to the back-office function - Implements the monitoring of E&S impacts
Credit Committee	<ul style="list-style-type: none"> - Ensures that environmental risk assessment is performed in accordance with the requirements of this ESMS - Makes a decision on final E&S categorization of the project - Defines how, when and in what frequency the E&S monitoring will be conducted

8. Annex I: Environmental and Social Standards

8.1 Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

A. Performance Standard

This PS underscores the importance of assessing environmental and social impacts throughout a project's life cycle. The primary objectives of this PS are to: (i) identify and evaluate environmental and social risks and impacts of the project; (ii) adopt a mitigation hierarchy to anticipate, avoid (or minimize), and compensate for risks and impacts to workers, Affected Communities, and the environment; (iii) ensure that grievances from Affected Communities and external communications from other stakeholders are responded to appropriately; and, (iv) provide means for engagement with Affected Communities and ensure the disclosure of relevant environmental and social information¹.

In order to meet this PS, the bank must adopt and maintain an institutional structure that is sufficient to adequately implement the ESMS in this document. This PS also requires that the bank undertake due diligence to identify and assess Environmental and Social risks and impacts associated with proposed projects.

The applicability of PSs 2-8 below will be established during the environmental and social risks and impacts identification process prescribed in PS1, and outlined in Section 5 of this ESMS.

B. National Provisions

In addition to the Performance Standard above and associated due diligence processes outlined in this document, the following national provisions regarding impact assessment shall be complied with.

The Law “On Environmental impact assessment and expertise” (the EIA Law) provides the overarching framework for environmental impact assessment and expertise in Armenia. The authority mandated with administering the EIA Law is the Ministry of Environment, however certain expertise related functions are performed by a dedicated expert centre (“EIA expertise centre” State Non-Commercial Organization).

Project documentation for any activity, specified in Article 14 of the EIA Law is subject to EIA and expertise. The Law provides a comprehensive list of such activities, which are categorized into “A”, “B” and “C” categories, depending on the scale of environmental impact from more significant to less significant. In addition, an EIA and expertise is also required for activities which are not listed in the Article 4, but which will be implemented in protected areas, forests, historical monuments and public green spaces. In this case, the activity is treated as falling under Category B.

¹ International Finance Corporation (IFC) Performance Standard 1 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps1

EIA and expertise procedure is regulated by Chapter 4 of the EIA Law. More detailed regulation of the procedural aspects is provided by the **Government of Armenia Decree 399-N of 09.04.2015**.

8.2 Performance Standard 2: Labour and Working Conditions

A. Performance Standard

This PS recognizes that economic growth should be accompanied by protection of the fundamental rights of workers².

The primary objectives of this PS are to: (i) promote the fair treatment, non-discrimination, and equal opportunity of workers; (ii) establish and improve the worker-management relationship; (iii) promote compliance with national employment and labour laws; (iv) protect workers (including vulnerable categories of workers); (v) promote safe and healthy working conditions and the health of workers; and, (vi) avoid the use of forced labour³.

This PS covers directly engaged workers, workers engaged through third parties, and the entity's primary suppliers. The various requirements set out in this IFC Performance Standard are in part guided by the Conventions of the International Labour Organization (ILO). These requirements can be classified as falling into the following categories:

- Working Conditions and Management of Worker Relationship
 - Human resources Policies
 - Working Conditions and Terms of Employment
 - Workers' Organizations
 - Non-Discrimination and Equal Opportunity
 - Retrenchment
 - Grievance Mechanism
- Protecting the Work Force
 - Child Labour
 - Forced Labour
- Occupational Health and Safety
- Workers Engaged by Third Parties
- Supply Chain

B. National Provisions

² International Finance Corporation (IFC) Performance Standard 2 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps2

³ International Finance Corporation (IFC) Performance Standard 2 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps2

All aspects of employment are governed by the **Labour Code of Republic of Armenia**. It contains an extensive prohibition of discrimination, requires equal pay for equal work, strictly limits the work of underaged employees, requires ensuring safe and healthy working conditions and the health of workers. In addition to the Labour Code, several decrees of the Minister of Health establish specific requirements as to factors impacting health of the employees. The most general requirements are set out in Minister of Health decree N. 756-N approving sanitary rules and norms 2.2-002-05. More technical and industry specific requirements are established by sanitary rules and norms N 2.2.5-004-10, hygienic norms N 2.2.4-008-06, N 2.2.4-009-0, N 2.2.4-005-06, N 2.2.4-006-06, N 2.2.4-007-06, N 2.2.4-010-06 and N 2.2.5-005-12.

Forced labour is criminalized under the Criminal Code of Republic of Armenia.

8.3 Performance Standard 3: Resource Efficiency and Pollution Prevention

A. Performance Standard

This PS recognizes that increases in economic activity can generate increases in air, water and land pollution as well as consumption of finite resources that may threaten people and the environment⁴. The primary objectives of this PS are to: (i) avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities; (ii) promote more sustainable use of resources, including energy and water; and, (iii) reduce project-related GHG emissions⁵.

The various requirements of this PS can be classified as follows:

- Resource Efficiency
 - Greenhouse Gasses
 - Water Consumption
- Pollution Prevention
 - Wastes
 - Hazardous Materials Management
 - Pesticide Use and Management

B. National Provisions

The Law “On the Protection of Atmospheric Air” provides the framework for the protection of air from excessive pollution. The Law requires maximum allowed amount of pollution and maximum allowed

⁴ International Finance Corporation (IFC) Performance Standard 3 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps3

⁵ International Finance Corporation (IFC) Performance Standard 3 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps3

pollution levels to be set out for every polluting object.⁶ Emitters of polluting substances must obtain a permit and take steps to reduce pollution.⁷

The Water Code provides the framework for the management and use of water resources, including water use permits system. The Water Code also provides for the creation of water quality standards, including permissible levels of pollution and steps to be taken for their reduction.⁸

The Land Code provides the framework for the management and use of land resources, including protection of land from pollution. **Government of Armenia Decree 124-N of 08.02.2018** sets out the general requirements for protection of soil from pollution, list of harmful pollutants and the procedure for evaluation of land pollution levels.

The Law “On Waste” provides the framework for the waste management. The Law provides, that in order to protect the human health and the environment and to reduce the amount of waste, waste disposal limits are set for legal entities and individual entrepreneurs involved in waste management. The limits of waste disposal are set by the authorized state bodies in the field of waste management in accordance with the norms of permissible impacts on the environment.⁹

Producers of hazardous waste are further required to draft and approve passports for hazardous waste in accordance with the procedure set out in **Government of Armenia Decree 47-N of 19.01.2006**.

