



CARIBBEAN COMMUNITY CLIMATE CHANGE CENTRE

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Approved by the Board of Governors of the Caribbean Community Climate Change Centre (CCCCC), at its quarterly meeting held on June 30, 2022.

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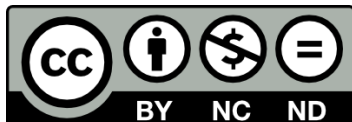
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Caribbean Community Climate Change Centre

**Board of Governors Meeting
June 30, 2022**

RESOLUTION 1

Whereas the Board of Governors of the Caribbean Community Climate Change Centre (CCCCC), at its meeting held on June 30, 2022 reviewed the CCCCC's Environmental and Social Management System (ESMS) (Revised June 2022), the Board, after careful consideration, subsequently approved the ESMS on July 12, 2022.

UnaMay Gordon
Chair

Acronyms

CARICOM-	Caribbean Community
CCCCC -	Caribbean Community Climate Change Centre
CCORAL -	Caribbean Climate Online Risk and Adaptation Tool
CREWS -	Coral Reef Early Warning System
CVA -	Climate Vulnerability Assessment
EA -	Executing Agency
EAu -	Environmental Audit
EAs -	Environmental Assessment
EHS -	Environmental, Health and Safety
EIA -	Environmental Impact Assessment
ESIA -	Environmental and Social Impact Assessment
ESMF -	Environmental and Social Management Framework
ESMP -	Environmental and Social Management Plan
ESMS -	Environmental and Social Management System
ESPSC -	Environmental and Social Performance Standards Checklist
ESRP -	Environmental and Social Review Procedures
ESS -	Environmental and Social Safeguards
ESSM -	Environmental and Social Screening Memorandum
FI -	Financial Intermediary
FPIC -	Free, Prior and Informed Consent
GCF -	Green Climate Fund
GCM -	Global Climate Models
GEPOS -	Gender Policy and Operational Strategy
GHG -	Greenhouse Gas
IA -	Implementing Agency
ICP -	Informed Consultation and Participation
IFC -	International Finance Corporation
ILO -	International Labour Organisation
IPs -	Indigenous Peoples
IPP -	Indigenous Peoples Plan
IPPF -	Indigenous Peoples Planning Framework (IPPF)
IUCN -	International Union for the Conservation of Nature
NGO -	Non-Governmental Organization
NHIA -	National Hazard Impact Assessment
PCB -	Polychlorinated Biphenyls
PCR -	Project Completion Report
PDMU -	Programme Development and Management Unit
PM -	Project Manager
PDS -	Project Development Specialist
POP -	Persistent Organic Pollutants
PPMS -	Project Portfolio Monitoring System
PR -	Performance Requirements
PS -	Performance Standard
SA -	Social Assessment
SEP -	Stakeholder's Engagement Plan

SIA	-	Social Impact Analysis
SIDS	-	Small Island Development States
SAMOA	-	SIDS Accelerated Modalities of Action
TA	-	Technical Assistance
TOR	-	Terms of Reference
UN	-	United Nations
WHO	-	World Health Organisation

Glossary of Terms

Affected Community	A community at risk from potential negative environmental and/or social impacts of a development project/initiative/activity.
Analysis of Alternatives	A summary description and evaluation of the alternatives considered the rationale for selection, the proposed alternative, and a description of its impacts.
Area of Influence	Area affected by a project/initiative/activity for the analysis of impacts; includes primary project sites, those of associated facilities, and areas affected by cumulative impacts.
Associated Facilities	These are facilities (tangible and intangible) that may not be funded, or owned by the project, but whose viability and existence depend upon the project, or whose goods or services are essential for its operation.
Baseline Data	A description of the existing environmental and social conditions at the project site, and within its area of influence, which are of relevance to project decision making.
Biodiversity	The variability among living organisms from all sources, including, <i>inter alia</i> ; terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.
Consultation	The communication process established between Implementing Partner and key stakeholders, throughout the project cycle. It should allow for adequate feedback and response between the parties.
Cultural Property/Sites	Any natural or manmade areas sites, structures and remains of archaeological, historical, religious, spiritual, cultural or aesthetic value, which are part of a country's resource base and therefore of cultural heritage significance.
Executing Agency	For the purpose of this policy and performance standards, the Executing Agency refers to the entity responsible for delivery of project outputs on behalf on the donor.
Gender Equality	The concept that women and men, girls and boys have equal conditions, treatment and opportunities for realizing their full potential, human rights and dignity, and for contributing to (and

benefitting from) economic, social, cultural and political development.

Implementing Agency	For the purpose of this policy and performance standards, the Implementing Agency refers to the entity delivering project outputs in country
Indigenous Peoples	Used in a generic sense to refer to a distinct vulnerable social and cultural groups that typically self-identify as distinct; collective attachment to geographically distinct land areas or habitats; have distinct customary economic, social or cultural institutions separate from the dominant society or culture; distinct language.
Information Disclosure	The process of providing information, (appropriate language and form timely, accessible, and understandable), to affected communities and other stakeholders.
Involuntary Resettlement	Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition or restriction of access to natural. Individuals or communities do not have the right to refuse displacement that results when land, which they occupy, is to be acquired for a project.
Natural Habitats (Critical)	Generally, biophysical environments where human activity has not modified the ecosystem's primary ecological functions; critical areas have high biodiversity of exceptional utility, and provide critical ecological services required for sustainable human development.
Performance Standards	Management approved standards that define Executing Agency responsibilities in managing environmental risks.
Resettlement Plan	Documentation setting out the responsible entities, plans and procedures for mitigating impacts, and compensating for losses to affected people physically or economically displaced.
Sustainability	To manage planetary resources in a manner that benefits present generations, while not compromising the reasonably foreseeable needs of future generations.
Vulnerable Groups	Groups within the project's area of influence that could be disproportionately impacted in the development process due to their disadvantaged, vulnerable status. Their status may be a result of ethnicity, religion, culture, age, physical or mental ability and gender.

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Introduction

The Caribbean Community Climate Change Centre (CCCCC) was instituted by an Intergovernmental Agreement of CARICOM Heads of Government on February 2, 2002, as a not-for-profit self-financing regional organization of the Caribbean Community (CARICOM). The CCCCC is established under the laws of Belize pursuant to the ACT, Act No. 6 of 2015, dated 29th July 2015 and legally registered as an International Inter-Governmental Organization under Article 102 of the United Nations Treaty and having its registered office at 3rd Floor, David L. McKoy Business Centre, Bliss Parade, P.O. Box 563, Belmopan, Belize, Central America. The CCCCC is a regional accredited entity (Direct Access Entity) to the Green Climate Fund (GCF) and to the Adaptation Fund.

The Caribbean is one of the most vulnerable regions in the world to the impacts of climate change. Already, the climate change impacts are impeding the economic, environmental, and social well-being and development aspirations and efforts of Caribbean States. To this end, the CCCCC has worked to encourage countries of the CARICOM region and to seek to *Achieve Development Resilient to Climate Change*. In seeking to do so, the work of the CCCCC and its partners is guided by foundational documents that were issued and endorsed by CARICOM Heads of Government.

- (i) The Liliendaal Declaration on Climate Change and Development was issued by the CARICOM Heads by the 30th Meeting of the Conference of Heads, in July 2009 that sets out the vision and policy framework for addressing climate change and its impacts on national and regional development.
- (ii) *The original Strategy for giving effect to the Declaration, has since been revised to now include 11 aspirational pillars of sustainable development from the original five as articulated in the Revised Regional Framework for Achieving Development Resilient to Climate Change (2022-2032)*). The revised Implementation Plan to the Revised Regional Framework is anticipated to be completed by 2023.

The CCCCC is mandated by CARICOM Heads to coordinate the region's response to Climate Change working in collaboration with countries, partner agencies, the private sector, and civil society. This guidance is embedded in the Liliendaal Declaration, the Revised Regional Framework (RRF) and the Implementation Plan. Additionally, the CCCCC also coordinates the mobilization of financial and other resources required for successful implementation of *The Revised Regional Framework for Achieving Development Resilient to Climate Change (2022-2032)*.

The CCCCC provision of technical assistance and capacity building includes improving the region's coral reef early warning system (CREWS), enhancing its hydro-meteorology system, downscaling of the global climate models (GCMs) to resolutions of greater relevance to the region and training countries, companies and institutions in the areas of vulnerability and impact assessment completion. Agreed technical assistance or capacity building activity will be consistent with the CCCCC Performance Standards.

Finally, The CCCCC seeks to inculcate a risk management ethos in decision making and to enhance the monitoring, reporting and verification systems to determine to what extent this risk avoidance approach is being adopted. Accordingly, it has developed the Caribbean Climate Online Risk and Adaptation Tool (CCORAL)¹ that aims at both screening projects for potential climate risks and managing the risks identified, for more effective delivery of goods and services and enhanced climate resilience. This policy and the accompanying performance standards solidify the CCCCC risk management ethos as an integral component to enhancing sustainable development of the region.

This Environmental and Social Management System (ESMS) is CCCCC commitment to remain relevant and strategic in responding to the constantly shifting and increasing impacts of climate change. In the 20 years of its operation the CCCCC has gained extensive experience in this sphere and applied the knowledge to analyze scientific data sets both regional and international, therefore poised in implementing effective solutions that mitigate, adopt, or eliminate the hazards and risk associated with this phenomenon.

Guiding Principles

Central to the CCCCC mission is its efforts to build climate resilience through adaptive measures, complemented by mitigation actions, in such a way that neither people nor the environment should be worse off after such interventions. The CCCCC is therefore committed to ensuring that the costs of adapting to climate change do not fall disproportionately on those who are marginalized, poor or vulnerable, that the environment is not degraded in the process, and that renewable natural resources are managed sustainably. The CCCCC therefore believes that regular engagement with stakeholders about matters that directly affect them plays an important role in avoiding or minimizing risks and impacts to people and the environment. The CCCCC is also cognizant of the imperative to support transformational change² in the region and its approach to development planning that is consistent with sustainable development objectives.

The CCCCC support for the pursuance of a low-carbon climate resilient economic development pathway is one dimension of a balanced approach to development, including supporting access to modern, clean, and reliable energy services. The CCCCC pursues this objective through the use and development of relevant products, instruments, and advisory services as well as through the adoption of appropriate technologies, processes, and practices in the activities it supports. The CCCCC also recognizes the importance of ecosystem services and their role in climate change mitigation and adaptation. It is committed to minimizing activities-related impacts based on its interventions on areas providing such ecosystem services. The CCCCC, in its efforts to support its climate-related commitments, will build on its experience in energy efficiency, cleaner energy production, renewable energy, and carbon markets as well as in the development of approaches to climate change risk assessment, produce instruments and develop practices that considers climate-related risks and opportunities in its intervention decisions.

Through this Policy, the CCCCC is demonstrating its commitments to Environmental and Social sustainability in the implementation of projects that it finances through donor support. These

¹<https://www.caribbeanclimate.bz/caribbean-climate-chage-tools/tools/>

² See document “Revised Framework for Achieving Resilience to Climate Change, 2019-29”

commitments are based on the CCCCC mission and mandate. The CCCCC is aware that translating these commitments into successful outcomes depends on the joint efforts and partnerships it can forge with its implementing partners, and, in some cases, that of third parties. A third party may be a government agency in a regulator capacity or contract party, a contractor or primary supplier with whom the Implementing Partner has a substantial involvement, or an operator of an associated facility. The CCCCC is therefore committed to the development and implementation of projects that are environmentally and socially sustainable, and to enhancing its environmental and social frameworks to assess and manage the environmental and social risks and impacts of projects. To this end, this policy is accompanied by Environmental and Social Performance Standards, which are designed to avoid, minimize, reduce, or mitigate the adverse environmental and social risks and impacts of projects. Consistent with these commitments, the CCCCC will carry out the actions as highlighted in its roles and responsibilities in Section 1.

In keeping with its mandate, the CCCCC will not implement projects that do not meet its Environmental and Social Standards. At a minimum, all projects financed by the CCCCC must meet the requirements of the applicable national environment and social legislation; however, the CCCCC requirements may exceed that required under a specific Member State's legislation.

Purpose and Scope

In transitioning to a more comprehensive ESMS, the CCCCC will meet the emerging challenges, new and varied risks posed by climate change. In doing so, it strengthens its project development, management, implementation, and monitoring capabilities. As such, the ESMS serves as a comprehensive policy and practice framework endeavor to ensure that the CCCCC programs and projects are implemented with the highest levels of safeguards and generate the best possible outcomes for member States and project beneficiaries.

This ESMS particularly standardizes the project development and management cycles, effectively manage environmental and social risks through clear and well-developed standards, policies, procedures, and guidance systems. The effort strengthens and aligns the CCCCC polices and practice with international standards and safeguards with those of the GCF, Inter-American Development Bank (IDB), Caribbean Development Bank (CDB), International Finance Corporation (IFC), World Bank (WB) and other multilateral agencies.

The CCCCC acknowledges that **an important tenet for achieving climate resilient development is the environmental and social sustainability of the Caribbean economies** upon which many depend. The CCCCC, in partnership with national governments and institutions, regional partners and institutions and international development agencies, expects to achieve the above stated goals through the application of this Policy on Environmental and Social Safeguards (the Policy), and a comprehensive set of contextually relevant environmental and social Performance Standards. The Policy, subsequent performance standards and management programmes are set out to ensure that the CCCCC work promotes regional and international best practices of sustainable development. Therefore, the policy and performance standards incorporate and aims to advance the principles espoused in the UN Sustainable Development Goals; SAMOA Pathway³; and regional and international conventions and declarations that have been endorsed by member states.

³ Small Island Developing States (SIDS) Accelerated Modalities of Action (S.A.M.O.A) Pathway

SECTION 1: ENVIRONMENTAL AND SOCIAL POLICY AND SAFEGUARDS

1.1 Policy Objectives

This policy objectives have presented the commitment of the CCCCC to protect, preserve and promote human and environmental wellbeing in all its operations. In carrying out its mandate and the accompanying Performance Standards (PS) it sets out to strengthen the CCCCC work by:

1. Providing the framework for a sound, systematic, and transparent management system founded on the principles of sustainable development for improving performance and outcomes, managing risks and impacts, and enhancing equitable access to benefits all CCCCC-funded activities;
2. Incorporate a systematic approach to integrating environmental and social performance and risk management into the operations of the CCCCC and projects financed by the CCCCC;
3. Avoiding and/or mitigating adverse impacts to people and the environment and;
4. Ensuring that the design, development, approval, implementation, and review of CCCCC-funded activities are grounded in the principles of environmental and social sustainability; and
5. Enhancing Implementing Partners environmental and social capacity to assess and manage the environmental and social risks.

1.2 The CCCCC Roles and Responsibilities

The effectiveness of the ESMS is contingent on its institutionalization and implementation by the CCCCC. Accordingly, the CCCCC must be committed to consistently applying and inculcating among its staff and partners the Environmental and Social Safeguards. Therefore, the actions that are set out below demonstrates the CCCCC drive to ensuring that this ESMS translates to sustainable environmental and social actions. The CCCCC roles and responsibilities include:

- i. Sensitize the organization and Implementation Partners on the application of the environmental and social safeguards and performance standards.
- ii. Providing guidance to Implementing Partners on how to reduce environmental and social impacts due to the implementation of project activities.
- iii. Provide data collection and risk management tools to assess the impact climate change on the member states and to proactively assess risk and mitigate impacts due to project activities and on the investments by the CCCCC in member states.

1.3 Institutionalization of Environmental and Social Management System (ESMS)

The CCCCC assumes several roles and responsibilities under this ESMS. With respect to any particular activity, the level of the CCCCC engagement will be determined by the nature and scope of the proposed intervention, as well as the specific circumstances of the collaboration with the Implementing Partner. The CCCCC will consider the risks and impacts of the proposed intervention, and whether and how such intervention can be expected to contribute to the development of the beneficiary country and to broadly benefit its relevant stakeholders in economic, social, infrastructural, and/or environmental terms. The CCCCC environmental and social due diligence is integrated into the CCCCC overall due diligence of the intervention under consideration. The CCCCC will weigh the costs and benefits of a proposed intervention and articulate its rationale and specific mitigating measures for the proposed activity. These will be

presented in the project document when an intervention is being submitted for possible financing by an Implementing Partner.

The Programme Development and Management Unit (PDMU) of the CCCCC has general responsibility for:

- institutionalizing this policy and its requirements;
- updating and revising this policy for Board approval as needed;
- where necessary, developing other environment and social operational policies/procedures to complement this policy;
- guiding, familiarizing, and training staff in their use and application of the ESMS;
- providing technical advice to Implementing Partners, whether internally or using third-party support; and
- monitoring the application of the policy.

The CCCCC will therefore ensure that internal capacities are built so that there is a strong working knowledge of the principles of environmental and social risk management. The PDMU is directly involved in project-related work as members of project teams are often responsible for providing technical inputs in the development, appraisal and supervision of adaptation and mitigation related projects, and support to the CCCCC objectives of assisting countries in pursuing climate resilient development. The CCCCC will retain adequate staff or technical resources to ensure each of the environmental and social impacts of CCCCC-financed projects are adequately managed.

The CCCCC will only finance projects that are expected to meet the requirements of the Performance Standards within its Policy. Furthermore, certain risks may require the CCCCC to refrain from supporting proposed interventions. Similarly, the CCCCC will not execute projects with activities included in its Project Exclusion list (*Annex I*).

1.4 Environmental and Social Due Diligence

The CCCCC environmental and social due diligence will be commensurate with the nature, scale, and stage of the intervention, and with the level of environmental and social risks and impacts. The CCCCC will conduct due diligence of all new interventions that are being considered for the CCCCC support, whether in the design, construction, or operational stage. Where there are significant environmental or social impacts associated with the intervention, including past or present adverse impacts caused by others, the CCCCC works with the Implementing Partners to determine possible remediation measures.

In cases where the involvement of the CCCCC is sought after an intervention has commenced, the CCCCC will review the ESMS and risk management practices already in place, as well as the environmental and social assessment and community engagement undertaken by the Implementing Partner and/or any third party before the CCCCC consideration of the intervention. When the CCCCC involvement occurs in the early stages of a project, the CCCCC will be able to support the Implementing Partner more effectively in anticipating and addressing specific risks and impacts; in identifying opportunities; and in managing these throughout the life of the project.