8.4 Performance Standard 4: Community Health, Safety and Security

A. Performance Standard

This PS recognizes the potential of project activities to increase community exposure to risks and impacts and addresses the relevant entity’s responsibility to avoid or minimize the risks and impacts to community health that may result from project-related activities¹⁰.

The primary objectives of this PS are to: (i) anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances; and, (ii) to ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities¹¹.

⁶ Article 12

⁷ Article 15

⁸ Article 66

⁹ Article 12

¹⁰ International Finance Corporation (IFC) Performance Standard 4 and Guidance Note – Available at:

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps4

¹¹ International Finance Corporation (IFC) Performance Standard 4 and Guidance Note – Available at:

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps4

The requirements of this PS can be broken down into the following categories:

- Infrastructure and Equipment Design and Safety
- Hazardous Materials Management and Safety
- Ecosystem Services
- Community Exposure to Disease
- Emergency Preparedness and Response

B. National Provisions

Infrastructure and Equipment Design and Safety requirements on national and EEU level will apply, including the requirements of the Law “On Technical Regulation” as well as national and EEU technical regulations.

The Law “On Hazardous Industrial Objects” provides for special safety procedures and regular expert evaluation of Hazardous Industrial Objects.

The Law “On Fire Safety” sets out the fire safety regulatory regime, including various fire safety obligations of organizations.

The Law “On Protection of the Population in Emergencies” regulates the measures and procedures to be employed in addressing emergencies, including certain competences of organizations to ensure safety of their employees and assist emergency services.

The Law “On Seismic Defense” sets out the earthquake safety measures, including the obligations of organizations to ensure safety of their personnel and seismic defense structures from seismic risk.¹²

The Law “On Defense” sets out the military safety measures and systems, including the obligations of organizations to assist the draft and carry out other required defense measures.¹³

8.5 Performance Standard 5: Land Acquisition and Involuntary Resettlement

A. Performance Standard

This PS recognizes the potential adverse impacts that can be caused by project-related land acquisition and restrictions on land use. Involuntary resettlement under this PS refers to both physical and economic displacement as a result of project-related land acquisition and/or restrictions on land use¹⁴.

¹² Article 16

¹³ Article 13

¹⁴ International Finance Corporation (IFC) Performance Standard 5 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps5

The primary objectives of this PS are to: (i) avoid (or minimize) displacement by exploring alternative project designs; (ii) avoid forced eviction; (iii) anticipate and avoid (or minimize) adverse social and economic impacts from land acquisition or restrictions on land use by (a) providing compensation for loss of assets at replacement cost and (b) ensuring that resettlement activities are implemented with appropriate disclosure and consultation; (iv) improve, or restore the livelihoods and standards of living of displaced persons; and, (v) improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure¹⁵.

The various requirements of this PS can be broken down into the following classifications:

- General
 - Project Design
 - Compensation and Benefits for Displaced Persons
 - Community Engagement
 - Grievance Mechanism
 - Resettlement and Livelihood Restoration Planning and Implementation
- Displacement
 - Physical Displacement
 - Economic Displacement
- Private Sector Responsibilities Under Government-Management Resettlement

B. National Provisions

The following national provisions relating to land acquisition and involuntary resettlement must be considered and followed.

Article 60(5) of **the Constitution of the Republic of Armenia** states that alienation (taking) of property with a view to ensuring overriding public interests shall be carried out in exceptional cases and under the procedure prescribed by law, only with prior and equivalent compensation.¹⁶

The **Law “On the alienation of property to ensuring overriding public interests”** provides the framework for lawful compulsory acquisition (taking) of property and interests in property. The Law sets out the procedure for determining the overriding public interest, the procedure for alienating property in order to ensure the overriding public interest, the procedure for providing compensation for the alienated property.

Alienation is possible to the state a municipality or an organization. The decision on alienation should be taken by the Government of the Republic of Armenia and must comply with requirements of Article 7 of the law, including the overriding public interests involved. Before taking such a decision the Government

¹⁵ International Finance Corporation (IFC) Performance Standard 5 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps5

¹⁶ The Constitution of the Republic of Armenia, Article 60(5)

may, but is not required to, adopt a decree on preliminary survey of the property upon the application of an interested acquirer. Both mentioned decrees may be challenged in court.

Under Article 11 of the law the acquirer is required to pay just compensation for the property which is defined as market value plus 15%.

8.6 Performance Standard 6: Biodiversity Conservation and Sustainable Management

A. Performance Standard

This PS recognises that protection and conservation of biodiversity, maintenance of ecosystem services and management of natural resources are fundamental to sustainable development¹⁷. The primary objectives of this PS are to: (i) protect and conserve biodiversity; (ii) maintain the benefits from ecosystem services; and, (iii) promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities¹⁸.

The various requirements of this PS can be classified as follows:

- Protection and Conservation of Biodiversity
 - Modified Habitat
 - Natural Habitat
 - Critical Habitat
 - Legally Protected and Internationally Recognized Areas
 - Invasive Alien Species
- Management of Ecosystem Services
- Sustainable Management of Living Natural Resources
- Supply Chain

B. National Provisions

Compliance with the following national provisions is required.

Article 12 of the Constitution of the Republic of Armenia provides that the State shall promote the preservation, improvement and restoration of the environment, the reasonable utilisation of natural resources, guided by the principle of sustainable development and taking into account the responsibility before future generations. It further provides for everyone's obligation to take care of the preservation of the environment.

¹⁷ International Finance Corporation (IFC) Performance Standard 6 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps6

¹⁸ International Finance Corporation (IFC) Performance Standard 6 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps6

The Law “On Specially Protected Environmental Areas” sets out the legal regime for specially protected environmental areas, including National Parks, Nature Sanctuaries and Preserves. The Law also sets out the specific legal regimes for activities in each area and their specified zones.

The Law “On Animal World” sets out the legal regime for the protection and preservation of fauna. One of the aims of protection is ensuring biodiversity.¹⁹ The Law provides for the creation of the “Red Book of Animals” listing rare and endangered species to ensure their preservation.²⁰ Government of Armenia Decree 71-N of 29.06.2010 contains the “Red Book of Animals.”

The Law “On Plant World” sets out the legal regime for the protection and preservation of flora. It contains provisions analogous to those established for the fauna, including the creation of the “Red Book of Plants” listing rare and endangered species to ensure their preservation.²¹ Government of Armenia Decree 72-N of 29.06.2010 contains the “Red Book of Plants.”

8.7 Performance Standard 7: Indigenous Peoples

A. Performance Standard

This PS recognizes that Indigenous Peoples are often the most vulnerable and marginalized groups of the population. Often their economic, social, and legal status present obstacles that serve to limit their capacity to defend their rights to and interests in lands, and natural and cultural resources²².

The primary objectives of this PS are to: (i) ensure that development promotes full respect for the human rights, dignity, aspirations, culture and livelihoods of Indigenous Peoples; (ii) anticipate and avoid project-based impacts on communities of Indigenous Peoples or to minimize and/or compensate for such impacts; (iii) promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner; (iv) establish and maintain ongoing relationships of informed consultation and participation with Indigenous Peoples affected by projects; (v) ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples in relevant circumstances; and, (vi) respect and preserve the culture, knowledge, and practices of Indigenous Peoples²³.

The various requirements of this PS can be classified as follows:

- General
 - Avoidance of Adverse Impacts

¹⁹ Article 16

²⁰ Article 18

²¹ Article 17

²² International Finance Corporation (IFC) Performance Standard 7 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps7

²³ International Finance Corporation (IFC) Performance Standard 7 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps7

- Participation and Consent
- Circumstances Requiring Free, Prior, and Informed Consent (FPIC)
 - Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use
 - Relocation of Indigenous Peoples from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use
 - Critical Cultural Heritage
- Mitigation and Development Benefits
- Private Sector Responsibilities Where Government is Responsible for Managing Indigenous Peoples Issues

B. National Provisions

Following national provisions regarding Indigenous Peoples apply.

The **Constitution of the Republic of Armenia Article 29** prohibits discrimination based on sex, race, skin colour, ethnic or social origin, genetic features, language, religion, world view, political or other views, belonging to a national minority, property status, birth, disability, age, or other personal or social circumstances. Article 28 provides that everyone shall be equal before the law. These provisions do not explicitly include Indigenous status as a prohibited ground of discrimination, but in theory encompasses Indigenous Peoples through the inclusion of race, place of origin, social class, and culture as prohibited grounds.

Other laws contain anti-discriminatory provisions applicable to particular fields. This includes **Labour Code Article 3.1** which prohibits discrimination by employment laws and in employment relations, including discrimination based on race, skin colour, ethnicity, genetic characteristics, membership of a national minority etc. which would encompass Indigenous Peoples.

8.8 Performance Standard 8: Cultural Heritage

A. Performance Standard

This PS recognizes the importance of cultural heritage and aims to ensure that entities protect cultural heritage in the course of their project activities²⁴. The primary objectives of this PS are to: (i) protect cultural heritage from the adverse impacts of project activities and support its preservation; and, (ii) promote the equitable sharing of benefits from the use of cultural heritage²⁵.

The requirements of this PS can be classified as follows:

²⁴ International Finance Corporation (IFC) Performance Standard 8 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps8

²⁵ International Finance Corporation (IFC) Performance Standard 8 and Guidance Note – Available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps8

- Protection of Cultural Heritage in Project Design and Execution
 - Chance Find Procedures
 - Consultation
 - Community Access
 - Removal of Replicable Cultural Heritage
 - Removal of Non-Replicable Cultural Heritage
 - Critical Cultural Heritage
- Project's Use of Cultural Heritage

B. National Provisions

The Law “**On the Protection and Use of Immovable Monuments of History and Culture and Historical Environment**” sets out the legal framework for the protection of immovable historic and cultural monuments. The law classifies listed monuments into republican and local²⁶ and sets out the legal protection for the preservation of the monuments. In particular, the Law prohibits destruction of monuments and allows their relocation only in exceptional cases.²⁷

Allocations of land for construction, agricultural and other types of works in the areas containing monuments are subject to the consent of the Ministry of Education, Culture and Sports. If the mentioned works may endanger the protection and safety of the monuments located in those areas, measures to ensure the protection and safety of the monuments are carried out in advance at the expense of the initiator of the works, including exploration, excavations, restoration works, in exceptional cases relocation - other works proposed by the authorized body.²⁸

The Law also provides protection to newly discovered monuments and requires the owner of such monument to ensure its safety.²⁹

Concealment of the fact of the discovery of a monument, creation of obstacles for its registration and study, as well as destroying or misappropriating the finds is punishable by law³⁰.

²⁶ Article 6

²⁷ Article 21

²⁸ Article 22

²⁹ Article 20

³⁰ idem

9. Annex II: ESMS Screening Questionnaires

Initial ESMS Screening: Concept Note Stage

Table 1

Exempted Activities		
Does the project fall into the following categories? <i>The exemption criteria apply when they comprise the <u>entire</u> scope of the project, not just one component.</i>	Yes	No
<ul style="list-style-type: none"> • Preparation and dissemination of knowledge products and communication materials? 		
<ul style="list-style-type: none"> • Organization of an event, workshop, training? 		
<ul style="list-style-type: none"> • Strengthening capacities of partners to participate in international or national negotiations and conferences? 		
<ul style="list-style-type: none"> • Partnership coordination and management of networks? 		
<ul style="list-style-type: none"> • Global/regional/national project with no field-level activities (e.g. activities such as knowledge management, inter-governmental processes)? 		
Excluded Activities		
Could the project activities:	Yes	No
1. Contravene major international and regional conventions on environmental issues?		
2. Propose to create or facilitate significant degradation and/or conversion of natural habitats of any type (forests, wetlands, grasslands, coastal/marine ecosystems, etc.) including those that are legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, recognized as protected by traditional local communities, or have significant negative socioeconomic and cultural impacts that cannot be cost-effectively avoided, minimized, mitigated and/or offset?		
3. Involve adverse impacts on critical natural habitats, including forests that are critical natural habitats, including from the procurement of natural resource commodities, except for adverse impacts on a limited scale that result from conservation actions that achieve a net gain of the biodiversity values associated with the critical natural habitat?		
4. Propose to carry out unsustainable harvesting of natural resources -animals, plants, timber and/or non-timber forest products (NTFPs)- or the establishment of forest plantations in critical natural habitats?		
5. Propose the introduction of species outside their natural range (non-indigenous) that can potentially develop invasive characteristics and become harmful to the environment?		
6. Involve physical displacement of people (relocation or loss of shelter), either involuntary (where people may not be able to refuse) or forced (through coercion and/or undue influence)?		
7. Contravene major international and regional conventions on human rights, including rights specific to indigenous peoples?		
8. Propose activities that result in the exploitation of and access to outsiders to the lands and territories of indigenous peoples in voluntary isolation and in initial contact?		