Environmental and social due diligence typically includes the following key components:

- (i) reviewing all available information, records, and documentation related to the environmental and social risks and impacts of the project;
- (ii) Conducting site inspections and interviews of Implementing Partner personnel and relevant stakeholders, where appropriate;
- (iii) Analyzing the project's environmental and social performance in relation to the requirements of the Performance Standards and provisions of the World Bank's Group Environmental, Health and Safety Guidelines⁴, the IFC, the Green Climate Fund, or other internationally recognized sources, as appropriate; and
- (iv) Identifying any gaps therewith, and corresponding additional measures and actions beyond those identified by the Implementing Partner's in-place management practices.

In cases of projects with a clearly defined environmental and social footprint, the Bank's requirements regarding environmental and social risk management will apply to the project being financed by the Bank. However, the Bank will encourage all partners and Implementing Partners with which it engages to manage environmental and social risks consistently in all their operations.

If the Implementing Partner fails to comply with its environmental and social commitments as expressed in a project's agreements and associated documents, the Bank will work with the Implementing Partner to bring it back into compliance, and if the Implementing Partner fails to reestablish compliance, the Bank will exercise its rights and remedies, as appropriate.

The Bank requires that an Implementing Partner inform when there is a material change, i.e., change in environmental and/or social risk profile, in their intervention or when they plan to enter into a new area that is materially different from what was represented when the Bank approved the intervention. In such circumstances, the Bank will assess whether the new area poses environmental and/or social risks and/or impacts, and if so, the Bank will require the Implementing Partner to adjust its ESMS in a manner consistent with:

- (i) potential environmental and social risks and impacts associated with material changes of these new interventions;
- (ii) this Policy; and
- (iii) applicable requirements of the Performance Standards. The Bank may request the Implementing Partner to provide results of its environmental and social due diligence for activities financed in these new intervention areas.

The Bank will rely on independent third-party specialists, as needed, to carry out or review ESIA for Category A projects, if and when this applies.

⁴Refer to the Environmental Health and Safety Guidelines for both IFC and WB at <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

1.5 Promote and Support Investments with Environmental and Social Benefits

The CCCCC will promote, and support initiatives designed to ensure sustainability and provide significant environmental and social benefits through either projects or as components of specific projects. The CCCCC will promote projects that have environment and social benefits and discourage those that do not (see *Annex I*). Project with environmental and social benefits are those that includes, but are not limited to investments that:

- i. restore or improve environmental social quality and ecological services,
- ii. provides biodiversity protection,
- iii. reduce greenhouse gas emissions,
- iv. contribute to natural hazard risk reduction and climate change adaptation,
- v. improve energy efficiency, development and use of renewable energy,
- vi. promote sustainable livelihoods of the rural poor and vulnerable groups.

Although in these initiatives the principles and criteria of environmental and social sustainability are paramount, they are required to meet the CCCCC criteria for financial viability and institutional sustainability.

1.6 Update and Evaluation of the Policy

The Policy will be reviewed and updated on an ongoing basis, subject to the approval of the CCCCC Senior Management Team for endorsement by the Board of Directors of the CCCCC. The application of the Policy will serve as the basis for the evaluation of the CCCCC environmental and social performance and will be subject to an independent review and evaluation at least every five years.

1.7 Disclosure

Consistent with the requirements of PS 9, the CCCCC will ensure disclosure of environmental and social documentation for relevant CCCCC-financed projects. The nature and requirements of disclosure will be based on the project's scope, requirements of the donor and risk categorization.

SECTION II: ENVIRONMENTAL AND SOCIAL PERFORMANCE STANDARDS

2.0 Introduction to Performance Standards

The CCCCC has adapted the International Finance Corporation's (IFC) eight performance standards and has additionally included a ninth performance standard that pointedly addresses stakeholder engagement. The Performance Standards are:

- **Performance Standard 1:** Assessment and Management of Environmental, Social and Gender Risks and Impacts
- **Performance Standard 2:** Labour and working Conditions
- **Performance Standard 3:** Resource Efficiency and Pollution Prevention
- **Performance Standard 4:** Community Health, Safety, and Security
- **Performance Standard 5:** Land Acquisition and Involuntary Resettlement
- **Performance Standard 6:** Biodiversity Conservation and Sustainable Management of Living Natural Resources
- **Performance Standard 7:** Indigenous Peoples
- **Performance Standard 8:** Cultural Heritage
- **Performance Standard 9:** Stakeholder Engagement and Informed Disclosure

These Performance Standards are laid out in a manner that aims to support Implementing Partners to improve their environmental and social performance through a risk-based approach. The desired outcomes are described in the objectives of each Performance Standard, followed by specific requirements to help Implementing Partners achieve these outcomes through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts. Central to these requirements is the application of a mitigation hierarchy to anticipate and avoid adverse impacts on workers, communities, and the environment, or where avoidance is not possible, to minimize, and where residual impacts remain, compensate/offset for the risks and impacts, as appropriate. The CCCCC believes that the Performance Standards also provide a solid base on which Implementing Partners may increase the overall sustainability of their operations, identify new opportunities to enhance climate resilience of livelihoods, sectors and national economies, and take advantage of any opportunities presented by climate change.

Managing environmental and social risks is the responsibility of the CCCCC and Implementing Partner. However, the CCCCC will seek to ensure, through its due diligence, monitoring, and supervision efforts, that the interventions finances are implemented in accordance with the requirements of the Performance Standards. As such, the outcome of the CCCCC environmental and social due diligence of a proposed project or intervention under a project is an important factor, and will determine the scope of the environmental and social conditions of the CCCCC provision of grants to applicants. By adhering to Performance Standards, the CCCCC seeks to:

- (a) Enhance the predictability, transparency, and accountability of its actions and decision making;
- (b) Help Implementing Partners manage their environmental and social risks and impacts and improve their performances; and
- (c) Enhance development resilient to climate change in the region through adopting a risk avoidance or minimization approach.

2.1 PERFORMANCE STANDARD 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL, GENDER RISK AND IMPACTS

2.1.1 Introduction

Performance Standard 1 seeks to assess and manage environmental and social risks and impacts and takes account of the entire project cycle. This is a process that will be initiated and supported by the CCCCC, and involves engagement between the Implementing Partner, its workers, local communities directly affected by the project (the affected communities) and, where appropriate, other stakeholders.

In some instances, the assessment and management of certain environmental and social risks and impacts may be the responsibility of a particular government agency of the respective member state over which the Implementing Partner does not have control or influence, such as when early planning decisions are made by the government or when specific actions directly related to the project are carried out by the government such as providing land for a project which may have previously involved the resettlement of communities or individuals and/or leading to loss of biodiversity. While the CCCCC cannot control these government actions, their ESMS should identify the different entities involved and the roles they play, the corresponding risks they present to the CCCCC, and opportunities to collaborate with these bodies in order to help achieve environmental and social outcomes that are consistent with the Performance Standards. In addition, this Performance Standard supports the use of an effective grievance mechanism that can facilitate early indication of and prompt remediation for those who believe that they have been harmed by a CCCCC-financed initiative.

The CCCCC promotes the respect for human rights and ensures the same is followed by the Implementing Partners, which means to avoid infringing on the human rights of others and address adverse human rights impacts the project may cause or have contributed.

2.1.2 Objective

Economic and project activity often generate increased levels of pollution and consumption of finite natural resources; as such, there is recognition of the need to establish appropriate measures:

- To identify and evaluate environmental, social and gender risks and impacts of the project.
- To protect human health and ecosystem functions.
- To avoid, prevent, eliminate or minimise air, land, and water pollution.
- To ensure where residual impacts remain after mitigation actions, to compensate/offset for risks and impacts to workers, affected communities, and the environment.
- To reduce greenhouse gas (GHG) emissions, promote energy efficiency and renewable energy

- To promote improved environmental and social performance of Executing Agency (EAs) through the effective use of management systems.
- To ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately.
- To promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.
- To promote improved resource efficiency as essential elements of improving environmental and social sustainability of projects financed by CCCCC to meet international best practice.

In-keeping with these objectives, the Implementing Partner or the CCCCC, when the CCCCC is implementing a project, will identify and address how these requirements for the project will be appropriately managed, given the nature and scale of the project, geographic location and ambient environmental conditions, and taking into account financially feasible and cost-effective control methods, throughout the project cycle using guidance of this environment and social management.

2.1.3 Scope of the Performance Standards

This Performance Standard applies to any representative of the CCCCC, including Implementing Partners undertaking or pursuing programmes or projects with environmental and/or social risks and/or impacts. For the purposes of this Policy, the term programme refers to a set of projects coordinated to achieve a specific goal. “Project” refers to a defined set of environmental, social, adaptation and/or mitigation activities. Where applicable, this could include aspects from the early developmental stages through the entire life cycle (design, construction, commissioning, operation, decommissioning, closure or, where applicable, post-closure) of an activity or set of activities. The requirements of this Performance Standard apply to all projects unless otherwise noted in the specific limitations described in each of the paragraphs below.

2.1.4 Requirements

2.1.4.1 Environmental and Social Management System

The Implementing Partner, in coordination with other responsible government agencies and the PDMU, will conduct a process of environmental and social assessment and establish and maintain an ESMS appropriate to the nature and scale of the project and commensurate with the level of its environmental and social risks and impacts. The ESMS will incorporate the following elements: (i) policy; (ii) identification of risks and impacts; (iii) management programmes; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review. If the Implementing Partner does not possess its own ESMS, by default the CCCCC ESMS will be applied.

2.1.4.2 Policy

The Implementing Partner will use this Policy to identify the environmental and social objectives and principles that guide the project to achieve sound environmental and social performance. This Policy provides a framework for the environmental and social assessment and management process and specifies that the project will comply with the applicable laws and regulations of the jurisdictions in which it is being undertaken, including those laws implementing host country obligations under international law. This Policy identifies the PDMU within the CCCCC as being responsible to ensure conformity with the Policy and responsible for its execution, along with the appropriate government agency in the jurisdiction in which the project/programme is taking place. This Policy will be disseminated widely within the CCCCC and to Implementing Partner and available on the CCCCC website

2.1.4.3 Identification of Risk and Impacts

The categorization of the project will determine the nature and depth of the environmental and social assessment that the Implementing Partner will be required to undertake to determine potential adverse environmental and social impacts and risks. The process may comprise a full-scale environmental and social impact assessment, a limited or focused environmental and social assessment, or straightforward application of environmental siting, pollution standards, design criteria, or construction standards based on the Performance Standards that are activated by the project.

Where a full assessment is required, it shall:

- (i) Consider all potential direct, indirect, transboundary, and cumulative impacts and risks that could result from the proposed project;
- (ii) Assess alternatives to the intervention in the event that there are adverse impacts; and
- (iii) Assess possible measures to avoid, minimize, or mitigate environmental and social risks and/or impacts of the proposed project. The assessment process provides the opportunity for the early engagement of stakeholders in the identification and management of environmental and social risks. The findings of the Environmental Assessment (EA) and Social Assessment (SA) are often presented as a single report called an ESIA study. In some instances, the environment and social assessment may be presented as two distinct reports, particularly if the projects have significant or complex social issues. In addition, where necessary, discrete summaries may be required to highlight the findings of special natural hazard or Climate Vulnerability Assessment (CVA) work specifically carried out to inform the project design.

The CCCCC will use the environment and social assessments submitted by the Implementing Partner to evaluate the significance of potential impacts and risks, the willingness and capacity of the Implementing Partner to address these issues measured against relevant national or statutory requirements the Performance of the ESMP. In cases where the environment and social assessment do not meet the requirements of the CCCCC

Performance Standards, the CCCCC will require the Implementing Partner to undertake an additional assessment or, where appropriate, to commission an assessment by external experts.

When the project involves existing assets, environmental and/or social audits or risk/hazard assessments can be appropriate and sufficient to identify risks and impacts. If assets are to be developed, acquired or financed have yet to be defined, the establishment of an environmental and social due diligence process will identify risks and impacts at a point in the future when the physical elements, assets, and facilities are reasonably understood. The risks and impacts identification process will be based on recent environmental and social baseline data at an appropriate level of detail. The process will consider all relevant environmental and social risks and impacts of the project, including the issues identified in Performance Standards 2 through 9, and those who are likely to be affected by such risks and impacts. The risks and impacts identification process will consider the emissions of greenhouse gases, the relevant risks associated with a changing climate and the adaptation opportunities, and potential transboundary effects, such as pollution of air, use or pollution of international waterways, violations of human rights or impact to livelihood and habitat.

In general, the CCCCC is guided by the “precautionary principle” i.e., preventative action or avoidance is preferred to curative treatment. Where avoidance or prevention of environmental damage is not possible, or where residual impacts remain, compensation/offset, wherever technically and financially feasible will occur. Where the identified risks and impacts cannot be avoided, the Implementing Partner will identify minimization, mitigation and performance measures and establish corresponding actions to ensure the project will operate at a minimum, in compliance with applicable laws and regulations, and meet the requirements of Performance Standards 1 through 9. The level of detail and complexity of this collective management and compliance plan and the priority of the identified measures and actions will commensurate with the project’s risks and impacts and will take account of the outcome of the engagement process with affected communities as appropriate.

Analytical tools such as Environmental Impact Assessment (EIA), Environment Audits (EAs), Social Impact Analysis (SIA), CCORAL, Natural Hazard Impact Assessment (NHIA) and Climate Vulnerability Assessment (CVA) are tools used to systematically identify, analyze, predict, and assess and evaluate potential impacts and risks; while evaluating project alternatives (e.g. site, design, technology) and providing the mitigation and adaptation measures required to manage the predicted/projected social, environmental, natural hazard and climate change impacts. A project may require the use of one or a combination of these tools, or elements of these tools, depending on its nature or complexity.

In the event of risks and impacts in the project’s area of influence resulting from a third party’s actions, the Implementing Partner will address those risks and impacts in a manner commensurate with the Implementing Partner’s control and influence over the third parties, and with due regard to conflict of interest.

Where the Implementing Partner can reasonably exercise control, the risks and impacts identification process will also consider those risks and impacts associated with primary supply chains, as defined in PS 2 below.

Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts as part of the process of identifying risks and impacts, the Implementing Partner will identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where individuals or groups are identified as disadvantaged or vulnerable, the Implementing Partner will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.

2.1.4.4 Environmental and Social Management Plans

Consistent with this Policy and the objectives and principles described herein, the Implementing Partner will establish ESMPs that will describe mitigation and performance improvement measures and actions that address the identified environmental and social risks and impacts of the project.

Depending on the nature and scale of the project, these ESMPs may consist of some documented combination of operational procedures, practices, plans, and related supporting documents (including legal and administrative agreements) that are managed in a systematic way. The ESMPs may apply broadly across the Implementing Partner's contractors and primary suppliers over which the Implementing Partner has control or influence, or to specific sites, facilities, or activities.

A proportionate, adaptive, and collaborative approach is recommended in the design of the ESMP between the CCCCC, the Implementing Partner and beneficiaries and included as a conditionality for financing the project. The ESMP will outline in detail the agreed measures to be taken during the intervention's implementation, the actions required for implementation, the allocation of institutional responsibilities, cost and implementation schedule showing links with the overall intervention implementation plan as well as the associated, performance monitoring and reporting procedures. It is important that there is sufficient flexibility to facilitate changes that may be required during project implementation. In cases where there will be need for involuntary resettlement or which will significantly impact on affected communities including Indigenous Peoples, then a discrete Resettlement Plan (RP) or Indigenous Peoples Plan (IPP) may also be required. A commitment to implement the ESMP will usually be included as a condition of the project financing and its monitoring and reporting requirements will be reflected in the monitoring and reporting requirements of the grant conditions.

2.1.4.5 Organizational Capacity and Competency

The Implementing Partner, in collaboration with appropriate and relevant third parties, will establish, maintain, and strengthen as necessary an organizational structure that defines roles, responsibilities, and authority to implement the ESMS/ESMP. Specific personnel, including management representative(s), with clear lines of responsibility and authority

should be designated. Key environmental and social responsibilities should be well defined and communicated to the relevant personnel and to the rest of the Implementing Partner's organization.

Personnel within the Implementing Partner's organization with direct responsibility for the intervention's actions, environmental and social performance must possess the requisite knowledge, skills, and experience necessary to perform their work, including current knowledge of the host country's regulatory requirements and the applicable requirements of Performance Standards 1 through 9. Personnel will also possess the knowledge, skills, and experience to implement the specific measures and actions required under the ESMS/ESMP and the methods required to perform the actions in a competent and efficient manner.

2.1.4.6 Emergency Preparedness and Response

Where the intervention involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, the ESMS/ESMP will establish and maintain an emergency preparedness and response system so that the Implementing Partner, in collaboration with appropriate and relevant third parties, will be prepared to respond to accidental and emergency situations associated with the intervention in a manner appropriate to prevent and mitigate any harm to people and/or the environment. This preparation will include the identification of areas where accidents and emergency situations may occur, communities and individuals that may be impacted, response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially affected communities and periodic training to ensure effective response. The emergency preparedness and response activities will be periodically reviewed and revised, as necessary, to reflect changing conditions.

The Implementing Partner will document its emergency preparedness and response activities, resources, and responsibilities, and will provide appropriate information to potentially affected community and relevant government agencies.

2.1.4.7 Monitoring and Review

The Implementing Partner, in collaboration with the CCCCC, will establish procedures to monitor and measure the effectiveness of the management program as well as compliance with any related legal and/or contractual obligations and regulatory requirements. Where the government or other third party have responsibility for managing specific risks and impacts and associated mitigation measures, the Implementing Partner will collaborate in establishing and monitoring such mitigation measures. Where appropriate, Implementing Partners may consider involving representatives from affected communities to participate in monitoring activities. The Implementing Partner's monitoring programme should be overseen by the appropriate level in the organization. For intervention's actions with projected significant impacts, the Implementing Partner will retain external experts to verify its monitoring information. The extent of monitoring should be commensurate with the intervention's environmental and social risks and impacts and with compliance requirements.