<p>9. Propose the use and/or procurement of materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:</p> <p>a. ozone depleting substances, polychlorinated biphenyls (PCBs) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;</p> <p>b. wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES)?</p>		
<p>10. Propose the use and/or procurement of pesticides and hazardous materials that are unlawful under national or international laws, the generation of wastes and effluents, and emissions of short- and long-lived climate pollutants?</p>		
<p>11. Involves the removal, alteration or disturbance of any non-replicable or critical cultural heritage, or the use of any intangible cultural heritage without the Free, Prior and Informed Consent of the communities who it belongs to?</p>		

Final ESMS Screening Questionnaire (Full proposal)

In adhering to international best practice, the full screening process will establish a ‘significance’ level for each identified risk/impact. Criteria for assessing the significance of impacts will stem from the following key elements:

- * Status of **compliance** with relevant Guyanese regulation, as well as international best practice standards and guidelines;
- * The **magnitude** (including nature, scale and duration) of the change to the natural or socio-economic environment, expressed, wherever practicable, in quantitative terms. The magnitude of all impacts is viewed from the perspective of those affected by considering the likely perceived importance, as understood through stakeholder engagement;
- * The nature and **sensitivity** of the impact receptor (physical, biological, or human). Where the receptor is physical, the assessment considers the quality, sensitivity to change and importance of the receptor. For a human receptor, the sensitivity of the household, community or wider societal group is considered along with their ability to adapt to and manage the effects of the impact; and
- * The **likelihood** (probability) that the identified impact will occur. This is estimated based upon experience or evidence that such an outcome has previously occurred.

It is generally accepted that significance is a function of the magnitude of the impact and the likelihood of the impact occurring.

Significance will be defined according to the levels outlined in the tables below. When probability and consequence of impacts are combined, as shown in the figure below, it is possible to determine a significance value (low, moderate, or high) for each type of risk. The overall risk rating for a project is determined by the highest level of individual risk. For example, if one row in Table 2 results in a “high” designation, then the entire project is categorized as Category A (high risk).

Rating of Probability/likelihood of Risk

Score	Rating
5	Expected
4	Highly Likely
3	Moderately likely
2	Not Likely
1	Slight

Rating the Consequence/ 'Impact' of Risk

Score	Rating	Definition
5	Critical	Significant adverse impacts on human populations and/or environment. Adverse impacts high in magnitude and/or spatial extent (e.g. large geographic area, large number of people, transboundary impacts, cumulative impacts) and duration (e.g. long-term, permanent and/or irreversible); areas impacted include areas of high value and sensitivity (e.g. valuable ecosystems, critical habitats); adverse impacts to rights, lands, resources and territories of indigenous peoples; involve significant displacement or resettlement; generates significant quantities of greenhouse gas emissions; impacts may give rise to significant social conflict
4	Severe	Adverse impacts on people and/or environment of medium to large magnitude, spatial extent and duration more limited than critical (e.g. predictable, mostly temporary, reversible). The potential risk impacts of projects that may affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples are to be considered at a minimum potentially severe.
3	Moderate	Impacts of low magnitude, limited in scale (site-specific) and duration (temporary), can be avoided, managed and/or mitigated with relatively uncomplicated accepted measures
2	Minor	Very limited impacts in terms of magnitude (e.g. small affected area, very low number of people affected) and duration (short), may be easily avoided, managed, mitigated
1	Negligible	Negligible or no adverse impacts on communities, individuals, and/or environment

Determining the 'Significance' of Risk Matrix

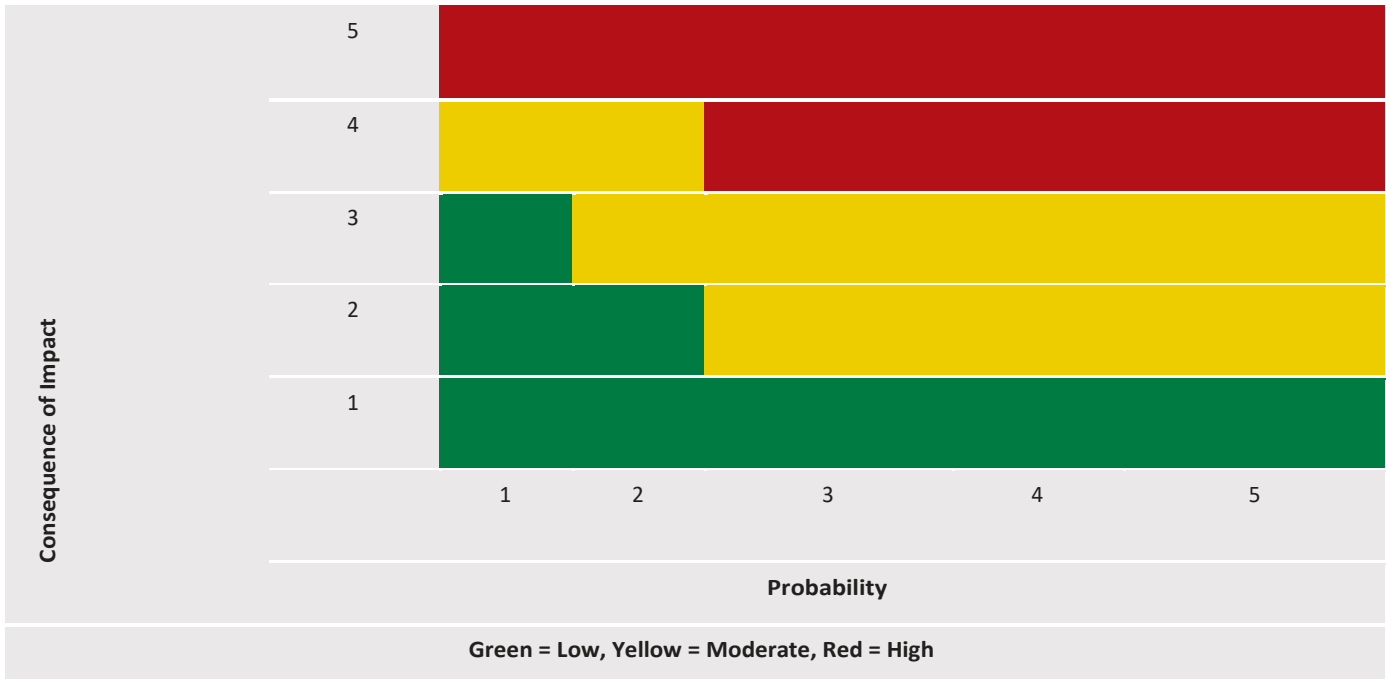


Table 1

ESMS Screening Question	Yes	No	Impact and Probability (1-5)	Risk Significance (Low, Moderate, High Category A,B,C)	Proposed mitigation/ management measures
Environmental and Social risk areas					
Labour and Working Conditions					
(a) Might the project be directly or indirectly involved in forced labour and/or child labour?	<input type="checkbox"/>	<input type="checkbox"/>			
(b) Have your projects or organisation had any serious occupational health & safety incidents (fatality, serious injuries etc.) or labour issues in the last 5 years?	<input type="checkbox"/>	<input type="checkbox"/>			
(c) Is it planned that communities will provide labour as a contribution?	<input type="checkbox"/>	<input type="checkbox"/>			
(d) Does your organisation have Human Resources and/or Occupational Health and Safety policies in place?	<input type="checkbox"/>	<input type="checkbox"/>			
Resource Efficiency and Pollution Prevention					
Will the project:	<input type="checkbox"/>	<input type="checkbox"/>			
(a) Promote the trade in or use of any substances listed under the Stockholm Convention on Persistent Organic					

ESMS Screening Question	Yes	No	Impact and Probability (1-5)	Risk Significance (Low, Moderate, High Category A,B,C)	Proposed mitigation/ management measures
Pollutants, or other chemicals or hazardous materials subject to international bans, restrictions or phase-outs due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer, consistent with relevant international treaties and agreements?					
(b) Generate wastes and effluents, and emissions of short- and long-lived climate pollutants?	<input type="checkbox"/>	<input type="checkbox"/>			
(c) Involve pest management measures, Integrated Pest Management or activities related to biocide handling (procurement, transportation, storage of disposal of biocides)?	<input type="checkbox"/>	<input type="checkbox"/>			
(d) Imply significant energy, water and/or other resource consumption?	<input type="checkbox"/>	<input type="checkbox"/>			
Community Health, Safety and Security					
(a) Is there a risk that the project affects community health and safety (incl. construction activities, risks of spreading diseases, human-wildlife conflicts, conflicts with wildlife officers / enforcement of protected area regulations)?	<input type="checkbox"/>	<input type="checkbox"/>			
(b) Would the project/programme pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	<input type="checkbox"/>	<input type="checkbox"/>			
(c) Does the project/programme involve large-scale infrastructure development (e.g. dams, roads, buildings)?	<input type="checkbox"/>	<input type="checkbox"/>			
(d) Would the proposed project/programme be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	<input type="checkbox"/>	<input type="checkbox"/>			

ESMS Screening Question	Yes	No	Impact and Probability (1-5)	Risk Significance (Low, Moderate, High Category A,B,C)	Proposed mitigation/ management measures
(e) Does the project support any ranger/control/law enforcement personnel or activities? If yes, please provide details about the support (e.g. trainings, equipment etc.).	<input type="checkbox"/>	<input type="checkbox"/>			
Land Acquisition and Involuntary Resettlement					
(a) Does the project include activities that might cause economic displacement by restricting peoples' access to land or natural resources where they have recognized rights (legally or customarily defined)?	<input type="checkbox"/>	<input type="checkbox"/>			
(b) Would the project potentially involve temporary or permanent and full or partial physical displacement?	<input type="checkbox"/>	<input type="checkbox"/>			
(c) Is there a risk that the project would lead to forced evictions?	<input type="checkbox"/>	<input type="checkbox"/>			
(d) Would the proposed project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	<input type="checkbox"/>	<input type="checkbox"/>			
Indigenous Peoples					
Does the project plan to:	<input type="checkbox"/>	<input type="checkbox"/>			
(a) work in lands or territories traditionally owned, customarily used, or occupied by indigenous peoples?					
(e) cause impacts on land and natural resources, including restrictions on land use or loss of access to natural resources, subject to traditional ownership or under customary use or occupation, or the location of a project or program on such land or the commercial development of such natural resources?	<input type="checkbox"/>	<input type="checkbox"/>			
(f) cause significant impacts on an Indigenous People's cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous People's lives, or the use of such cultural heritage for commercial purposes?	<input type="checkbox"/>	<input type="checkbox"/>			
Cultural Heritage					

ESMS Screening Question	Yes	No	Impact and Probability (1-5)	Risk Significance (Low, Moderate, High Category A,B,C)	Proposed mitigation/ management measures
Will the project implement activities that affect cultural heritage (both tangible and/or intangible), including archaeological, paleontological, historical, architectural, and sacred sites including graveyards, burial sites, and sites with unique natural values? Or would the project prevent access to cultural sites?	<input type="checkbox"/>	<input type="checkbox"/>			

ESMS Standards	Triggered	Required management measures/plans ³¹
Labour and Working Conditions	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> Process Framework <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Health Impact Assessment <input type="checkbox"/> Other:
Resource Efficiency and Pollution Prevention	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> Process Framework <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Other:
Community Health, Safety and Security	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> Process Framework <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Health Impact Assessment <input type="checkbox"/> Security Management Plan <input type="checkbox"/> Emergency Response Plan <input type="checkbox"/> Other:
Land Acquisition and Involuntary Resettlement	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> Process Framework <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Other:
Biodiversity Conservation and Sustainable Management	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Other:
Indigenous Peoples	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Social Assessment <input type="checkbox"/> Indigenous Peoples Plan

³¹ See section 4.3.2 of this ESMS for more information

		<input type="checkbox"/> Indigenous Peoples Planning Framework <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> Other:
Cultural Heritage	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Targeted E&S assessment <input type="checkbox"/> Abbreviated ESMP <input type="checkbox"/> ESIA/ESMP <input type="checkbox"/> Other:
Overall Project Risk Category	<input type="checkbox"/> Low Risk (Category C) <input type="checkbox"/> Moderate Risk (Category B) <input type="checkbox"/> High Risk (Category A)	

10. Annex III: Outline of a Targeted Environmental and Social Assessment

An Abbreviated Environmental and Social Assessment (ESIA) is an important tool for incorporating environmental and / or social concerns at the individual project level, and should be carried out as early as possible in the project planning stage. As opposed to a regular ESIA that requires a comprehensive impact assessment process, an abbreviated ESIA is a targeted assessment that covers only those risks that have been identified by the ESMS Screening.