In addition to recording information to track performance and establishing relevant operational controls, the Implementing Partner should use dynamic mechanisms, such as internal inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes. Monitoring will normally include recording information to track performance and comparing this against the previously established benchmarks or requirements in the ESMP, monitoring should be adjusted according to performance experience and actions requested by relevant regulatory authorities. The Implementing Partner will document monitoring results and identify and reflect the necessary corrective and preventive actions in the amended ESMP. The Implementing Partner, in collaboration with appropriate and relevant third parties, will implement these corrective and preventive actions, and follow up on these actions in upcoming monitoring cycles to ensure their effectiveness.

2.1.4.8 Stakeholder Participation and Engagement

The CCCCC recognizes the value a well-informed and engaged public can bring to the development process and contribute to the attainment of the CARICOM Region’s objective of achieving development resilient to climate change. The CCCCC is therefore committed to the principle of corporate transparency, accountability and stakeholder engagement, and all partners and Implementing Partners engaged with the CCCCC are encouraged to adopt and promote these principles. The CCCCC will report on its performance in the application of this Policy and other activities related to the environment and social dimensions of its operations in its Annual Report to its Board of Directors and to donors, as required.

This Policy requires that Implementing Partners initiate early engagement, participation, consultations, and disclosure of information to parties likely to be affected by significant impacts from the investments projects financed by the CCCCC. The level and nature of stakeholder engagement and participation will vary depending on the project; the CCCCC will work with Implementing Partners to determine the level of consultation and disclosure of information necessary to meet national, regional and international (programmatic) requirements.

Stakeholder engagement, meaningful public participation and consultations are encouraged throughout the project cycle and will be an on-going process. The CCCCC requires the Implementing Partner to provide evidence to demonstrate that there has been “meaningful consultation and participation” of affected persons for projects requiring comprehensive environment and social impact studies and that there be full disclosure of the findings of these studies. Performance Standard 9 outlines the requirements for effective and inclusive engagement with project-affected parties throughout the project life cycle.

2.1.4.9 Consultation and Cultural Issues

The Implementing Partner will provide opportunities for affected parties to express their views with regards to the anticipated project risks, impacts and mitigation measures at various stages of the project cycle to which the Implementing Partner can respond to these views. The extent and degree of engagement required by the consultation process should be commensurate with the project’s risks and adverse impacts and with the concerns raised

by the affected communities. Effective consultation is a two-way process that should: (i) begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; (ii) be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language and format and is understandable to the affected communities; (iii) focus inclusive engagement on those directly affected as opposed to those not directly affected; (iv) be free of external manipulation, interference, coercion, or intimidation; (v) enable meaningful participation, where applicable; and (vi) be documented. The Implementing Partner will tailor its consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups. If Implementing Partners have already engaged in such a process, they will provide adequate documented evidence of such engagement.

For projects with potentially significant adverse impacts on affected communities, the Implementing Partner will conduct an Informed Consultation and Participation (ICP) process that will build upon the steps outlined above and will result in the affected communities' informed participation. ICP involves a more in-depth exchange of views and information, and an organized and iterative consultation, leading to the Implementing Partner's incorporating into their decision-making process the views of the affected communities on matters that affect them directly, such as the proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The consultation process should (i) capture both men's and women's views, if necessary, through separate forums or engagements, and (ii) reflect men's and women's different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate. The Implementing Partner will document the process, in particular the measures taken to avoid or minimize risks to and adverse impacts on the affected communities and will inform those affected about how their concerns have been considered.

2.1.4.10 Indigenous Peoples

For projects with adverse impacts to Indigenous Peoples, the Implementing Partner is required to obtain their Free, Prior, and Informed Consent (FPIC). The requirements related to Indigenous Peoples and the definition of the special circumstances requiring FPIC are described in Performance Standard 7. Having recognize that member states may have specific legislation or alternate that addresses issues of indigenous people it is the intention of the CCCCC to collaborate with Implementing Partners and member states to ensure that of Indigenous Peoples issues are adequately address. These considerations also apply to situation where the group is not referred to as IPs, but the circumstance of their existence is similar.

2.1.4.11 Promoting Gender Equality

Recognizing the strong inter-relationships between poverty, climate vulnerability and gender inequality, IPs are required to ensure that projects aim to reduce gender inequality by assessing gender impacts in their operations, thereby incorporating findings from these assessments into project designs. Consistent with the CCCCC Gender Policy,

Implementing Partners must strive to reduce any disproportionate gender impacts identified in their projects and promote gender equality.

2.1.4.12 Grievance Redress Mechanisms

A Grievance Redress Mechanism provides a process to efficiently and effectively respond to and resolve problems and or address queries or clarifications that arise during project implementation. The need for and the design of the mechanism should be scaled to the level of potential risks and adverse impacts identified in the project design. The mechanism, in accordance to the requirements of respective performance standards, should be adequately resourced, easily accessible, culturally appropriate and transparent. They are best designed with participation of the affected communities to encourage ownership and should be established early as part of the overall project management system instead of later during implementation as a reaction to problems.

The Implementing Partner shall identify a grievance mechanism that provides people affected by CCCCC financed projects with an accessible, transparent, fair and effective process for receiving, evaluating and addressing complaints about environmental or social harms caused by any such project throughout the project cycle. The mechanism should be project-specific and take into account the availability of judicial, extra-judicial, formal and informal recourse that may be pre-existing, at the national, local, regional, sub-regional or institutional level.

All complaints, concerns, queries, and clarifications regarding projects/programmes supported by the CCCCC can also be filed with the CCCCC using the following email address: complaints@caribbeanclimate.bz; or via the following website link <https://www.caribbeanclimate.bz/contact-us/complaints/>.

2.1.4.13 Ongoing Reporting to Affected Communities

The Implementing Partner will provide periodic reports to the affected communities that describe progress with implementation of the project's ESMP on issues that involve ongoing risk to or impacts on affected communities and on issues that the consultation process or grievance mechanism have identified as a concern to those communities. If the ESMP results in material changes in or additions to the mitigation measures or actions on issues of concern to the affected communities, the updated relevant mitigation measures or actions will be communicated to the respective communities. The frequency of these reports will be proportionate to the concerns of affected communities, but not less than annually.

2.2 PERFORMANCE STANDARD 2: LABOUR AND WORKING CONDITIONS

2.2.1 Introduction

Performance Standard 2 lays out the fundamental rights and privileges that should be afforded to all workers in the pursuit of building climate resilient economies. It is well recognized that through a constructive worker-management relationship and by treating the workers fairly and providing them with safe and healthy working conditions, the region can achieve tangible benefits, such as enhancement of the efficiency and productivity of their operations. This will foster the goal of achieving development resilient to climate change through various adaptation and mitigation projects.

The requirements set out in Performance Standard 2 have been largely guided international conventions and instruments, including those of the International Labour Organization (ILO) and the United Nations (UN) for countries that ratified the relevant conventions.

2.2.2 Objective

- To promote the fair treatment, non-discrimination, and equal opportunity of workers.
- To establish, maintain, and improve the worker management relationship.
- To promote compliance with national employment and labour laws.
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the CCCCC supply chain.
- To promote safe and healthy working conditions, and the health of workers.
- To avoid the use of forced and child labour.

2.2.3 Scope of the Performance

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the Implementing Partner's (ESMS), the elements of which are outlined in Performance Standard 1.

This Standard applies in full to all workers directly engaged by the Implementing Partner throughout the project life cycle. With regard to workers engaged through third parties, such as first-tier suppliers and primary contractors, to perform core work related to the project for a substantial duration (contract workers) and workers related to the Implementing Partner's primary suppliers (supply chain workers), the Implementing Partner will determine that such third parties are legitimate, reputable and that their workers are protected consistently with these standards.

2.2.4 Working Conditions and Management of Workers Relationship

2.2.4.1 Human Resources Policies and Procedures

The CCCCC will work with Implementing Partners to ensure they adopt and implement human resources management policies and procedures appropriate to their size and consistent with the requirements of this Performance Standard and national law.

Implementing Partners will provide workers with documented information that is clear and understandable, regarding their rights under national labour and employment laws and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, safety, and benefits upon beginning the working relationship and when any material changes occur.

2.2.4.2 Working Conditions and Terms of Employment

Where the Implementing Partner is a party to a collective bargaining agreement with a workers' organization, such agreement will be respected. Where such agreements do not exist or do not address working conditions and terms of employment, the Implementing Partner will provide reasonable working conditions and terms of employment.

The Implementing Partner will ensure that migrant workers are engaged on substantially equivalent terms and conditions to non-migrant workers carrying out similar work.

Where accommodation services are provided to workers covered by the scope of this Performance Standard, the Implementing Partner will put in place and implement policies on the quality and management of the accommodation and provision of basic services. The accommodation services will be provided in a manner consistent with the principles of non-discrimination and equal opportunity.

2.2.4.3 Workers' Organizations

In countries where national laws recognize workers' rights to form and to join workers' organizations of their choosing without interference and to bargain collectively, this Policy will comply with those laws and encourage Implementing Partners to do likewise. Where national law substantially restricts workers' organizations, the Implementing Partner will not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. Neither the CCCCC nor the Implementing Partner will seek to influence or control these mechanisms.

2.2.4.4 Non-Discrimination and Equal Opportunity

Nondiscrimination requires that the Implementing Partner does not make employment related decisions based on personal characteristics which are unrelated to inherent job requirements: gender, race, ethnic, social and indigenous origin, religion, political opinion, nationality, disability and sexual orientation cannot impair equality of opportunity or treatment in suitable employment or occupation. Where national law provides for these

standards, the Implementing Partner will comply with national law. If national law is silent and does not offer such guarantees, Implementing Partners will comply with this *Performance Standard 2*.

Procedures may be required to prevent gender discrimination. The Implementing Partner shall ensure that human resources' decisions are not affected by the reproductive role of women. Workplace policies and a complaints mechanism shall be put in place to deal with sexual exploitation, abuse and harassment (SEAH).

2.2.4.5 Retrenchment

Prior to implementing any collective dismissals, the Implementing Partner will carry out an analysis of alternatives to retrenchment. If the analysis does not identify viable alternatives retrenchment, the Implementing Partner will ensure that workers receive due process and notice of dismissal and severance payments mandated by law and collective agreements in a timely manner. All benefits owed to the worker will be paid (i) on or before termination of the working relationship to the workers, (ii) where appropriate, for the benefit of the workers, or (iii) payment will be made in accordance with a timeline agreed through a collective agreement.

2.2.4.6 Grievance Mechanism

The Implementing Partner will outline a grievance procedure where concerns related to the workplace can be raised. The Implementing Partner will inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution. The mechanism should also allow for anonymous complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

2.2.5 Protecting the Work Force

2.2.5.1 Child Labour

The Implementing Partner will not employ children in any manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. The Implementing Partner will identify the presence of all persons under the age of 18. Where national laws have provisions for the employment of minors, the Implementing Partner will follow those laws applicable to the Implementing Partner. Where national law is silent on the employment of minors, the Implementing Partner will comply with the standards enshrined in ILO Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182. The employment of children outside of the permissible areas of work may result in suspension of projects.

2.2.5.2 Forced Labour

The Implementing Partner will not facilitate nor promote the contracting of forced or trafficked labour, i.e., duties performed under threat of force or penalty. This covers any kind of involuntary or compulsory labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements.

2.2.6 Occupational Health and Safety

In conformity with the national laws of the jurisdiction in which the project is being executed, the Implementing Partner will ensure that a safe and healthy work environment prevails, through taking all potentially practical measures to minimize accidents in the execution of all duties related directly and indirectly with the project. Potential occupational hazards that will be considered are physical, chemical, biological, and radiological hazards, and specific threats to women. In keeping with good international best practices, such as those employed by the World Centre Group Environmental, Health and Safety Guidelines, the Implementing Partner will address, particularly where national jurisdictions are silent on occupational health and safety, areas that include the (i) identification of potential hazards to workers, particularly those that may be life-threatening; (ii) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) training of workers; (iv) documentation and reporting of occupational accidents, diseases, and incidents; and (v) emergency prevention, preparedness, and response arrangements (refer to Performance Standard 4).

2.3 PERFORMANCE STANDARD 3: POLLUTION PREVENTION, CONTROL AND MANAGEMENT

2.3.1 Introduction

Performance Standard 3 recognizes that economic activities, as well as some of the activities that seek to address climate change, if not properly conceived and managed, often generate increased levels of pollution and consumption of finite natural resources and can lead to mal-adaptation. These activities may threaten the livelihoods of many poor and vulnerable communities. Additionally, adaptation measures that lead to increased greenhouse gas emissions, such as the erection of a saltwater reverse osmosis system for greater water security, but utilizing fossil fuel, threaten the public health and welfare of current and future generations. In a region with limited natural, financial and human resources, it is contingent upon all that these resources are used in an efficient, productive and cost effective manner for greater climate resilience in pursuance of a low carbon development pathway, while simultaneously seeking to increase productivity.

This Performance Standard outlines a project-level approach to resource efficiency and pollution prevention and control in line with internationally disseminated technologies and practices.

2.3.2 Objectives

The objectives of this Performance Standard are:

- To establish appropriate measures to protect human health, and minimise impacts to ecosystems functions and processes;
- To promote sustainable and responsible use of natural resources including energy, air, land, soil and water;
- To reduce greenhouse gas emissions;
- Promote improved resource use efficiency as essential elements of improving environmental and social sustainability of projects financed by the CCCC and to meet international best practices.

In-keeping with these objectives, the Implementing Partner will identify and address how these requirements for the project will be appropriately managed, (given the nature and scale of the project geographic location and ambient environmental conditions) and taking into account financially feasible and cost effective control methods, throughout the project cycle using a discrete environment and social management system or a project specific ESMP.

2.3.3 Scope of Application

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the

requirements of this Performance Standard is managed through the Implementing Partner's Environmental and Social Management System (ESMS), the elements of which are outlined in *Performance Standard 1*.

Based on the risks and impacts identification process, the requirements of this Performance Standard may be applied to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the Implementing Partner has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

2.3.4 Requirements

During the project life-cycle, the Implementing Partner will consider ambient conditions and apply technically and financially feasible resource use efficiency and pollution prevention principles, techniques and technologies that are best suited, according to the hazards and risks and international best practices, to avoid or where avoidance is not possible, minimize adverse impacts on human health and the environment.

2.3.4.1 Resource Efficiency

As outlined above, it is the expectation that any recipient of grant funding from the CCCCC will pursue technically and financially feasible and cost-effective measures for improving efficiency in its consumption of natural resources and material inputs. Such measures will integrate the principles of cleaner production into project design and production processes with the objective of conserving resources including energy, air, land, soil and water.

Principles such as the best available, best technically feasible and best practicable technologies will be applied in the project's design as relevant. Where benchmarking data are available, the Implementing Partner will make a comparison to establish the relative level of efficiency.

2.3.4.2 Greenhouse Gases

In addition to the resource efficiency measures described above, the Implementing Partner will consider alternatives and implement technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project. These options may include, but are not limited to, alternative project locations, technology transfer, use of renewable or low carbon energy sources, sustainable agricultural, forestry and livestock management practices, the reduction of fugitive emissions.

2.3.4.3 Water Consumption

When the project is a potentially significant consumer of water, in addition to applying the resource efficiency requirements of this Performance Standard, the Implementing Partner shall adopt measures that avoid or reduce water usage so that the project's water consumption does not have significant adverse impacts on others. These issues will be

highlighted and captured in the ESIA process and will indicate how they will be treated to reduce conflicts in the future.

2.3.4.4 Wastes

The Implementing Partner will seek to prevent the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the Implementing Partner will follow the three R's principles, i.e., reduce, recover and reuse the waste generated, using cost effective approaches, that is safe for human health and the environment. Where waste cannot be recovered or reused, the Implementing Partner will treat, destroy, or dispose of it in an environmentally sound and cost effective manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material.

When hazardous waste disposal is conducted by third parties, the Implementing Partner will use contractors that are reputable and legitimate enterprises, licensed by the relevant government regulatory agencies, to obtain chain of custody documentation to the final destination. The Implementing Partner should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the Implementing Partner will use these sites. Where this is not the case, Implementing Partners should seek to reduce waste sent to such sites and consider alternative disposal options, including the possibility of developing their own recovery or disposal facilities at the project site.

2.3.4.5 Hazardous Materials Management

CCCCC financed projects will avoid and/or minimize risks and impacts to human health and safety, and to the environment, from the procurement, production and use, and disposal of toxic and hazardous materials and substances, including pesticides and Persistent Organic Pollutants (POPs). Accordingly, CCCCC-financed projects will adhere to the following guidelines:

- Screening for use of toxic and hazardous materials and substances will occur in the ESIA context.
- CCCCC-funded projects shall take into account international controls and restrictions on the use of toxic substances including the Basel Convention on the Transboundary Movement of Hazardous Wastes, and the Rotterdam Convention on the “Prior Informed Consent Procedure for Certain Hazardous Chemical and Pesticides in International Trade”. The CCCCC will not finance the procurement or production of:
 - Products that fall in WHO Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous); Ib (highly hazardous); or II (moderately hazardous), except in highly unusual cases justified in the ESIA; and
- POPs, subject to the exceptions under the Stockholm Convention

- Where the use or production of other pesticides is to be considered:
 - Pesticides in WHO Class II will be financed only when the country has adequate capacity to train users to handle, store, and apply these products properly; and
 - Where pesticides are a significant element of the project, the ESIA will recommend alternatives with acceptable impacts on human health, non-target species, and the natural environment⁵

- Where hazardous materials must be used or produced:
 - An ESMP, covering their transport, handling, storage, and disposal, as well as associated management and reporting practices must be developed; and

- Where production processes involve significant dangers or risks:
 - an emergency preparedness and response plan should be prepared;
 - and potentially affected communities should be informed.