An Abbreviated ESIA should consist of the following:

1. Description of the Project and of Environmental and Social context: Sufficient details should be provided on the following:

- Executing entities of the project (e.g. main project lead as well as project partners) and their respective roles in the project
- Geographic location, including maps showing general location, specific location, and project site
- Project objective(s), expected results/outcomes, outputs and main project activities (including proposed schedule for implementation)
- Risk category as per ESMS Screening
- Implementation arrangements

2. Environmental and social context relevant for the identified risk issues

e.g. physical resources, ecological resources, social and cultural resources etc.

3. Scoping of Potential Impacts: Using readily available sector guidelines³², this section will attempt to identify and predict the nature, extent, and magnitude of environmental and social changes likely to result from a proposed project. It will use simple tools and techniques, the choice of which depends upon the impacts of concern, data availability, and the appropriate specificity of predictive models.

4. Formulating Mitigation Measures: Once impacts have been analyzed, their significance will be determined, i.e., whether they are acceptable, require mitigation, or are unacceptable. Subsequently, measures will be devised to mitigate anticipated environmental changes and consequential impacts during project implementation and operation, or further reduce the residual environmental changes inherent in the selected project design. They normally include technical, social, and institutional measures to be implemented as integral elements of the project.

³² A good example is the World Bank Environmental, Health, and Safety Guidelines: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines

5. Institutional Requirements and Environmental Monitoring Plan: This section should state the impacts to be mitigated, and activities to implement the mitigation measures, including how, when, and where they will be implemented. Institutional arrangements for implementation should be described. Where mitigation measures are relative straight forward, monitoring will focus on progress of implementation of measures. Where impacts are more complex and significant, the monitoring plan will establish dedicated indicators for monitoring the impacts, targets, timeline and responsibilities. The environmental management and monitoring costs should also be described.

6. Public Consultation and Information Disclosure: This section will describe the process undertaken to involve the public in project design and recommended measures for continuing public participation; summarize major comments received from beneficiaries, local officials, community leaders, NGOs, and others, and describe how these comments were addressed; list milestones in public involvement such as dates, attendance, and topics of public meetings; list recipients of this document and other project related documents; describe compliance with relevant regulatory requirements for public participation, where relevant; and summarize other related materials or activities, such as press releases and notifications.

7. Conclusions

11. Annex IV: Indicative Template/Outline for a Process Framework (Access Restrictions)

Where projects may restrict communities' access to natural resources (on land or water) a Process Framework needs to be prepared. In order to assess, mitigate and manage impacts of access restriction a Process Framework needs to be developed. This should include:

- **Short Project Description**
 - Which components/activities of the project will cause access restriction and on what resources?
 - Are the restrictions seasonal?
- **Description of the communities, including**
 - customary approach to natural resources management (e.g. current livelihood system), also reflecting the seasonality,
 - the degree of the communities' dependency on the natural resources.
- **A land / marine tenure assessment, including a description of**
 - the formal / legal tenure system (national legislation),
 - the informal tenure system (customary).
- **Assessment of the (customary) boundaries /areas used by the community**
 - This might also include the confirmation of the boundaries of the limited/no-take zones with the communities (e.g. through a mapping exercise), or the reconfirmation in case of already existing zones/marine protected areas. This process also needs to be documented (agreements, maps).
- **Description of the anticipated positive and negative impacts**
- **Land / Sea Use Agreements or other Conservation Agreements**
- **Description and documentation of the participatory process**
 - In order to ensure that the access restriction is voluntary, the stakeholder engagement process and the outcomes have to be well documented. If indigenous peoples are involved, this process needs to apply the principle of free, prior and informed consent (FPIC).
- **Criteria for eligibility of beneficiaries and affected people**
 - This also needs to be undertaken via a participatory approach (involve communities in identifying the adverse impacts, assessing the significance of the impacts, establishing the eligibility criteria for mitigation and compensation).
- **Mitigation Measures**
 - Measures need to be aimed to restore or improve livelihoods.

- Consider long-term and short-term measures, depending on the kind of access restriction and potential impacts.
- Are measures only required during a certain season?
- Are the measures attractive enough to discourage illegal activities?

- **Monitoring**

The requirement to develop a Process Framework does not apply to restrictions of access to natural resources under community-based natural resource management projects, i.e., where the community using the resources collectively decides to restrict access to these resources, provided that an assessment satisfactory to the Fund establishes that the community decision-making process is adequate and reflects voluntary, informed consensus, and that appropriate measures have been agreed and put in place to mitigate adverse impacts, if any, on the vulnerable members of the community.

12. Annex V: Abbreviated Occupational Health and Safety Plan

OHS Plan – MINOR CONSTRUCTION ACTIVITIES

This Health & Safety Plan for Minor Construction Activities is intended for minor construction activities. This document must be reviewed if the scope of work or nature of site hazards changes and updated as warranted. All on-site personnel must be appropriately trained and qualified for the planned scope of work to be performed.

Project name			
Site location / address			
Works to be implemented by (e.g. company, person)			
Describe the scope of work (e.g. installation of toilets, shelter, benches etc.)			
Person in charge at construction location		Phone / contact details	
Expected start date		Expected end date	

Need for Personal Protective Equipment? No <input type="checkbox"/> Yes <input type="checkbox"/> <i>(if yes, tick applicable boxes on the right)</i>	Personal Protective Equipment:		
	<input type="checkbox"/> Safety shoes	<input type="checkbox"/> Hard hat	<input type="checkbox"/> Safety glasses
	<input type="checkbox"/> Hearing protection	<input type="checkbox"/> High visibility vest	<input type="checkbox"/> Long sleeve shirt & long pants
	<input type="checkbox"/> Respiratory protection	<input type="checkbox"/> Other (specify):	

Anticipated activities	Mitigation Measures
<input type="checkbox"/> Working on water bodies	<ul style="list-style-type: none"> • Wear suitable footwear for shore areas (waders / rubber boots) • Prior to wading through the water, the depth and condition of the body of water must be checked • Keep away from water in severe weather (lightning) • Use a life jacket for working on water depth of more than 40 cm. • Always work in pairs, with one person not in the water.