⁵ See Food and Agriculture Organization (United Nations) and WHO guidelines

2.4 PERFORMANCE STANDARD 4: COMMUNITY HEALTH, SAFETY, AND SECURITY

2.4.1 Introduction

It is understood that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. Some of these impacts may be exacerbated by climate variability and change, as well as by the project if they were already experiencing some stressors to begin with. *Performance Standard 4* therefore seeks to ensure that these risks and impacts are both captured in project planning and avoided or minimized. It is imperative that in seeking to avoid or manage these exposures, that the Implementing Partner works in close collaboration with the public authorities within the national and/or regional jurisdiction in an effort to promote the health, safety, and security of the public.

2.4.2 Objective

The CCCCC will work with the Implementing Partner:

- To avoid or minimize adverse impacts on communities directly affected by development projects and ensure that they benefit from projects that impact them.
- 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 the risks to the affected communities.

2.4.3 Scope of Application

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the Implementing Partner's Environmental and Social Management System (ESMS), the elements of which are outlined in *Performance Standard 1*.

2.4.4 Requirements

In seeking to fulfill this Performance Standard, the Implementing Partner will ensure that:

- Where project screening determines that significant adverse social impacts are possible, qualified specialists will carry out an appropriate impact assessment.
- Physical impacts resulting in a deterioration of income or welfare, and/or significant adverse impacts on a community's culture, or way of life, will be minimised and mitigated to the extent feasible.
- Measures will be incorporated into the project to ensure that communities adversely affected by development projects also benefit from them.

- Adversely affected groups will be engaged, in an inclusive and gender-responsive manner, about project impacts, and have a voice in determining mitigation measures and project benefits.

2.4.4.1 Community Health and Safety

The Implementing Partner, through the ESIA process, will evaluate the risks and impacts to the health and safety of the affected communities during the life of the project. Further, the Implementing Partner will apply preventative and protective measures and apply standards consistent with good international practice such as the World Bank Group's Environmental, Health and Safety Guidelines or other internationally recognized sources. The identified risks and impacts will be addressed in the project's ESMP and actions to be taken will be commensurate with the nature and magnitude of the projected risks and impacts.

Infrastructure and Equipment Design and Safety: During the life cycle of a project, the Implementing Partner will ensure that risks and impacts on affected communities are avoided or minimized, as well as to third parties. When new facilities/infrastructures are being erected, while not seeking to prevent access to public pathways, the Implementing Partner will ensure that the public is only exposed to incremental risks or operational accidents and/or natural hazards. Structural elements will be designed and constructed by competent professionals and certified or approved by competent authorities or professionals. For projects that operate moving equipment on public roads and other forms of infrastructure, the Implementing Partner will seek to avoid the occurrence of incidents and injuries to members of the public associated with the operation of such equipment, as well as seek to operate at times that do not cause major traffic jams and disrupt their daily activities. Special attention will be given to cases where the works obstruct or disrupt egress to response teams or medical services for events requiring rapid response due to mass casualties (major fires, accidents, etc.)

Hazardous Materials Management and Safety: The Implementing Partner will avoid or minimize the potential for community exposure to hazardous materials and substances that may be released by the project. Where there is a potential for the public (including workers and their families) to be exposed to hazards, particularly those that may be life threatening, the Implementing Partner will exercise special care to avoid or minimize their exposure by modifying, substituting, or eliminating the condition or material causing the potential hazards. Where hazardous materials are part of existing project infrastructure or components, the Implementing Partner will exercise special care when conducting decommissioning activities in order to avoid exposure to the community. The Implementing Partner will exercise commercially reasonable efforts to control the safety of deliveries of hazardous materials, and of transportation and disposal of hazardous wastes, and will implement measures to avoid or control community exposure to pesticides, in accordance with the requirements of Performance Standard 3.

Ecosystem Services: There are instances where a project may compromise the ecosystem services and processes being performed by the bio-physical environment, thus exposing communities to adverse health and safety risks and impacts. For example, loss of mangrove

forests or land use changes that mitigate the effects of natural hazards such as flooding, storm surges, landslides, and fire, may result in increased vulnerability and community safety-related risks and impacts. The diminution or degradation of natural resources, such as adverse impacts on the quality, quantity, and availability of freshwater, may result in health-related risks and impacts. Where appropriate and feasible, the Implementing Partner will identify those risks and potential impacts on priority ecosystem services that may be exacerbated by climate change in the ESIA process. Where practicable, the impacts will be mitigated through avoidance, change in project design, or the pursuance of other mitigation measures discussed in this Policy earlier.

Community Exposure to Disease: The Implementing Partner will avoid or minimize the potential for community exposure to water-borne, water based, water-related, and vector-borne diseases, and communicable diseases that could result from project activities, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups and children. Where specific diseases are endemic in communities in the project area of influence, the Implementing Partner will be encouraged to explore opportunities during the project life cycle to improve environmental conditions that could help minimize their incidence. Further, the Implementing Partner will be encouraged to avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor.

Emergency Preparedness and Response: In addition to the emergency preparedness and response requirements described in *Performance Standard 1*, the Implementing Partner will also assist and collaborate with the affected communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the Implementing Partner will play an active role in preparing for and responding to emergencies associated with the project. The Implementing Partner will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information to affected communities, relevant government agencies, or other relevant parties.

2.4.5 Security Personnel

There will be cases where the Implementing Partner retains direct or contracted workers to provide security to safeguard its property. Under such circumstances, the Implementing Partner will ensure that they are hired from a reputable firm and that in the execution of their duties the security personnel are guided by the principle of proportionality, a defensive posture and good international practices. The conduct and operation of such security personnel must fall within the ambit of the applicable national laws. Before hiring such firms or personnel, the Implementing Partner will conduct its due diligence to ensure that those providing security services are not implicated in past or current abuses.

The Implementing Partner will provide a grievance mechanism for affected communities to express concerns about the security arrangements and acts of security personnel.

Where public sector employees are providing security services, the Implementing Partner will document and assess the risks arising from such services in the ESIA process. Lastly, the Implementing Partner will consider and, where appropriate, investigate all allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence, and report unlawful and abusive acts to public authorities.

2.5 PERFORMANCE STANDARD 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

2.5.1 Introduction

Performance Standard 5 recognizes that project related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use the land. Further, the performance standard is aware of the adverse consequences involuntary displacement (relocation or loss of shelter) or badly planned resettlement initiatives can have on people who are economically displaced as a result of project-related land acquisition and/or restrictions on land use. It is therefore the policy of the CCCCC that it will not undertake any projects with foreseeable involuntary resettlement or displacement⁶ of people.

Where it is expected that CCCCC-financed projects may result in involuntary physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods), the CCCCC must ensure that the needs of the affected individuals are address by the member state, prior to the engagement of the CCCCC. If resettlement was unforeseen or unanticipated during project design, but becomes necessary during project implementation, the CCCCC may halt or suspend the project until the Member State is able to demonstrate that an appropriate solution was reached.

2.5.2 Objectives

The objectives under this Performance Standard are:

- To avoid displacement by exploring alternative project designs.
- To avoid forced eviction.
- To anticipate and avoid social and economic impacts from land acquisition or restrictions on land use.

2.5.3 Scope of Application

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the Implementing Partner's (ESMS), the elements of which are outlined in Performance Standard 1.

This Performance Standard will apply to physical and/or economic displacement resulting from the following types of land-related transactions:

⁶ Displacement of persons may be classified as a situation where persons (i) who have formal legal rights to the land or assets they occupy or use; (ii) who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law; or (iii) who have no recognizable legal right or claim to the land or assets they occupy or use are asked to move for the purpose of fulling project activities.

- Land rights or land use rights acquired through expropriation or other compulsory procedures in accordance with the legal system of the Member State;
- Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resource usage where they have traditional or recognizable usage rights;
- Certain project situations requiring evictions of people occupying land without formal, traditional, or recognizable usage rights;⁷ or
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas.

Where project impacts on land, assets, or access to assets become significantly adverse at any stage of the project, the Implementing Partner will apply requirements of this Performance Standard, even where no land acquisition or land use restriction is involved.

This Performance Standard does not apply to resettlement resulting from voluntary land transactions⁸. It also does not apply to impacts on livelihoods where the project is not changing the land use of the affected groups or communities. This Performance Standard also does not apply to victims of natural disasters or to resettlement resulting from voluntary land transactions. It also does not apply to impacts on livelihoods where the project is not changing the land use of the affected groups or communities.

2.5.4 Requirements of this Performance Standard

2.5.4.1 Project Design

The Implementing Partner will consider feasible alternative project designs to avoid physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying attention to impacts on the poor and vulnerable.

⁷ those who occupy/use the land but have no formal title for objective reasons are eligible for compensation for land. People who occupy the land but have no formal or informal claim to it, such as squatters, shall be provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives of the resettlement standards laid out in this Standard, if they occupy the project area prior to a cut-off date established by the promoter and acceptable to the CCCCC. Such affected persons shall not be compensated for land but for their land improvements or structures, such as houses and/or small businesses, and may qualify for other resettlement and rehabilitation assistance. Resettlement assistance can consist of land, cash, jobs, or other forms of assistance determined in and the Food and Agriculture Organization's (FAO) Voluntary Guidelines on the Responsible Governance of Tenure of Land,

⁸ market transactions in which the seller is not obliged to sell and the buyer cannot resort to expropriation or other compulsory procedures sanctioned by the legal system of the host country if negotiations fail

The CCCCC will not finance a project where there is foreseeable potential for involuntary physical or economic displacement. If resettlement is foreseen and unavoidable, the CCCCC will require written documentation from the responsible Member State Party that resettlement has been carried out in accordance with applicable national legislation, before any finalization of the project design and signing of a Project Participation Agreement.

2.5.4.2 Project Implementation

Where during the implementation of a project, the need for displacement becomes unavoidable, and where this need was unforeseen at project design, the Implementing Partner will inform the CCCCC of the need for displacement. The CCCCC will consult with the national Government body responsible for managing displacement or resettlement to determine whether voluntary settlement can be achieved.

If voluntary resettlement can be achieved, the Implementing Partner will work with the responsible national body to ensure that this is done in accordance with national laws.

If voluntary resettlement cannot be achieved, the CCCCC in consultation with the Donor, will suspend, terminate, or redesign either:

- i. the project activity requiring displacement or resettlement or;
- ii. the entire project, depending on the scope of the requirement for displacement or resettlement.

2.5.4.3 Grievance Mechanism

The Implementing Partner will establish a grievance mechanism consistent with Performance Standard 9 as early as possible in the project development phase. This will allow the Implementing Partner to receive and address specific concerns about possible relocation raised by members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner.

2.5.5 Government's Responsibility in Managing Resettlement or Displacement

Where land acquisition and resettlement are the responsibility of the government, the Implementing Partner will collaborate with the responsible government agency, to the extent permitted to achieve outcomes that are consistent with this Performance Standard.

2.6 PERFORMANCE STANDARD 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

2.6.1 Introduction

Performance Standard 6 recognizes that identifying and making every use of opportunities to conserve and sustainably use biodiversity natural habitats, and as priority, maintain the benefits of priority ecosystem services and processes and in so doing reflect the objectives of the Convention on Biological Diversity are critical for building climate resilience. The CCCCC will not finance or support operations that significantly convert or degrade impacts on critical, natural, protected habitats, and will instead promote the conservation, protection and management of natural resources.

These areas may be officially designated or protected under legislation of high biodiversity conservation value. These may include reserves protected by International Union for the Conservation of Nature (IUCN) Protected Areas Management Categories (I-VI), World Heritage Sites, Ramsar Convention on Wetlands, World Biosphere Reserves, areas critically important for the protection of rare, endangered, vulnerable or near vulnerable species as listed under the IUCN's Red List of Endangered Species or protected areas established under state legislation. Impacts and mitigation measures may vary at different stages of the project and the on-going engagement of the affected parties to determine the need for changes in plans and redesigned or re-scoped must be possible and flexible. Critical habitats can include areas that are not protected or managed, or within legally protected or designated areas. Habitats may be considered critical if their ecosystems' functions or species rely on or provide connectivity with other critical habitats including those legally protected or managed. For objectivity and accuracy recognized authorities will need to be consulted to determine appropriate designation.

Furthermore, ecosystem services and processes are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services.

Ecosystem services valued by humans and their benefits to dampening the effects of climate change are often underpinned by the health of the biodiversity contained in the ecosystem. This Performance Standard therefore addresses how EAs can sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project's lifecycle.

2.6.2 Objectives

The objectives of this Performance Standard are:

- To protect, conserve and enhance biodiversity.
- To maintain and enhance the benefits from ecosystem services.
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

2.6.3 Scope of Application of this Performance Standard

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the Implementing Partner's ESMS, the elements of which are outlined in *Performance Standard 1*.

Based on the risks and impacts identification process, the requirements of this Performance Standard are applied to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the Implementing Partner has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

2.6.4 Requirements

The ESIA process as set out in *Performance Standard 1* will consider the direct, indirect and cumulative project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts. This process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. It will also consider the differing values attached to biodiversity and ecosystem services by affected communities and, where appropriate, other stakeholders.

The EA will ensure that all efforts are taken to avoid adverse impacts on biodiversity and ecosystem services. However, where it is impossible to have zero impact on the biodiversity and ecosystem services provided by those ecosystems, measures to minimize impacts and restore biodiversity and ecosystem services will be implemented. The EA will follow the principle of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project's lifecycle and beyond as some results/outcomes are realized long after project is completed/implemented.

This Performance Standard therefore will seek to ensure the following requirements are implemented:

2.6.4.1 Protection and Conservation of Biodiversity

Protection and preservation of ecosystems is critical to the ensuring a diverse and satisfactory biodiversity is maintained for the sustainability of habitats. For the purposes of implementation of this Performance Standard, habitats are divided into modified, natural, and critical. Critical habitats are a subset of modified or natural habitats.

For the protection and conservation of biodiversity, the mitigation hierarchy includes biodiversity offsets, which may be considered only after appropriate avoidance, minimization, and restoration measures have been applied.

A biodiversity offset should be designed and implemented to achieve measurable conservation outcomes that can reasonably be expected to result in no net loss and

preferably a net gain of biodiversity; however, a net gain is required in critical habitats. The design of a biodiversity offset must adhere to the “like-for-like or better” principle and must be carried out in alignment with best available information and current practices. When an Implementing Partner is considering the development of an offset as part of the mitigation strategy, external experts with knowledge in offset design and implementation must be involved.

2.6.4.2 Modified Habitat

Modified habitats are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area’s primary ecological functions and species composition. Modified habitats may include areas managed for agriculture, forest plantations, reclaimed coastal zones, and reclaimed wetlands.

This Performance Standard applies to those areas of modified habitat that include significant biodiversity value, as determined by the risks and impacts identification process required in Performance Standard 1. The Implementing Partner should minimize impacts on such biodiversity and implement mitigation measures as appropriate.

2.6.4.3 Natural Habitat

Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition.

The Implementing Partner will not significantly convert or degrade natural habitats, unless all of the following are demonstrated:

No other viable alternatives within the region exist for development of the project on modified habitat;

- Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation; and
- Any conversion or degradation is mitigated according to the mitigation hierarchy.

In areas of natural habitat, mitigation measures will be designed to achieve no net loss of biodiversity where feasible. Appropriate actions include:

- Avoiding impacts on biodiversity through the identification and protection of set-asides;
- Implementing measures to minimize habitat fragmentation, such as biological corridors;

- Restoring habitats during operations and/or after operations; and
- Implementing biodiversity offsets.

2.6.4.4 Critical Habitat

Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.

In areas of critical habitat, the Implementing Partner will not implement any project activities unless all the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
- The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;
- The project does not lead to a net reduction in the global and/or national/regional population of any Critically Endangered or Endangered species over a reasonable period; and
- A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the Implementing Partners' management program.

In such cases where a Implementing Partner is able to meet the requirements defined above, the project's mitigation strategy will be described in a Biodiversity Action Plan and will be designed to achieve net gains of those biodiversity values for which the critical habitat was designated.

In instances where biodiversity offsets are proposed as part of the mitigation strategy, the Implementing Partner must demonstrate through an assessment that the project's significant residual impacts on biodiversity will be adequately mitigated.

2.6.4.5 Legally Protected and Internationally Recognized Areas

In circumstances where a proposed project is located within a legally protected area or an internationally recognized area, the Implementing Partner will meet the previously stated requirements of this Performance Standard. In addition, the Implementing Partner will:

- Demonstrate that the proposed development in such areas is legally permitted;
- Act in a manner consistent with any government recognized management plans for such areas;

- Consult protected area sponsors and managers, Affected Communities, Indigenous Peoples and other stakeholders on the proposed project, as appropriate; and
- Implement additional programs, as appropriate, to promote and enhance the conservation aims and effective management of the area.

2.6.4.6 Invasive Alien Species

Intentional or accidental introduction of alien, or non-native, species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species.

The Implementing Partner will not intentionally introduce any new alien species (not currently established in the country or region of the project) unless this is carried out in accordance with the existing regulatory framework for such introduction. Notwithstanding the above, the Implementing Partner will not deliberately introduce any alien species with a high risk of invasive behavior regardless of whether such introductions are permitted under the existing regulatory framework. All introductions of alien species will be subject to a risk assessment (as part of the Implementing Partner's environmental and social risks and impacts identification process) to determine the potential for invasive behavior. The Implementing Partner will implement measures to avoid the potential for accidental or unintended introductions including the transportation of substrates and vectors (such as soil, ballast, and plant materials) that may harbor alien species.

Where alien species are already established in the country or region of the proposed project, the Implementing Partner will exercise diligence in not spreading them into areas in which they have not already been established. As practicable, the Implementing Partner should take measures to eradicate such species from the natural habitats over which they have management control.

2.6.4.7 Management of Ecosystem Services

Where a project is likely to adversely impact ecosystem services, as determined by the risks and impacts identification process, the Implementing Partner will conduct a systematic review to identify priority ecosystem services. Priority ecosystem services are two-fold: (i) those services on which project operations are most likely to have an impact and, therefore, which result in adverse impacts to Affected Communities; and/or (ii) those services on which the project is directly dependent for its operations (e.g., water). When Affected Communities are likely to be impacted, they should participate in the determination of priority ecosystem services in accordance with the stakeholder engagement process as defined in *Performance Standard 9*.

With respect to impacts on priority ecosystem services of relevance to Affected Communities and where the Implementing Partner has direct management control or significant influence over such ecosystem services, adverse impacts should be avoided. If

these impacts are unavoidable, the Implementing Partner will minimize them and implement mitigation measures that aim to maintain the value and functionality of priority services. With respect to impacts on priority ecosystem services on which the project depends, Implementing Partners should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations, as described in Performance Standard 3.

2.6.4.8 Sustainable Management of Living Natural Resources

Implementing Partners who are engaged in the primary production of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, and fisheries, will be subject to the requirements of the rest of this Performance Standard. Where feasible, the Implementing Partner will locate land-based agribusiness and forestry projects on unforested land or land already converted. Implementing Partners who are engaged in such industries will manage living natural resources in a sustainable manner, through the application of industry-specific good management practices and available technologies. Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the Implementing Partner will implement sustainable management practices to one or more relevant and credible standards as demonstrated by independent verification or certification.

Credible globally, regionally, or nationally recognized standards for sustainable management of living natural resources are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage step-wise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.

Where relevant and credible standard(s) exist, but the Implementing Partner has not yet obtained independent verification or certification to such standard(s), the Implementing Partner will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period of time.

In the absence of a relevant and credible global, regional, or national standard for the living natural resource in the country concerned, the Implementing Partner will:

- Commit to applying good international industry operating principles, management practices, and technologies; and
- Actively engage and support the development of a national standard, where relevant, including studies that contribute to the definition and demonstration of sustainable practices.

2.6.4.9 Supply Chain

Where an Implementing Partner is purchasing primary production (especially but not exclusively food and fiber commodities) that is known to be produced in regions where

there is a risk of significant conversion of natural and/or critical habitats, systems and verification practices will be adopted as part of the Implementing Partner's ESMS to evaluate its primary suppliers.

The systems and verification practices will (i) identify where the supply is coming from and the habitat type of this area; (ii) provide for an ongoing review of the Implementing Partner's primary supply chains; (iii) limit procurement to those suppliers that can demonstrate that they are not contributing to significant conversion of natural and/or critical habitats (this may be demonstrated by delivery of certified product, or progress towards verification or certification under a credible scheme in certain commodities and/or locations); and (iv) where possible, require actions to shift the Implementing Partner's primary supply chain over time to suppliers that can demonstrate that they are not significantly adversely impacting these areas. The ability of the Implementing Partner to fully address these risks will depend upon the Implementing Partners' level of management control or influence over its primary suppliers.

2.7 PERFORMANCE STANDARD 7: INDIGENOUS PEOPLES

2.7.1 Introduction

Performance Standard 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development

While there is no universally accepted definition of indigenous peoples (IPs), it is generally recognized that IPs are a distinct social and cultural group, possessing some or all of the following characteristics in varying degrees⁹:

- a. Self-identification as indigenous;
- b. A shared experience of oppression or colonisation;
- c. Historical continuity within a given region prior to colonisation or annexation;
- d. Collective entitlement and/or attachment to ancestral lands, territories and natural resources in their habitats and use thereof;
- e. An indigenous language, often different from the national or regional language;
- f. Activity in non-dominant sectors of society;
- g. Distinct spiritual traditions, culture, beliefs, and knowledge;

Therefore, under this performance standard, during the environmental and social screening process, the Implementing Partner may need to establish the existence of Indigenous Peoples based on the country context.

Once established, special consideration will therefore be given to avoid adverse impacts or minimize impacts on IPs, to avoid their physical relocation, or which will result in significant impacts on their culture and livelihoods. The UN Declaration on the Rights of Indigenous Peoples (UNDRIP); International Labour Organization (ILO) Convention 169 and the International Covenant on Economic, Social and Cultural Rights; the International Convention on the Elimination of All Forms of Racial Discrimination and the outcome document of the high-level plenary meeting of the United Nations General Assembly should serve as guiding documents for engaging with IPs. The Declarations and covenants, however, should not override the rights of indigenous peoples contained in their treaties and agreements with individual States.

2.7.2 Objectives

- To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
- To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.

⁹ Based on ILO Convention 169 and the work of the UN Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous peoples.

- To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
- To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life cycle.
- To ensure the Free, Prior, and Informed Consent (FPIC) of the affected communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.
- To respect and preserve the culture, knowledge, and practices of Indigenous Peoples.

2.7.3 Scope of Application of this Performance Standard

This Performance Standard applies to communities or groups of Indigenous Peoples¹⁰ who maintain a collective attachment, i.e., whose identity as a group or community is linked, to distinct habitats or ancestral territories and the natural resources therein. It may also apply to communities or groups that have lost collective attachment to distinct habitats or ancestral territories in the project area, occurring within the concerned group members' lifetime, because of forced severance, conflict, government resettlement programs, dispossession of their lands, natural disasters, or incorporation of such territories into an urban area.

The Implementing Partner may be required to seek inputs from competent professionals to ascertain whether a group is considered as Indigenous Peoples for the purpose of this Performance Standard.

Where communities are mixed, or indigenous peoples live near different social and ethnic groups, this Policy should be applied for the benefit of both the indigenous peoples and the other group/s living together or in close proximity

2.7.4 Requirements

Under this Performance Standard, special consideration will be given to avoid or minimize impacts on IPs, to avoid their physical relocation, or which will result in significant impacts on their culture and livelihoods. This standard also requires that IPs are fully informed, consulted about, and provided adequate and legitimate opportunities to actively participate in project design and the determination of project implementation arrangements, operation, and decommissioning. In all instances involving indigenous peoples, an Indigenous Peoples Plan (IPP) must be prepared using competent specialised social expertise and abiding by the principle of free, prior and informed consent (FPIC) and accounting, amongst others, for the recognition awarded by the state to the indigenous groups or communities affected

Through the Environmental and social screening process, the Implementing Partner will identify all communities of Indigenous Peoples within the project area of influence who may be affected by the project. The ESIA should capture the nature and degree of the expected direct, indirect and cumulative economic, social, cultural (including cultural heritage), and environmental impacts on them.

¹⁰ Based on characteristics in 2.7.1 above

Consultations and subsequent project planning and documentation processes will address potential risks and impacts as these may affect indigenous peoples. The scope and scale of consultations, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential risks and impacts as these may affect indigenous peoples.

Implementing Partners, in collaboration with potentially affected indigenous peoples and the host government(s), will assess the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage) and environmental impacts on indigenous peoples who are present in, or have a collective attachment to, the project area. The Implementing Partner, with the participation of the potentially affected indigenous peoples and the host government, will prepare a consultation strategy and identify the means by which affected indigenous peoples will participate in the design and implementation of CCCCC financed activities as well as share equitably in the benefits.

The Implementing Partner's proposed measures will be contained in a time-bound plan that is culturally appropriate. Where there are potential impacts on indigenous peoples, Implementing Partners will prepare an IPP (*Annex 2*) or, if specific activities or locations have not yet been determined, an Indigenous Peoples Planning Framework (IPPF). The scope and scale of the IPP or IPPF will be proportionate to the potential risks and impacts of the project. The IPPF will include a description of the processes and plans so that specific activities meet the requirements of this Policy including provisions for the development and implementation of site-specific IPPs that meet the requirements of this Policy.

The IPPF and IPP will complement the social assessments of the project provide guidance on specific issues related to addressing the needs of the affected IPs. The format and title of the IPP or IPPF will be adjusted as appropriate to the project or national context and will reflect any alternative terminology for the indigenous peoples.

2.7.4.1 Activities designed to benefit solely or an overwhelming majority of indigenous peoples

Where projects are designed to provide benefits only to indigenous peoples, the Implementing Partner will engage with the relevant indigenous peoples to ensure their ownership, buy-in and participation in the design, implementation, equitable benefit sharing, monitoring and evaluation of the project. The Implementing Partner will consult with the indigenous people's as to the cultural appropriateness of proposed services or facilities and will seek to identify and address any economic, social or capacity constraints (including those relating to gender, the elderly, youth and persons with disabilities) that may limit opportunities to benefit from, or participate in, the project. When indigenous people are the sole, or constitute the overwhelming majority of, beneficiaries of a project, the elements of the IPP will be included in the overall design and the environmental and social management plans in relation to environmental and social due diligence of the project. The preparation of a standalone IPP or IPPF may be required.

2.7.4.2 Activities where indigenous peoples are not the sole beneficiaries

When indigenous peoples are not the only beneficiaries of a project, The Implementing Partner will provide affected indigenous peoples with equitable access to project benefits. The concerns or preferences of indigenous peoples will be addressed through meaningful consultation, including a process to seek and obtain their free, prior and informed consent and documentation will summarize the consultation results and describe how indigenous peoples' issues have been addressed in the design of the project. Arrangements for ongoing consultations during implementation and monitoring will also be described.

The Implementing Partner will prepare a time-bound plan, such as an IPP, setting out the measures or actions proposed. In some circumstances, a broader integrated community development plan will be prepared, addressing all beneficiaries, and incorporating necessary information relating to the affected indigenous peoples.

2.7.4.3 Avoidance of adverse impacts

Adverse impacts on Indigenous people will be avoided to the maximum possible extent. Where alternatives have been systematically explored to consider feasible alternative project designs to avoid adverse impacts, and adverse impacts are unavoidable, the Implementing Partner will minimize and compensate for these impacts in a culturally appropriate manner proportionate to the nature and scale of such impacts and the form and degree of vulnerability of the affected indigenous people.

2.7.4.4 Mitigation and development benefits

The Implementing Partner, with the full and effective participation of the indigenous peoples, will identify measures to mitigate environmental and social risks and impacts. The scope of the environmental and social assessments and mitigation will include cultural impacts as well as physical impacts.

The determination, delivery and distribution of compensation and shared benefits to indigenous people will take account of the institutions, rules and customs of these indigenous peoples, capacities and gender equality. Eligibility for compensation can either be individually or collectively based, or be a combination of both, to be determined in consultation with affected indigenous peoples. Where compensation occurs on a collective basis, as far as practicable, mechanisms that promote the effective distribution of compensation to all eligible members, or collective use of compensation in a manner that benefits all members of the group, including women, youth, the elderly and persons with disabilities, will be defined and implemented in consultation with affected indigenous people.

2.7.5 Free Prior Informed Consent (FPIC)

The principle of free, prior informed consent (FPIC) refers to the process whereby the affected community of indigenous peoples arrives at a decision in accordance with their legal provisions, cultural traditions, and practices. The UN Declaration on the Rights of Indigenous Peoples in 2007 will serve as guidance when implementing the FPIC process. The FPIC process should produce a

clear endorsement or rejection by the indigenous people concerned of the proposed intervention and a statement of all accompanying mitigating and remedial measures and benefit-sharing agreements. As such, it is the main instrument ensuring that at the project level the indigenous peoples' priorities for economic, social and cultural development and environmental protection are promoted, as duly informed by their traditional cultures, knowledge and practices.

It is fundamental to the exercise of their inherent right to self-determination. In those cases where the host government has already approved the project considered by the CCCCC for financing, the Implementing Partner will nonetheless need to verify, by way of the FPIC process, the levels and nature of free, prior and informed consent to the undertaking by the indigenous peoples concerned, as well as the adequacy and compliance with the CCCCC standards of the mitigation measures and benefit-sharing arrangements proposed.

2.7.5.1 Circumstances Requiring Free, Prior, and Informed Consent

Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use: While Indigenous Peoples may not possess legal title to these lands as defined by national law, their use of these lands, including seasonal or cyclical use, for their livelihoods, or cultural, ceremonial, and spiritual purposes that define their identity and community, can often be substantiated and documented.

If the Implementing Partner proposes to locate a project on, or commercially develop natural resources on lands traditionally owned by, or under the customary use of, Indigenous Peoples, and adverse impacts can be expected, the Implementing Partner will take the following steps:

- Document efforts to avoid and otherwise minimize the area of land proposed for the project and spiritual purposes that define their identity and community can often be substantiated and documented
- Document efforts to avoid and otherwise minimize impacts on natural resources and natural areas of importance to Indigenous People;
- Identify and review all property interests and traditional resource uses prior to purchasing or leasing land;
- Assess and document the Affected Communities of Indigenous Peoples' resource use without prejudicing any Indigenous Peoples' land claim.
- The assessment of land and natural resource use should be gender inclusive and specifically consider women's role in the management and use of these resources;
- Ensure that Affected Communities of Indigenous Peoples are informed of their land rights under national law, including any national law recognizing customary use rights; and
- Offer Affected Communities of Indigenous Peoples compensation and due process in the case of commercial development of their land and natural resources, together with culturally appropriate sustainable development opportunities, including:

- Providing land-based compensation or compensation-in-kind in lieu of cash compensation where feasible.
- Ensuring continued access to natural resources, identifying the equivalent replacement resources, or, as a last option, providing compensation and identifying alternative livelihoods if project development results in the loss of access to and the loss of natural resources independent of project land acquisition.
- Ensuring fair and equitable sharing of benefits associated with project usage of the resources where the Implementing Partner intends to utilize natural resources that are central to the identity and livelihood of Affected Communities of Indigenous People and their usage thereof exacerbates livelihood risk.
- Providing Affected Communities of Indigenous Peoples with access, usage, and transit on land it is developing subject to overriding health, safety, and security considerations.

Relocation of Indigenous Peoples from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use: The Implementing Partner will consider feasible alternative project designs to avoid the relocation of Indigenous Peoples from communally held lands and natural resources subject to traditional ownership or under customary use. If such relocation is unavoidable the Implementing Partner will not proceed with the project unless FPIC has been obtained as described above. Any relocation of Indigenous Peoples will be consistent with the requirements of Performance Standard 5. Where feasible, the relocated Indigenous Peoples should be able to return to their traditional or customary lands, should the cause of their relocation cease to exist.

Critical Cultural Heritage: Where a project may significantly impact on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, priority will be given to the avoidance of such impacts. Where significant project impacts on critical cultural heritage are unavoidable, the Implementing Partner will obtain the FPIC of the Affected Communities of Indigenous Peoples.

Where a project proposes to use the cultural heritage including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes, the Implementing Partner will inform the Affected Communities of Indigenous Peoples of (i) their rights under national law; (ii) the scope and nature of the proposed commercial development; (iii) the potential consequences of such development; and (iv) obtain their FPIC. The Implementing Partner will also ensure fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with the customs and traditions of the Indigenous Peoples.

2.7.6 Government’s Responsibility in Managing Indigenous Peoples Issues

Where the government has a defined role in the management of Indigenous Peoples issues in relation to the project, the Implementing Partner will collaborate with the responsible government agency, to the extent feasible and permitted by the agency, to achieve outcomes that are consistent with the objectives of this Performance Standard. In addition, where government capacity is limited, the Implementing Partner will play an active role during planning, implementation, and monitoring of activities to the extent permitted by the agency.

The Implementing Partner will prepare a plan that, together with the documents prepared by the responsible government agency, will address the relevant requirements of this Performance Standard. The Implementing Partner may need to include:

- (i) the plan, implementation, and documentation of the process of ICP and engagement and FPIC where relevant;
- (ii) description of the government-provided entitlements of affected Indigenous Peoples;
- (iii) the measures proposed to bridge any gaps between such entitlements, and the requirements of this Performance Standard; and
- (iv) the financial and implementation responsibilities of the government agency and/or the Implementing Partner.

2.8 PERFORMANCE STANDARD 8: CULTURAL HERITAGE

2.8.1 Introduction

Performance Standard 8 recognizes the importance of cultural heritage to current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to ensure that Implementing Partners protect cultural heritage during their project activities. In addition, Convention on Biological Diversity guides the requirements of this Performance Standard.

Cultural resources contribute to socio- economic development, cultural identity and cultural preservation. Physical cultural heritage refers to movable or immovable objects sites, structures, cultural or sacred spaces that may be associated with natural or man-made features that could have paleontological historical, archaeological, religious or cultural significance. It can also include intangible expressions such as knowledge, practices, skills or expressions that may be transmitted from one generation to another. CCCCC financed operations will be guided by applicable international conventions ratified by the Implementing Partner as well as by national legislation and regulations to avoid adverse impacts on cultural resources. The application of this Performance Standard is designed to promote awareness and appreciation, encourage their protection, conservation and sound management and applies whether the cultural heritage has been legally protected, internationally recognized or previously disturbed.

2.8.2 Objectives

The objectives of this Performance Standard are:

- To protect cultural heritage from the adverse impacts of project activities and support its preservation and conservation.
- To promote the equitable sharing of benefits from the use of cultural heritage.

2.8.3 Scope of Application

The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the Environmental and Social Management System, the elements of which are outlined in *Performance Standard 1*.

For the purposes of this Performance Standard, cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.

The requirements of this Performance Standard apply to cultural heritage regardless of whether it has been legally protected or previously disturbed. The requirements of this Performance Standard do not apply to cultural heritage of Indigenous Peoples; Performance Standard 7 describes those requirements.

2.8.4 Requirements

In addition to complying with applicable national law on the protection of cultural heritage, the Implementing Partner will identify and protect cultural heritage by ensuring that internationally recognized practices for the protection, field-based study, and documentation of cultural heritage are implemented.

Projects will avoid alteration, damage, removal, or destruction to cultural property designated as having local, national, or international significance, and will encourage its conservation and enhancement. Where projects can have an impact on cultural property, on-site investigation will be carried out, and relevant national groups and agencies will be consulted as part of the ESIA process in order to identify the extent and significance, of resources that may be affected, and to develop appropriate mitigating measures and management plans. Where no alternatives are feasible, and significant cultural property can be damaged or destroyed, such resources will be salvaged, if possible, and/or fully documented before development begins.

Projects should also not permanently interfere with existing access to and use of physical and cultural resources and may therefore require studies and consultations with affected people, to make required adjustments to project design to accommodate these considerations.

2.8.4.1 Chance Find Procedures

The Implementing Partner is responsible for siting and designing a project to avoid significant adverse impacts to cultural heritage. The environmental and social risks and impacts identification process should determine whether the proposed location of a project is in areas where cultural heritage is expected to be found, either during construction or operations. In such cases, as part of the ESMS, the Implementing Partner will develop provisions for managing chance finds¹¹ if cultural heritage is subsequently discovered. The Implementing Partner will not disturb any chance find further until an assessment by competent professionals is made and actions consistent with the requirements of this Performance Standard are identified.