<input type="checkbox"/> Lifting / carrying heavy loads	<ul style="list-style-type: none"> • Use of suitable carrying aids (e.g. crane, trolleys) • Get help if odd shaped objects or heavy objects of more than 15kg have to be lifted • Ensure that the transport containers are not too full / heavily loaded • Bend and lift from the arms / legs, not from the back • If possible, use electrically operated tools instead of manual tools • As far as possible, ensure regular changes of activity or movement. • Wear gloves
<input type="checkbox"/> Work in areas with danger of falling (e.g. roofs, ladders, ditches)	<ul style="list-style-type: none"> • When ascending / descending ladders, contact the ladder at three points at all times • Use approved and tested ladders in accordance with CE standards • Ensure that steps, ladder rungs and shoes are not slippery • Do not work on the top rungs of the ladder • Make sure, that the ladder extends at least 1 m above the upper bearing point • If necessary, a second person must hold the ladder down. Alternatively, secure the top edge of the ladder. • Ensure that the ladder is secure. • Do not come closer than 2 m to the unsecured roof edge and crest edges. • If the stability of a roof is unclear - never step on it!
<input type="checkbox"/> Others:	<p><i>Prepare Risk Assessment</i></p>

13. Annex VI: Social Assessment and IPP/IPPf for Indigenous Peoples

Projects that trigger the Indigenous Peoples Standard require a dedicated assessment of the socio-cultural context of the groups and need to ensure that meaningful and effective consultation are carried out with legitimate indigenous peoples' representatives. This is to ensure their engagement in the design of activities relevant to them and to identify potential negative impacts.

1. Description of the Project:

Executing entities of the project (e.g. main project lead as well as project partners) and their respective roles in the project (implementation arrangements)

Geographic location and project site and of settlements of indigenous peoples (including maps); specify whether some of the indigenous groups are living in voluntary isolation

Project objective(s), expected results/outcomes, outputs and main project activities (including proposed schedule for implementation)

Risk category as per ESMS Screening

2. Indigenous People affected: This section will describe the Indigenous People in the project area. Sufficient details should be provided on the following:

- * Key characteristics that qualify the identified groups as indigenous;
- * Relevant national legislation;
- * System of livelihood (food, medicine, artefacts) and customary land and resource management regimes;
- * Customary cultural, economic, social, or political institutions social organisation and institutions including identification of rules and channels of communication that should be used for project consultation processes;
- * Sites and resources of cultural and spiritual significance for these groups (in relation to the project area);

3. Participatory preparation: This section will describe the participation of affected communities during the project design process (i.e. prior to submission of the full proposal) and during the assessment of impacts, and explain how Free, Prior and Informed Consent was obtained/will be obtained in circumstances where FPIC will be undertaken and obtain during project implementation³³)

4. Potential impacts: This section will assess expected project impacts (both positive and negative) on Indigenous People.

5. Mitigation strategies: This section will outline measures to avoid adverse impacts and provide culturally appropriate benefits.

³³ In such circumstances the project should describe the framework for ensuring meaningful consultation and participation of potentially affected indigenous peoples and, where relevant, a framework for seeking their free, prior, and informed consent, during further project development and implementation.

6. Monitoring and evaluation: This section will explain how compliance with the safeguard requirements on Indigenous Peoples will be monitored, and reported to the Fund. Monitoring and evaluation methodologies should be adapted to the local context, indicators, and capacity.

7. Budget: This section will summarize dedicated costs related to compliance with the safeguard requirements on Indigenous Peoples. These costs should be incorporated into the budget of the grant and/or covered by co-financing.

14. Annex VII: Abbreviated ESMP

Project Summary

1. Organization.
2. Countries or territories where project will be undertaken.
3. Date of preparation of this document.

Template 1: Environmental and Social Management Plan (ESMP)

Template 1: Environmental and Social Management Plan (ESMP)					
ESMS Standards	Triggered	Main issues, how they will be addressed and whether a stand-alone plan is required (e.g. Indigenous Peoples Plan, Process Framework etc.)			
Labour and Working Conditions	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Resource Efficiency and Pollution Prevention	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Community Health, Safety and Security	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Land Acquisition and Involuntary Resettlement	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Biodiversity Conservation and Sustainable Use Natural Resources	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Indigenous Peoples	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Cultural Heritage	<input type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD				
Key Social and Environmental Impacts and related Mitigation Measures					
Social & Environmental Impacts ⁱ	Mitigation measures	Feasibility, effectiveness and sustainability	Costs	Implementation Responsibility	Schedule

Template 2: Environmental and Social Management Plan (ESMP) Monitoring				
ESMS Standards	Describe the progress of implementing the required tools (Indigenous Peoples Plan, Process Framework etc.):			
Social & Environmental Impacts	Mitigation measures	Color coding	Describe status of completion, suggest solutions where problems are encountered	Early judgement: Does this measure seem effective?
<i>New ESMS risks that have emerged</i>				
<i>Other ESMS provisions</i>	Describe status of completion and evidence			Outstanding action and timing
Disclosure				
Grievance Mechanism				
Gender Mainstreaming				
Stakeholder Engagement				
ESMP monitoring - main findings:			Status ESMP <input type="checkbox"/> on schedule <input type="checkbox"/> slightly delayed <input type="checkbox"/> major delays/issues	

Capacity Development

Where support for strengthening social and environmental management capability is identified, ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

15. Annex VIII: Recommended format for a Full Environmental and Social Impact Assessment (ESIA)

The Environmental and Social Impact Assessment (ESIA) is a management tool used for better programme/project planning and design and can be considered an overall process within which an actual ESIA study itself is carried out. As such, the term ESIA can be used in several ways, as follows:

- a process which enables environmental, health and social issues to be taken into account during all stages of programme/project design and implementation;
- a formal procedure for providing environmental, economic, health and social information for decision-makers who authorize the programme/project; and
- a study that identifies, predicts and evaluates the potential environmental, climate, health (including pandemic) and social impacts and risks of programmes/projects in a systematic and objective way, recommends appropriate actions and mitigating measures, and maximizes environmental opportunities.

Outline of the ESIA report

Executive summary. Concise discussion of significant findings and recommended actions.

Introduction. Provide the rationale for the Environmental and Social Impact Assessment (ESIA) based on the screening exercise. Concise discussion of significant findings and recommended actions. Mention the approach and methodology taken.

Policy, legal, and administrative framework. Discussion of the policy, legal and administrative framework within which the ESIA is prepared. The legal and policy requirements of the country related to environmental, social (includes GBV and SEA, labour, grievance redress mechanism, cultural heritage, health and safety) and climate change issues, and the operational standards of any co-financiers should be explained, and emphasis should be given to the relevance of the project to these frameworks. The obligations of the country in terms of relevant environmental, health, pandemic, social, climate change, and labour international treaties and conventions should be summarized.