2.8.4.2 Consultation

Where a project may affect cultural heritage, the Implementing Partner will consult with Affected Communities within the host country who use, or have used within living memory, the cultural heritage for longstanding cultural purposes. The Implementing Partner will consult with the Affected Communities to identify cultural heritage of importance, and to incorporate into the Implementing Partner's decision-making process the views of the Affected Communities on such cultural heritage. Consultation will also

¹¹ Tangible cultural heritage encountered unexpectedly during project construction or operation.

involve the relevant national or local regulatory agencies that are entrusted with the protection of cultural heritage.

2.8.4.3 Removal of Non-Replicable Cultural Heritage

Most cultural heritage is best protected by preservation in its place since removal is likely to result in irreparable damage or destruction of the cultural heritage. The Implementing Partner will not remove any nonreplicable cultural heritage, unless all of the following conditions are met:

There are no technically or financially feasible alternatives to removal;

- The overall benefits of the project conclusively outweigh the anticipated cultural heritage loss from removal; and
- Any removal of cultural heritage is conducted using the best available technique.

2.8.4.4 Critical Cultural Heritage¹²

The Implementing Partner should not remove, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the Implementing Partner will use a process of Informed Consultation and Participation (ICP) of the Affected Communities as described in Performance Standard 9 and which uses a good faith negotiation process that results in a documented outcome. The Implementing Partner will retain external experts to assist in the assessment and protection of critical cultural heritage.

In circumstances where a proposed project is located within a legally protected area or a legally defined buffer zone, the Implementing Partner will meet the following requirements:

- Comply with defined national or local cultural heritage regulations or the protected area management plans;
- Consult the protected area sponsors and managers, local communities and other key stakeholders on the proposed project; and
- Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

¹² Critical cultural heritage consists of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.

2.9 PERFORMANCE STANDARD 9: STAKEHOLDER ENGAGEMENT AND INFORMED DISCLOSURE

2.9.1 Introduction

Stakeholder engagement is the hallmark of environmental and social sustainability. Where properly designed and implemented, engagement enhances project acceptance and makes a significant contribution to successful project design and implementation. Stakeholder engagement indicates the organization's commitment to working along with communities and people to find solutions to issues that they may encounter.

Stakeholder engagement is at its core an inclusive process that occurs throughout the project life cycle. Meaningful stakeholder consultation and engagement processes can result in unexpected opportunities to innovate and collaborate on shared challenges, build trust and credibility, and improve outcomes.

This Performance Standard must be read in conjunction with Performance Standards 1, 2, 4, 5, 7 and 8. The consultation processes that these respective standards call for should complement and vice versa the provisions of this performance standard.

This Performance Standard requires that Implementing Partners initiate early engagement, participation, consultations, and disclosure of information to parties likely to be affected by significant impacts from the investments projects it finances. The level and nature of stakeholder engagement and participation will vary depending on the project, and the CCCCC will work with Implementing Partners to determine the level of consultation and disclosure of information necessary to meet national, regional, and international (programmatic) requirements.

2.9.2 Objectives

The objectives of this Performance Standard are:

- To promote effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them.
- To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.
- To provide project-affected parties with accessible and inclusive means to raise issues and grievances and allow Borrowers to respond to and manage such grievances.

2.9.3 Scope of Application

This Performance standard applies to all projects funded by or through the CCCCC. The Implementing Partner will engage with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in *Performance Standard 1*.

A “stakeholder” refers to individuals or groups who:

- a. are affected or likely to be affected by the project (project-affected parties); and/or
- b. may have an interest in the project (other interested parties).

2.9.4 Requirements

The process of stakeholder engagement will involve the following, as set out in further detail in this ESS:

- i. stakeholder identification and analysis;
- ii. planning how the engagement with stakeholders will take place;
- iii. disclosure of information;
- iv. consultation with stakeholders;
- v. addressing and responding to grievances; and
- vi. reporting to stakeholders.

2.9.4.1 Engagement during project preparation Stakeholder identification and analysis

The Implementing Partner will identify the different stakeholders, both project-affected parties and other interested parties. The Implementing Partner will also identify those project-affected parties (individuals or groups) who, because of their circumstances, may be disadvantaged or vulnerable. Based on this identification, the Implementing Partner will further identify individuals or groups who may have different concerns and priorities about project impacts, mitigation mechanisms and benefits, and who may require different, or separate, forms of engagement.

An adequate level of detail will be included in the stakeholder identification and analysis to determine the level of communication that is appropriate for the project. Depending on the potential significance of environmental and social risks and impacts, the Implementing Partner may be required to retain independent third-party specialists to assist in the stakeholder identification and analysis to support a comprehensive analysis and the design of an inclusive engagement process.

During data gathering, information to address any groups shall be collected in such a way that it can reflect the true demography of a community. This is important to respond proportionally to needs, especially in the case of marginalized or vulnerable groups. Therefore, it is expected that data will be collected in a manner sufficient to carry a detailed analysis of the community. At the minimum data should be disaggregated by sex, age cohorts, income levels,

2.9.4.2 Engagement during project preparation Stakeholder identification and analysis

In consultation with the CCCCC, the Implementing Partner will develop and implement a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project

and its potential risks and impacts (**Annex 3**). A draft of the SEP will be disclosed as early as possible, and before project appraisal, and the Implementing Partner will seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Implementing Partner will disclose the updated SEP. The SEP will describe the timing and methods of engagement with stakeholders throughout the life cycle of the project as agreed between CCCCC and Indigenous People, distinguishing between project-affected parties and other interested parties. The SEP will also describe the range and timing of information to be communicated to project-affected parties and other interested parties, as well as the type of information to be sought from them.

The SEP will be designed to take into account the main characteristics and interests of the stakeholders, and the different levels of engagement and consultation that will be appropriate for different stakeholders. The SEP will set out how communication with stakeholders will be handled throughout project preparation and implementation.

The SEP will describe the measures that will be used to remove obstacles to participation, and how the views of differently affected groups will be captured. Where applicable, the SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources may be needed for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them.

When stakeholder engagement with local individuals and communities depends substantially on community representatives, the Implementing Partner will make reasonable efforts to verify that such persons do, in fact, represent the views of such individuals and communities, and that they are facilitating the communication process in an appropriate manner.

In certain circumstances¹³, depending on the level of information available about the project, the SEP will take the format of a framework approach, outlining general principles and a collaborative strategy to identify stakeholders and plan for an engagement process in accordance with this ESS that will be implemented once the location is known.

2.9.4.3 Informed Consultation and Participation (ICP) and Free Prior and Informed Consent (FPIC)

In cases where the projects to be financed are likely to generate potential significant adverse impacts on communities (i.e., affected communities) or are likely to generate potential adverse impacts on Indigenous Peoples, the CCCCC expects Implementing Partners to engage in a process of Informed Consultation and Participation (ICP). In such cases the CCCCC will determine whether the Implementing Partner's community engagement is one that involves ICP and enables the participation of the affected communities, leading to broad Community Support for the project(s) by affected communities (*see the CCCCC Project Formulation Document*). After the approval of the project, the CCCCC will continue to

¹³ For example, where the exact location of the project is not known.

monitor the Implementing Partner's community engagement process as part of its monitoring and supervision activities outlined in the General Section of this document.

In addition, where a proposed project triggers the Performance Standard (PS) 7 requirement of Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples, the CCCCC will undertake an in depth review of the process conducted by the Implementing Partner as part of its environmental and social due diligence and in accordance with the requirements of that performance standard.

2.9.4.4 Information Disclosure and Access to Information

This ESS Policy is grounded in the CCCCC ethos of providing disclosure to the widest external audience possible, to provide the opportunity to increase public exposure and broaden stakeholder understanding of the CCCCC activities. This is complemented by the CCCCC Clearinghouse Facility where all information pertaining to the CCCCC activities are posted. Information that are routinely provided are: (i) the purpose, nature, and scale of the intervention; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism. These principles also apply to the environment and social assessment process. Consistent with the provisions of this Performance Standard and the CCCCC ESS Policy, once developed, the CCCCC Information Disclosure Policy will specify the requirements for disclosure of environmental and social documents.

Environment and social documentation may be made available at key stages of the ESIA process at various stages of the project. *For Category "A" interventions* the CCCCC and Implementing Partner (when they are not one and the same) is required to release the cleared draft report of the findings of the ESIA process, as well as provide a non-technical executive summary to the public. Sufficient notice of the release of the documents and the location where they can be accessed must be given prior to formal public consultations on the findings of the draft report. A record of comments and concerns raised in the public consultations process are required to be kept as part of the official project records. The final ESIA report submitted to the CCCCC must include a summary of the issues and concerns raised in the consultation process and provide information on how these are addressed in the intervention's design.

2.9.4.5 Engagement during project implementation and external reporting

The Implementing Partner will continue to engage with, and provide information to, project-affected parties and other interested parties throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.

The Implementing Partner will continue to conduct stakeholder engagement in accordance with the SEP, and will build upon the channels of communication and engagement already established with stakeholders. In particular, the Implementing Partner will seek feedback from stakeholders on the environmental and social performance of the project, and the implementation of the mitigation measures in the ESCP. In addition, the CCCCC

encourages Implementing Partners to make publicly available periodic reports on their environmental and social sustainability, which will also be publicized on the CCCCC website.

2.9.4.6 Grievance Mechanism

The Implementing Partner will respond to concerns and grievances of affected parties related to the environmental and social performance of the project in a timely manner. The grievance mechanism will be proportionate to the potential risks and impacts of the project and will be accessible and inclusive. Prior to project implementation, the CCCCC will work with the Implementing Partner to determine whether a project grievance mechanism or the CCCCC Grievance Redress Mechanism will be utilized as the primary mechanism for a Project. Where feasible and suitable for the project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements.

The grievance mechanism is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution. The mechanism, process or procedure will not prevent access to judicial or administrative remedies. The Implementing Partner will inform the project-affected parties about the grievance process in the course of its community engagement activities and will make publicly available a record documenting the responses to all grievances received.

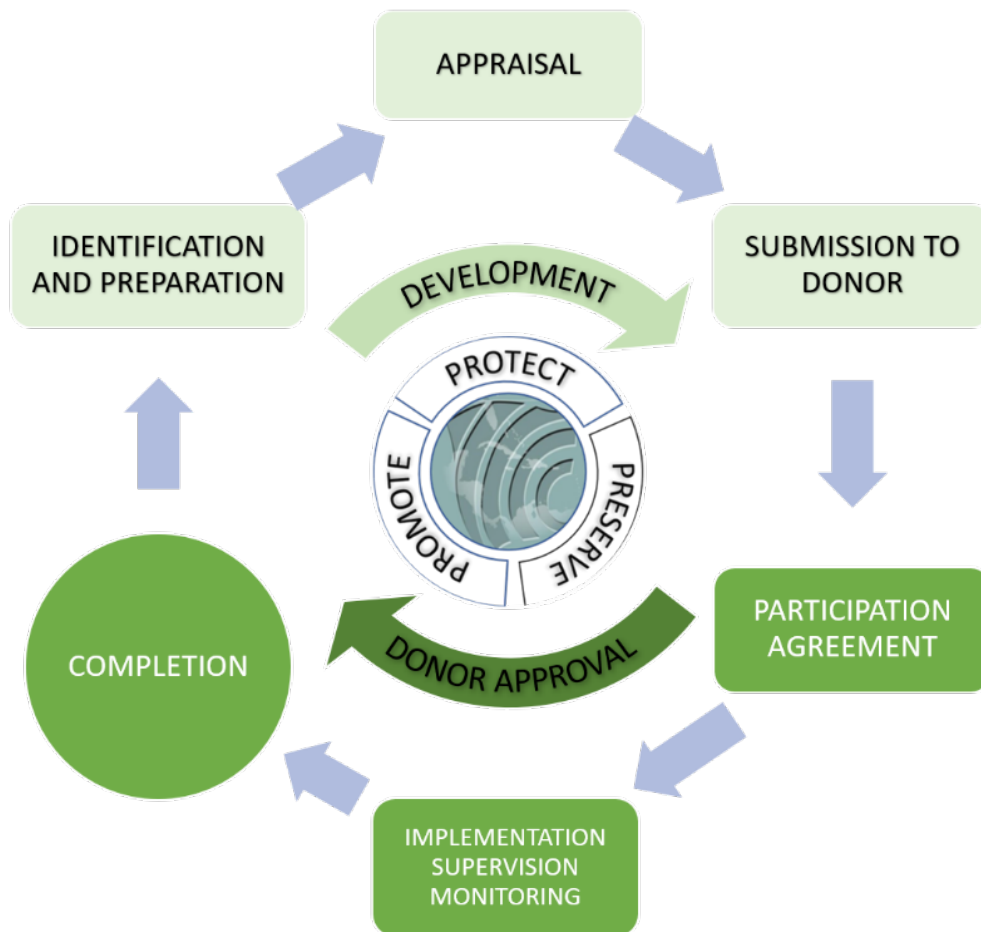
Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the needs and concerns of the project-affected parties. The mechanism will also allow for anonymous complaints to be raised and addressed.

SECTION III - RISK SCREENING, CATEGORIZATION AND MANAGEMENT PROCEDURES

3.1 Environmental and Social Safeguard Process

The environmental and social safeguard process within the project cycle from project identification to completion is highlighted in **Figure 1**. Additionally, it clarifies the responsibilities of the Implementing Partners and the CCCCC in the environmental and social review process. A detailed description of the project cycle with the responsible parties and review process is presented in **Annex 4**.

FIGURE 1: ENVIRONMENTAL AND SOCIAL SAFEGUARD PROCESS IN THE PROJECT CYCLE



3.1.1 Environmental and Social Categorization

The Head of the PDMU will assign staff to screen each project for environment, disaster and climate change risks and to assess social risks. A single category is assigned to each project that reflects the issue(s) with the greatest potential for environmental or social impacts. Projects are classified according to Categories A, B, C or FI.

If at least one project component can be clearly classified as “A” or “B”, then the project, as a whole, is assigned this category. The Head of PDMU may assign or provide additional technical expertise if this is deemed necessary for the preparation and/or appraisal process. **Figure 2** illustrates the environmental screening and categorisation process, and additional guidance on project categorisation is provided at *Annex 5*.

Environment and Social assessment screening is required for all projects proposed for financing from the CCCCC, to determine their suitability for financing. Projects are screened for their potential environment, disaster, climate change and social risks, opportunities for introducing enhanced environmental and social benefits, the capacity of the Implementing Partner to implement the project in-keeping with the CCCCC Performance Standards, and the wider context of the national legislative and regulatory requirements within which it will operate. These categories are:

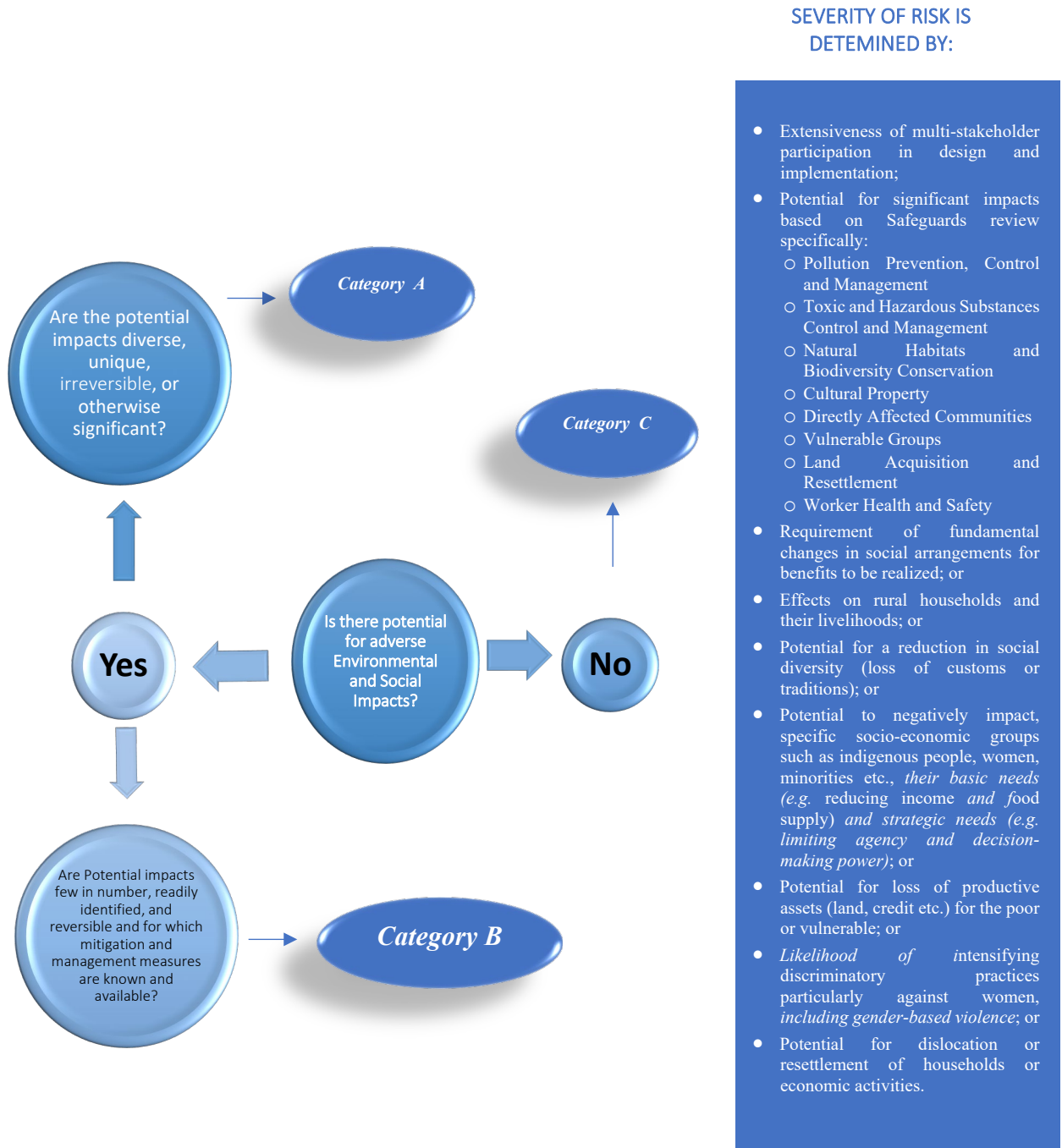
Category A: are projects with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented. Comprehensive formal environmental and/or social analysis is required using specialized an independent technical expertise.

Category B: are projects with the potential for moderate adverse environmental or social risks and/or impacts and/or risks that are readily identifiable, few in number, generally site-specific, largely reversible, and readily addressed through mitigation and management measures that are well known and established. The environmental or social assessment may be limited, requiring that specific issues be addressed based on criteria set out by the CCCCC and/or the national regulatory body.

Category C: are projects with little or no adverse environmental or social risks and/or impacts. An environmental and social appraisal is generally not required.

Category FI: are projects where the CCCCC provides grant financing to a financial intermediary (FI) responsible for appraisal, disbursing and monitoring resources provided for sub-projects to multiple small and medium-sized private sector or civil society grantees.

FIGURE 2: ENVIRONMENTAL AND SOCIAL RISK CATEGORIZATION PROCESS



Adapted from the CCCCC Environmental and Social Review Procedure Document (2014)

3.1.2 Environmental and Social Performance Standards Checklist

An Environmental and Social Performance Standards Checklist (ESPSC) will be prepared by assigned PDMU staff at the start of the internal appraisal review process. *Annex 6* provides a template for the ESPSC. The Environmental and Social Safeguard Checklist provides details of the significant considerations of the project, (based on its main components), with reference to the project's compliance with the CCCCC Performance Standards. This Checklist will form the basis of the development of an Environmental and Social Screening Memorandum (*Annex 7*). It is to be updated and fully completed by the PDMU's assigned Specialist at the review stage of the internal appraisal process and will reflect changes resulting from additional information provided by the Beneficiary Partner or those arising from the internal review process.

3.1.3 Appraisal Report

The PDMU staff will have responsibility to ensure that findings and recommendations of the environmental and social assessment processes are integrated in the overall project design, costing, cost-benefit analyses, project management and implementation arrangements. PDMU is required to prepare technical inputs from these findings as an element of the appraisal report and make all necessary adjustments to these inputs as the appraisal report progresses through the CCCCC internal review process. Once completed the CCCCC Assistant Executive Director or the head of the PDMU will sign off on the appraisal report to verify that it confirms with the Environmental and Social Performance Standards Screening Checklist, for accountability purposes.

For projects categorized as "A" and "B", the chapter of the appraisal report that describes project rationale, objectives, and scope, is expected to outline the key issues in a manner suitable for the CCCCC decision-making (*Annex 8*). It should provide a succinct summary of the project's significant environment and social impacts and risks; and indicate how these have been addressed against the CCCCC Performance Standards and or industry standards and "best practices". The section should cover the following:

- screening categorization assigned;
- compliance with Implementing Partner's and national legislative and regulatory frameworks;
- present significant sustainability issues, predicted significant environment and social impacts and associated mitigation measures, and/or environmental and social management plan;
- management capacity of the Beneficiary Partner;
- environment and social performance and monitoring indicators; and
- arrangements for monitoring and reporting on environment, and social requirements during project implementation and

For Category "A" projects a summary of the findings of the environmental and social assessment studies, as well as the public consultations outcomes is to be prepared and

included as an Appendix to the project chapter of the appraisal report. The format for the environmental and social assessment summary is presented at *Annex 9*. In addition, when deemed necessary, discrete summaries of the findings of natural hazard or climate vulnerability assessment studies carried out to inform the project design must be included as Appendices in the appraisal report to support the technical design of the project.

3.1.4 Legal Documentation

The Implementing Partner is responsible for the effective implementation of projects financed by the CCCCC. However, the CCCCC may choose to attach specific environmental and social clauses or conditions to the Project Participation Agreement to ensure that specific environmental and social requirements are adhered to during project implementation and operations to minimize risks to the interests and negative impacts on the reputation of the CCCCC.

3.1.5 Supervision and Performance Monitoring and Reporting

The primary objective of supervision and performance monitoring is to identify, predicted and/or unanticipated changes to the physical or social environment, brought about by the project, to assess compliance with approved project design, the effectiveness of agreed mitigation measures and the overall project management execution arrangements and conditions of the grant agreement, as well as the monitoring and reporting requirements for each project are included in the project supervision and reporting plan and are included as a condition of the grant agreement.

The Implementing Partner is responsible for executing CCCCC-financed projects and is therefore responsible for meeting the environmental and social performance standards as set out in the Project's ESMP. The CCCCC will work with implementing partners to assist them to meet these responsibilities the extent which is prudent for both organization. Where there are deficiencies in an Implementing Partner capacity that could hinder its ability to satisfy these requirements, the CCCCC will provide direct technical support through the PDMU or collaborative parties/partners. Supervision and Performance reports shall include a section on the status of implementation of any ESMP, including those measures to avoid, minimize or mitigate environmental and social risks/and/or impacts.

The PDMU staff shall monitor the Implementing Partner's compliance and performance in the implementation of the ESMP's, specific measurable parameters and/or compensation measures and any specific environment and social grant covenants required of the Implementing Partner, national authorities or third parties to the grant agreement. Deviations from the baseline or agreed arrangements must be brought to the attention of the PDMU through formal supervision reports.

The findings from the PDMU staff project supervision site visits and desk reviews of supervision documentation submitted by the EA will be recorded in a supervision

report in accordance with the project supervision plan detailed in the appraisal report. All environment and social supervision reports must be annexed to Project Report (PRs). Where the CCCCC deems that there are serious issues of non-compliance it will carry out a compliance audit or establish an independent monitoring team as it deems appropriate. *Annex 10* provides further guidance on supervision reporting.

3.1.6 Project Completion Reports (PCRs)

The Project Completion Reports (PCRs) will document the CCCCC experience in the implementation of a project and therefore provide valuable information to guide the design and management of future projects. After the last disbursement on a project, the Implementing Partner prepares a PCR for review by the CCCCC. The CCCCC then prepares its own PCR for the project. The CCCCC PCR will provide a summary on the performance of the project, covering issues such as the:

- compliance with environment and social conditions of the Project;
- adequacy of environmental and social monitoring and reporting requirements;
- performance of mitigation measures; and
- other significant environmental and social issues which emerged during project implementation.

3.1.7 Ex-Post Evaluation

PCRs are used as input to ex-post evaluations as part of the CCCCC M&E requirements.

3.2 Environmental and Social Due Diligence

The CCCCC environmental and social due diligence will be commensurate with the nature, scale, and stage of the intervention, and with the level of environmental and social risks and impacts. The CCCCC will conduct due diligence of all new interventions that are being considered for the CCCCC support, whether in the design, construction, or operational stage. Where there are significant environmental or social impacts associated with the intervention, including past or present adverse impacts caused by others, the CCCCC works with the Implementing Partners to determine possible remediation measures.

In cases where the involvement of the CCCCC is sought after an intervention has commenced, the CCCCC will review the ESMS and risk management practices already in place, as well as the environmental and social assessment and community engagement undertaken by the Implementing Partner and/or any third party before the CCCCC consideration of the intervention. When the CCCCC involvement occurs in the early stages of a project, the CCCCC will be able to support the Implementing Partner more effectively in anticipating and addressing specific risks and impacts; in identifying opportunities; and in managing these throughout the life of the project.

Environmental and social due diligence typically includes the following key components: (i) reviewing all available information, records, and documentation related to the environmental and social risks and impacts of the project; (ii) conducting site inspections and interviews of Implementing Partner personnel and relevant stakeholders, where appropriate; (iii) analyzing the project's environmental and social performance in relation to the requirements of the Performance Standards and provisions of the World Centre's Group Environmental, Health and Safety Guidelines, the IFC, the Green Climate Fund, or other internationally recognized sources, as appropriate; and (iv) identifying any gaps therewith, and corresponding additional measures and actions beyond those identified by the Implementing Partner's in-place management practices.

In cases of projects with a clearly defined environmental and social footprint, the CCCCC requirements regarding environmental and social risk management will apply to the project being financed by the CCCCC. However, the CCCCC will encourage all partners and Ips with which it engages to manage environmental and social risks consistently in all their operations.

If the Implementing Partner fails to comply with its environmental and social commitments as expressed in a project's agreements and associated documents, the CCCCC will work with the Implementing Partner to bring it back into compliance, and if the Implementing Partner fails to reestablish compliance, the CCCCC will exercise its rights and remedies, as appropriate.

The CCCCC requires that an Implementing Partner inform it when there is a material change, i.e., change in environmental and/or social risk profile, in their intervention or when they plan to enter into a new area that is materially different from what was represented when the CCCCC approved the intervention. In such circumstances, the CCCCC will assess whether the new area poses environmental and/or social risks and/or impacts, and if so, the CCCCC will require the Implementing Partner to adjust its ESMS in a manner consistent with (i) potential environmental and social risks and impacts associated with material changes of these new interventions; (ii) this Policy; and (iii) applicable requirements of the Performance Standards. The CCCCC may request the Implementing Partner to provide results of its environmental and social due diligence for activities financed in these new intervention areas.

The CCCCC will rely on independent third-party specialists, as needed, to carry out or review ESIA for Category A projects.

3.3 Risk Management Methodology

Unidentified risk is the ultimate factor that can cause to organization prevent an activity (plan, program, project) from achieving its goal. a high probability in achieving successful outcomes. It is often difficult to remedy a situation one it starts to unfold. As such a problem that arises during the execution of a project. Risk can be financial, reputational, biological, chemical, physical, legal. Properly addressing risk requires and systematic approach with sign posting along the way to ensure that the right risks are identified and addressed. The

risk management methodology forms and integral part of the Risk Management Framework (**Annex 11**).

3.3.1 Scope and Objective

The risk management methodology is a guide to systematic identify and mitigate risk that are typically encountered and can affect the objectives of a project. It applies to programmes or projects that are managed by the CCCCC. The objective is to ensure that the CCCCC does not compromise its reputation by failing to identify high impact risks that could have been avoided, eliminated, or mitigated. The risk management methodology can be utilized for a guide to check if project risks were properly identified and assessed.

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ANNEXES

Annex 1 (Section 1.5): Project Exclusion List

TYPE OF ACTIVITIES	TYPICAL EXAMPLES AND CLARIFICATIONS
Ammunition and Weapons, Military/Police Equipment, or Infrastructure.	Radioactive material does not apply to quality control (measurement) equipment where it can be demonstrated that the radioactive source is to be trivial or adequately shielded.
Projects which result in Limiting People’s Individual Rights and Freedom, or Violation of Human Rights.	Non-compliance with Fundamental Principles and Rights at Work International Labour Organisation.
Projects that knowingly require involuntary physical and or economic displacement of people.	Projects where people live or work on lands necessary for project activities and where the Government has not worked out relocation prior to the engagement of the CCCCC.
Projects unacceptable in Environmental and Social Terms.	<p>Projects that <i>significantly degrade</i> Protected Areas, Critical Habitats and Heritage Sites, without adequate compensation/mitigation.</p> <p><i>Materially significant unmitigated negative impacts on the environment or sensitive social groups for example, poor indigenous peoples.</i></p>
Activities Prohibited by National Legislation, Regulations or Ratified International Conventions.	<p>Genetically Modified Organisms (GMO); Abortion Clinics; Nuclear Energy; Etcetera. Wildlife or wildlife products regulated under Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).</p> <p>Pesticides, Herbicides Ozone Depleting Substances subject to international phase outs or bans defined by the International Convention on the Reduction and elimination of Persistent Organic Pollutants and the Rotterdam, Stockholm Conventions and Montreal Protocol Lists.</p> <p>Trans-boundary trade in waste or waste products defined under Basel convention and except for non-hazardous waste bound for recycling.</p>
Ethically or Morally Controversial Projects.	Sex Trade and Related Infrastructure, Services and Media; Animal Testing*); <i>Gambling and Related Equipment, Hotels With In-House Casinos; Tobacco (Production, Manufacturing, Processing, And Distribution) Alcoholic beverages excluding beer and rum.</i>

Annex 2 (Section 2.7.4): Indigenous People Plan

An Indigenous People Plan (IPP) should include the following elements:

1. Baseline information (from independent and participatory environmental and social risks and impacts assessment processes);
2. Key findings and analyses of impacts, risks, and opportunities;
3. Measures to avoid, minimize and mitigate negative impacts, and enhance positive impacts and opportunities;
4. Community-based natural resource management;
5. Results of consultations (during environmental and social risks and impacts assessment processes), including a list of people and organizations that participated, a timetable, who was responsible for each activity, the free, prior and informed consent, and future engagement plans;
6. Gender assessment and action plans;
7. Benefit sharing plans;
8. Tenure arrangements;
9. Grievance redress mechanisms;
10. Costs, budgets, timetables, organizational responsibilities; and
11. Monitoring, evaluation, and reporting.

Annex 3 (Section 2.9.4.2): Outline of a Comprehensive Stakeholder Engagement Plan

1. Introduction

- a. Briefly describe the project including design elements and potential social and environmental issues. Where relevant, include maps of the project site and surrounding area.

2. Regulations and Requirements

- a. Summarize any legal, regulatory, donor/lender requirements pertaining to stakeholder engagement applicable to the project. This may involve public consultation and disclosure requirements related to the social and environmental assessment process as well as relevant international obligations.

3. Summary of any previous stakeholder engagement activities

- a. If any stakeholder engagement activities had been undertaken to date, including information disclosure and/or consultation, provide the following details:
 - i. Type of information disclosed, in what forms and languages (e.g., oral, brochure, reports, posters, radio, etc.), and how it was disseminated
 - ii. Locations and dates of any meetings undertaken to date
 - iii. Individuals, groups, and/or organizations that have been consulted
 - iv. Key issues discussed and key concerns raised
 - v. Responses to issues raised, including any commitments or follow-up actions
 - vi. Process undertaken for documenting these activities and reporting back to stakeholders

4. Project Stakeholders

- a. List the key stakeholder groups who will be informed about and engaged in the project (based on stakeholder analysis). These should include persons or groups who:
 - i. Are directly and/or indirectly affected by the project
 - ii. Have “interests” in the project that determine them as stakeholders
 - iii. Have the potential to influence project outcomes or operations
 - iv. [Examples of potential stakeholders are beneficiaries and project-affected communities, local organizations, NGOs, and government authorities, indigenous peoples; stakeholders can also include politicians, private sector companies, labor unions, academics, religious groups, national environmental and social public sector agencies, and the media].
 - v. Consider capacities of various stakeholder groups to effectively participate in the stakeholder engagement activities, and include measures to support them where capacity is limited

5. Stakeholder Engagement Program

- b. Summarize the purpose and goals of the stakeholder engagement program
- c. Briefly describe what information will be disclosed, in what formats and languages, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in section 4 above. Methods used may vary according to target audience, for example:

- i. Newspapers, posters, radio, television
 - ii. Information centers and exhibitions or other visual displays
 - iii. Brochures, leaflets, posters, non-technical summary documents and reports
- d. Briefly describe the methods that will be used to engage and/or consult with each of the stakeholder groups identified in section 4. Methods used may vary according to target audience, for example:
 - i. Interviews with stakeholder representatives and key informants
 - ii. Surveys, polls, and questionnaires
 - iii. Public meetings, workshops, and/or focus groups with specific groups
 - iv. Participatory methods
 - v. Other traditional mechanisms for consultation and decision-making
- e. Describe how the views of women and other relevant groups (e.g. minorities, elderly, youth, other marginalized groups) will be taken into account and their participation facilitated
- f. Where relevant, define activities that require prior consultation and FPIC from indigenous peoples (and refer to Indigenous Peoples Plan and FPIC protocols)
- g. Outline methods to receive feedback and to ensure ongoing communications with stakeholders (outside of a formal consultation meeting)
- h. Describe any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs, stakeholder-led initiatives, and training and capacity building/support programs.

5. Timetable

- a. Provide a schedule outlining dates/periodicity and locations where various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be undertaken

6. Resources and Responsibilities

- a. Indicate who will be responsible for carrying out the specified stakeholder engagement activities
- b. Specify the budget and other resources allocated toward these activities
- c. [For projects with significant potential impacts and multiple stakeholder groups, it is advisable to hire a qualified stakeholder engagement facilitator to undertake all or portions of the stakeholder engagement activities]

7. Grievance Mechanism

- a. Describe the process by which people concerned with or potentially affected by the project can express their grievances for consideration and redress. Who will receive grievances, how and by whom will they be resolved, and how will the response be communicated back to the complainant? (see Guidance Note on Grievance Redress Mechanisms)

8. Monitoring and Reporting

- a. Describe any plans to involve project stakeholders (including target beneficiaries and project-affected groups) or third-party monitors in the monitoring of project implementation, potential impacts and management/mitigation measures.
- b. Describe how and when the results of stakeholder engagement activities will be reported back to project affected and broader stakeholder groups. Examples include newsletters/bulletins, social and environmental assessment reports; monitoring reports.