Project description. Concise description of the project and its geographical, climate, ecological, social and temporal context, with particular emphasis on specific project components which are the subject of the ESIA – e.g. likely to cause positive or negative impacts – in line with the screening exercise. Take into account lessons learned from previous relevant ESIA's. Describe possible future project phases.

Baseline data. Determination of the dimensions of the study area (zone of influence) and description of the relevant physical observed changes and prediction of climate change, biological and socio-economic conditions (including level of community environmental

awareness), including any changes anticipated before the programme/project commences and over the lifetime of the project. Current and proposed development activities within the project area (but not directly connected to the project) should also be taken into account. Where data are lacking or unreliable, specific reference must be made on this point. The baseline should describe the environmental, social, health, cultural and climate context in a quantitative style to allow measurement of project results.

Institutional, Legislative and Regulatory framework. This section should provide a concise description of the legal and regulatory framework on Environmental Impact Legislation, procedures to obtain environmental permits/certificates, and E&S management techniques.

Anticipated socio-economic impacts/risks and mitigation measures. Assessment of positive and negative social, health and economic impacts likely to result from the proposed project or project component. Specific attention should be given to maximizing opportunities, avoiding involuntary resettlement, preventing GBV and SEA, social inclusion and non-discrimination, people with disabilities, enhancing gender equality and women's empowerment, and reducing vulnerability to risks/effects of climate change and variability and other project impacts. In any case, emphasis should also be on involving key stakeholders, especially vulnerable groups and marginalized poor communities, in project design and implementation and addressing public health concerns (e.g. HIV/AIDS, pandemics).

Anticipated environmental impacts/risks and mitigation measures (includes climate change). Identification and assessment of the positive and negative impacts likely to result from the proposed project and associated project components and vice versa (preventive actions and/or mitigation measures, and any residual negative impacts that cannot be mitigated should be identified. Opportunities for building resilience to climatic shocks and enhancing environmental issues, including promotion of global environmental benefits, should be explored. The analysis and elaboration of risks associated with climate change in the project area should be undertaken to ensure that appropriate adaptation and mitigation measures are included among the interventions, and in the project risk analysis for long-term sustainability of results. The short- and long-term positive and negative health impacts of the project on workers and affected local communities should also be identified, assessed, and appropriate mitigation measures provided. The extent and quality of available data, key data gaps, and uncertainties associated with predictions should be identified/estimated. Topics that do not require further attention should be specified.

Assessment of cumulative impacts. The potential positive and negative environmental and social impacts of the programme or project, together with those of other ongoing or planned activities or activities in the same area that may reasonably be foreseen, should be identified. Effects of those other activities on the project's vulnerability to climate change, and susceptibility to pollution and other direct and indirect health impacts, should be considered. The ESIA should explain the extent to which the project's executing entity and other relevant government authorities and non-governmental organizations (NGOs) can

maximize opportunities and avoid, minimize, mitigate or compensate for cumulative impacts, and, for significant impacts beyond the control of the implementing agency, the ESIA should identify the actions necessary to be taken by others.

Analysis of alternatives. Conduct a systematic comparison of the proposed investment, as well as design, site, technology and operational alternatives in terms of their potential environmental, resilience and social impacts and capital and recurrent costs and suitability under local conditions. For each of the alternatives considered, the environmental, climate adaptation, health and social costs and benefits should be quantified to the extent possible, and economic values should be attached where feasible, with attention being given to cost-effectiveness. The basis for the selection of the preferred alternative for the project design must be stated. Where possible, expand the programme's approach to address issues associated with climate change adaptation, mitigation and disaster risk management.

Recommendations for changes to programme/project design. Identification of feasible and cost-effective measures that may reduce climate vulnerability, reduce potentially significant adverse environmental, health and social impacts to acceptable levels, and estimate the residual environmental impacts; capital and recurrent costs of mitigation; and institutional, training and monitoring guidance required. Consider providing details on proposed work programmes and schedules. Such details help ensure that the proposed changes in project design can be executed in phases with previously planned activities throughout implementation. Compensatory measures should be considered if mitigation measures are not feasible or cost-effective.

Institutional aspects. Assessment of the existence, role, capacity and capability of formal and informal institutions for climate change, natural resource management, including environmental officers (at the agency and ministry level), and informal and community-level organizations. Agencies responsible for the management of health and social impacts should be included in this assessment; examples are public health departments, museum or antiquities commissions, and ministries of social welfare, women's affairs, cultural affairs, and agencies dealing with land issues. Explore opportunities for policy dialogue/reform and green growth. Based on these findings, recommendations should be made concerning the strengthening, establishment and/or expansion of such units, and the training tailored to the identified target groups, to the point that ESIA recommendations can be implemented.

Grievance procedure. This section describes the complaints procedure (both informal and formal channels), indicating the time frame and country-appropriate processes for resolving complaints about the project's environmental and social performance.

Environmental, Social and Management Plan (ESMP) (includes implementation arrangements). Identification of the preventive actions and/or mitigation measures recommended to eliminate, reduce or mitigate climate risks and the potential adverse environmental and social impacts/risks of the programme/project – as well as the responsible parties for implementing such actions/measures, the timing of activities in

relation to stages of the programme/project, estimated costs involved, poverty-environment indicators, etc. Consider the use of climate proofing of investments.

Monitoring plan (includes performance indicators). Specification of the type of monitoring (e.g. early warning systems, participatory, social measures including GBV and SEA mitigation, environmental quality, implementation of environmental measures), who would do it, how much it would cost, and what other inputs (e.g. personnel, training, GIS, field and/or laboratory equipment, supervision arrangements) are necessary.

General conclusions and recommendations

Appendices

- (i) Composition of the ESIA study team – individual(s) and organizations. Specify professional registration and certification status (in those countries where this is required for environmental and social assessment practitioners).
- (ii) References – written materials used in study preparation. This list is especially important given the large amount of unpublished documentation often used.
- (iii) Record of consultations – the record of consultations for obtaining the informed views of the affected people and local NGOs should be included. The record should document the public consultation process and its influence on project design and/or implementation. The record should specify any means other than consultations that were used to obtain the views of affected groups and local NGOs. (List community individuals and organizations consulted.)
- (iv) Specialist studies – include all specialist studies that were undertaken to inform the ESIA, such as ecological flows, hydrological studies, soil surveys, health impact assessment, gender assessment and climate risk analysis.
- (v) Terms of reference – include the approved terms for the ESIA and specialist studies.
- (vi) Authority approval – include correspondence from the environmental authorities regarding the approval of scoping reports, terms of reference, ESIA reports.