Annex 4 (Section 3.1): Environmental and Social Safeguard Process in the Project Cycle

Project Cycle Phase	Responsibility	ESRP
Project Identification and Preparation	Project Development Specialist (PDS) requests Environmental and Social Screening Memorandum (ESSM) as part of project profile.	Head, PDMU or his/her designate assigns CCCCC Environmental or Social Specialist(s) based on initial review of potential environmental and social issues.
	IPs	Provides initial environmental and social information as basis for screening and classification, including details of stakeholder engagement, as appropriate.
	CCCCC Specialist(s)	Complete Environmental and Social Screening Memorandum (ESSM), including classification, ESIA documentation requirements (if any), safeguards checklist and stakeholder engagement, as appropriate. Determines need for further action based on CCCCC thresholds and type of project, the CCCCC Project Exclusion list (Annex 1), CCCCC accreditation status.
	Head, PDMU or His/her Designate	Signs off on ESSM (Annex 7); confirms lead specialist (environment or social) or co-leads (environment or social) to facilitate EIA/ESIA (Annex 8) if necessary; ESSM is entered into the CCCCC Project Management Information System.
	CCCCC Specialist(s)	Informs Implementing Partner of ESSM requirements.
	PDMU	Completes studies, plans, actions, and documentation requirements set out in ESSM.
	PDMU	Reviews documentation for quality and completeness against the CCCCC ESS; resolves any outstanding environmental and social issues (Section II).
Appraisal	Appraisal Committee/CCCCC Specialist	Incorporates findings into Appraisal Committee reviews, as well as the Appraisal Report Annex 8).
Submission to Donor	PDS/CCCCC Specialist(s)/ Head PDMU	Ensure that environmental and social documentation is aligned to Donor's requirements.
Project Approval by Donor		
Development of Project Participation Agreements (PPAs)	Legal Counsel, Project Development Specialist and Project Manager	If a PPA is required, Legal Counsel ensures that environmental or social concerns are incorporated.
Implementation, supervision, and monitoring	PDMU (Project Manager/M&E Officer, Environmental and Social Specialist)	Supervises and monitors environment and social performance during project implementation against agreed legal documents and ESMP (Annex 10); assesses unanticipated impacts, if any; reports on and documents status in the CCCCC Project Management Information System.
Project Completion	PDMU (Project Manager, Environmental and Social Specialist)	Completes environmental and social sections of the Project Completion Report.

Annex 5 (Section 3.1.1): Screening and categorization

PDMU Officers will determine the project classification following project screening and scoping, and as one element in the ESSM completion process. A single category is assigned to each project to reflect the issue(s) with the greatest potential to result in environmental or social impacts.

CATEGORY A PROJECTS: projects with the potential for diverse, unique, irreversible or otherwise significant adverse environmental or social impacts. Examples include:

- (a) Large-scale agriculture including livestock farming.
- (b) Agro-industries including aquaculture.
- (c) Fisheries development.
- (d) Large-scale infrastructure, including roads, sanitation, irrigation or water supply.
- (e) Large-scale tourism developments including hotels and water parks.
- (f) Ports, harbours and marinas.
- (g) Airports.
- (h) Forestry and forestry industries.
- (i) Major waste management facilities (exceptions: upgrade - where the upgrade includes retrofitting of the existing facility or additions – where the addition is less than quarter the capacity of the original facility)
- (j) Industrial plants and industrial estates.
- (k) Storage facilities for petroleum, petrochemical or chemical products.
- (l) Thermal power.
- (m) Large scale hydro power.
- (n) Large scale rural electrification
- (o) Dams and impounding reservoirs.
- (p) Mining and mineral processing.
- (q) Oil and gas developments including pipelines.
- (r) Large-scale land tenure, reclamation or conversion of previously undeveloped land (in accordance with local environmental and social regulations))
- (s) Projects with potential impacts to environmentally sensitive areas such as coral reefs, mangrove swamps, and areas protected by national or international law.
- (t) Projects requiring resettlement including the regulation of informal settlements or significant economic displacement, or with potential adverse impacts to vulnerable groups.
- (u) Human development projects (education, health, skills training, youth development).
- (v) Large rural development projects, rural enterprise, shelter development. (major socio-economic impacts)

CATEGORY 'B' PROJECTS: Projects with the potential for moderate adverse environmental or social impacts that are readily identified, and for which mitigation and management measures are known and available. Examples include:

- (a) Small-scale rehabilitation, modernization or expansion activities associated with existing facilities.
- (b) Road maintenance activities and construction of feeder roads.

- (c) Public facilities including schools, housing developments and small-scale hospitals.
- (d) Small-scale municipal infrastructure such as water supply and sanitation projects.
- (e) Rural electrification (small scale).
- (f) Small enterprise development.
- (g) Renewable energy development (excluding large scale).
- (h) Telecommunications networks.
- (i) Tourism infrastructure development.

CATEGORY ‘C’ PROJECTS: Projects with little or no potential for adverse environmental or social impacts. Examples include:

- (a) Education programmes not including infrastructure, which can catalyse profound transformation in mindsets with respect to the perception of human rights and capabilities, and their relations with poverty and inequalities.
- (b) Health programmes, (not including hospital buildings and construction).
- (c) Feasibility studies.
- (d) Institutional development.
- (e) National or Organizational Capacity Development.
- (f) General technical assistance activities.
- (g) Sustainable Infrastructure.
- (h) Projects using low technology.
- (i) Early Warning System Projects.

CATEGORY ‘FI’ PROJECTS: Projects where “the CCCCC” channels resources through a financial intermediary for financing regranting.

Annex 6 (Section 3.1.2): Environmental and Social Risk Assessment Screening Checklist (ESRSC)

Question 1:

Has a combined environmental and social assessment/review that covers the proposed project already been completed by the National Partner, Project Implementation Partner, or other donor(s)?

Select answer below and follow instructions:

NO ... Continue to Question 2 (*do not fill out Table 1.1*)

YES ... No further environmental and social review is required if the existing documentation meets CCCCC's requirements, and environmental and social management recommendations are integrated into the project concept note. The project will be categorized as "Category C". Therefore, you should undertake the following steps to complete the screening process:

1. Use Table 1.1 below to assess existing documentation. If any of the six (6) questions result in a "No" answer, then continue to Question 2.
2. Ensure that the project concept incorporates the recommendations made in the National Partner/ Project Implementation Partner's or donor's environmental and social review.
3. Summarize the relevant information contained in the National Partner/ Project Implementation Partner's or donor's environmental and social review in the E&S Summary Note of the Environment and Screening Memorandum, selecting Category C.
4. Attach this Environmental and Social Performance Standards Checklist (ESPSC) and the Environmental and Social Screening Memorandum, to the project concept.

Table 1.1	Checklist for Appraising Quality Assurance of Existing Environmental and Social Assessment	Yes/No
1.	Does the assessment/review meet its TOR, both procedurally and substantively?	<p><i>Procedurally: evaluation following the requirements set out in this document as per Figure 1</i></p> <p><i>Substantively: direct reference and interpretations to factual data, relevant to the projects.</i></p>

2.	Does the assessment/review provide a satisfactory assessment of the proposed project?	<i>Satisfactory Assessment: fulfilling requirements set out in the ESMS PSs, identification of project category.</i>
3.	Does the assessment/review contain the information required for decision-making?	<i>Information for Decision Making: Category of project identified</i>
4.	Does the assessment/review describe specific environmental and social management measures (e.g. mitigation, monitoring, advocacy, and capacity development measures to be clarified during project preparation and implementation stages)?	
5.	Was the assessment/review developed through a consultative process with strong stakeholder engagement, including the view of men and women?	<i>Refer to PS9 of this document</i>
6.	Does the assessment/review assess the adequacy of the cost of and financing arrangements for environmental and social management issues?	“Adequacy” how to cost E&S management issues (guidelines needed)

Table 1.1 (continued) For any “No” answers, describe below how the issue has been or will be resolved (e.g. amendments made, or supplemental review conducted).

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Question 2:

Does the project fall within any of the following categories?

- Education programmes not including infrastructure, which can catalyse profound transformation in mindsets with respect to the perception of human rights and capabilities, and their relations with poverty and inequalities.
- Health programmes, (not including hospital buildings and construction).
- Feasibility studies.
- Institutional development.
- National or Organizational Capacity Development.
- General technical assistance activities.
- Sustainable Infrastructure.
- Projects using low technology.
- Early Warning System Projects.
- Other (please Specify and provide justification) _____

Select answer below and follow instructions:

- NO... Continue to Question 3.
- YES... The proposed project will be categorized as “Category C”. No further environmental and social review required. Attach this Environmental and Social Performance Standards Checklist (ESPSC) and the Environmental and Social Screening Memorandum to the project concept.

Question 3:

Does the proposed project fit within one of the following sectors?

- Large-scale agriculture including livestock farming. Agro-industries including aquaculture.
- Fisheries development.
- Large-scale infrastructure, including roads, sanitation, irrigation or water supply.
- Large-scale tourism developments including hotels and water parks.
- Ports, harbours and marinas.
- Airports.
- Forestry and forestry industries.
- Waste management facilities.
- Industrial plants and industrial estates.
- Storage facilities for petroleum, petrochemical or chemical products.
- Thermal power.
- Large scale hydro power.

- Rural electrification (large scale).
- Dams and impounding reservoirs.
- Mining and mineral processing.
- Oil and gas developments including pipelines.
- Large-scale land tenure, reclamation, or conversion of previously undeveloped land.
- Projects with potential impacts to environmentally sensitive areas such as coral reefs, mangrove swamps, and areas protected by national or international law.
- Projects requiring resettlement including the regulation of informal settlements or significant economic displacement, or with potential adverse impacts to vulnerable groups.
- Human development projects (education, health, skills training, youth development).
- Rural development, rural enterprise, shelter development.

Select the appropriate answer and follow instructions:

NO ... Continue to Question 4.

YES ... The proposed project will be categorized as “Category A”. Conduct the following steps to complete the screening process:

1. Complete the E&S Screening Checklist and the E&S Summary Note and select “Category A”.
2. Attach the this completed Environmental and Social Performance Standards Checklist (ESPSC) and the Environmental and Social Screening Memorandum to the project concept.

Question 4:

If you have been directed to this question, the proposed project could still be categorized as “Category A” if it is likely to have a significant impact on one or more sensitive environmental or social components. You should now therefore complete Table 4.1 to enable a decision to be made about whether the project should be Category A or Category B.

If you answer “No” or “Not Applicable” to all questions in Table 4.1 then the answer to Question 4 is “No.” If you answer “Yes” to any questions in Table 4.1 (even one “Yes” can indicate a significant issue that needs to be addressed through categorizing the project as “Category A”) then the answer to Question 4 is “Yes”:

NO ... The proposed project will be categorized as “Category B”. Complete the E&S Summary Note by selecting “Category B” and attach the completed E&S Screening Checklist and the E&S Summary Note to the project concept.

YES ...Conduct the following steps to complete the screening process: 1. Select “Category A” in the E&S Summary Note and attach this Environmental and Social Performance Standards Checklist (ESPSC) and the Environmental and Social Screening Memorandum to the project concept.

Table 4.1: Additional Screening Questions based on environmental and social sensitivity

1. PS 2: Labour and Working Conditions	Answer (Yes/No/Not Applicable)	Remarks
1.1 Is the project likely to attract forced labour and/or child labour?		<i>{Consideration for forced labour – working under duress, proper verification of identity and age}</i>
1.2 Will the proposed project have variable impacts on women and men, different ethnic groups, social classes?		
1.3 Will the proposed project pose Potential occupational hazards (physical, chemical, biological, and radiological, psychosociological, ergonomic, safety hazards, and specific threats to women)?		
2. PS 3: Resource Efficiency and Pollution Prevention	Answer (Yes/No/Not Applicable)	Remarks

2.1 Would the proposed project result in the release of pollutants to the environment with the potential for adverse local, regional, and transboundary impacts?		
2.2 Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner?		
2.3 Will the proposed project involve the manufacture, trade, release, and/or use of chemicals and hazardous materials subject to international action bans or phase-outs?		
2.4 Is there a potential for the release, into the environment, of hazardous materials (e.g. persistent organic pollutants, ozone depleting substances, mercury and/or other heavy metals, etc.) resulting from their production, transportation, handling, storage and/or use for project activities?		If answer to any of these questions is a “Yes” this project should be assigned Category NO PROJECT since it is included on CCCCC’s Project Exclusion list. Please proceed to complete the ESS Summary Sheet.
2.5 Will the proposed project involve the application of pesticides that have a known negative effect on the environment or human health?		
3. PS 4: Community Health, Safety and Security	Answer (Yes/No/Not Applicable)	Remarks
3.1 Is there a highly likely ¹⁴ or likely ¹⁵ potential for the public (including workers and their families) to be exposed to hazards, particularly those that may be life threatening?		
3.2 Is there a potential for community exposure to water-borne, water		

¹⁴ Highly Likely – could happen at anytime

¹⁵ Likely -could happen sometimes

based, water-related, and vector-borne diseases, and communicable diseases that could result from project activities?		
3.3 Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?		
4. PS 5: Land Acquisition and Involuntary Resettlement	Answer (Yes/No/Not Applicable)	Remarks
4.1 Would the proposed project result in involuntary resettlement of populations?		If answer to this question is a “Yes” this project should be assigned Category NO PROJECT since it is included on CCCCC’s Project Exclusion list. Please proceed to complete the ESS Summary Sheet.
4.2 Would the proposed project result in voluntary resettlement of populations?		
4.3 Would the proposed project result in economic displacement of populations due to changes in land use of the affected group or community?		If answer to this question is a “Yes” this project should be assigned Category NO PROJECT since it is included on CCCCC’s Project Exclusion list. Please proceed to complete the ESS Summary Sheet.
4.4 Is the proposed project likely to significantly affect land tenure arrangements and/or traditional cultural ownership patterns?		
5. PS 6: Biodiversity and Natural Resources	Answer (Yes/No/Not Applicable)	Remarks
5.1 Would the proposed project result in the conversion or degradation of natural habitat or critical habitat?		If answer to any of these questions is a “Yes” this project should be assigned Category NO PROJECT since it is included in CCCCC’s Project Exclusion list. Please
5.2 Is the proposed project adjacent a special area for protection of		

biodiversity (e.g. national park, natural reserve)?		proceed to complete the ESS Summary Sheet.
5.3 Does the project involve natural forest harvesting or plantation development without an independent forest certification system for sustainable forest management?		
5.4 Does the project involve the production and harvesting of fish populations or other aquatic species without an accepted system of independent certification to ensure sustainability?		
5.5 Does the project involve significant new investments for extraction, diversion or containment of surface or ground water?		
5.6 Does the project pose a risk of degrading soils?		
6.0 PS 7: Indigenous Peoples	Answer (Yes/No/Not Applicable)	Remarks
6.1 Would the proposed project have environmental and social impacts that could affect indigenous people?		If the answer to these questions is yes, an FPIC is required
6.2 Would the proposed project be located on, or commercially develop natural resources on lands traditionally owned by, or under the customary use of, Indigenous Peoples?		
6.3 Would the proposed project significantly impact on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives?		
6.4 Would the proposed project result in involuntary resettlement of indigenous people?		If answer to this question is a “Yes” this project should be assigned Category NO PROJECT since it is included on CCCCC’s Project

		Exclusion list. Please proceed to complete the
7. PS 8: Cultural Heritage	Answer (Yes/No/Not Applicable)	Remarks
7.1 Will the proposed project cause alteration, damage, or removal of any cultural heritage site?		
7.2 Will the proposed project constrain access to cultural sites for the communities?		

8. PS 9: Stakeholder Engagement	Answer (Yes/No/Not Applicable)	Remarks
8.1 Will the activities include a continuing stakeholder engagement process		Please ensure that that your stakeholder engagement is consistent with PSs 1&9
8.2 Will a grievance redress mechanism be integrated into the management/implementation plans?		Please ensure that that you mechanism to address grievances is consistent with PSs 1&9

ENVIRONMENTAL AND SOCIAL (E&S) SUMMARY NOTE

(To be filled in after the Screening Checklist has been completed)

Name of Proposed Project:	
Name and Post of Submitter:	
Unit:	
Date:	

Table I - Environmental and Social Screening Outcome	
<i>Select from the following:</i>	
<input type="checkbox"/> Category NO PROJECT	The proposed project is included in CCCCC's Project Exclusion List since a "Yes" response was provided for one or more, of the following questions: 2.4, 4.1, 4.3, 5.1, 5.2, 6.1, 6.4

	Further discussions and alternative design of the project will be required to reach a “No” response, and therefore, reconsideration before the project can proceed to Project Formulation stage.
<input type="checkbox"/> Category A	The proposed project is likely to induce diverse, significant and/or irreversible adverse environmental and/or social impacts that are sensitive, diverse, or unprecedented. A full Environmental and Social Impact Assessment (ESIA) will need to be completed during Project Formulation.
<input type="checkbox"/> Category B	The proposed project is likely to have potential for moderate adverse environmental or social impacts that are readily identified, and for which mitigation and management measures are known and available. Likely impacts will be few in number, site-specific, and few if any will be irreversible. An Environmental and Social Management Plan (ESMP) will need to be completed during Project Formulation.
<input type="checkbox"/> Category C	The proposed project is likely to have minimal or no adverse social and/or environmental impacts, or sufficient environmental and social review has already been conducted and environmental and social management recommendations have been incorporated into the project. No further specific environmental and/or social assessment is required during Project Formulation, although those with procurement components may still have potential environmental and social sustainability considerations. These should be addressed as part of the regular project design activities.

Annex 7 (Section 3.1.2): Environmental and Social Screening Memorandum (ESSM)

This ESSM is completed by PDMU staff at project initiation in consultation with PDS for transmittal to the Implementing Partner. The Head of PDMU or his/her designate will appoint the lead professional, who facilitates ESSM completion. Once approved by the Head of the PDMU, the ESSM will be entered into the CCCCC project tracking system [PPMS].

PROJECT TITLE

ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY	
Category Assigned	Specific Requirements
A	ESIA and/or based on funding agency and member state requirements – <i>See Annex 8 below</i>
B	ESMP and/or based on funding agency and member state requirements – <i>See Annex 8 below</i>
C	None
FI	None
No Project	None

PROJECT DESCRIPTION

Project Sector:

- (a) Project components (including area of influence and associated facilities, if any): [Project location (append map, if available)].

PROJECT SCREENING

Environmental Information Available

- (a) Potential environmental issues identified.

Social Information Available

- (a) Potential social issues identified.

Gender Information Available

- (a) Potential gender issues identified.

Environmental and Social Category Assigned (A, B, C, FI, No Project)

- (a) Rationale for assigned category.

Specific ESIA Requirements for Category A or B Projects (Annex 8 – Guidelines for study or contents of a study)

- (a) ESI Instruments (ESIA, ESMP, EA).
- (b) Specify applicable environmental and social standards or guidelines (e.g. national requirements, Performance standards and other international requirements).
- (c) Safeguards Checklist required? (y/n). If so, append.
- (d) Resources (expertise, sex-disaggregated data, capacity building events) allocated for conducting:
 - Environmental analysis (y/n)
 - Social analysis (y/n)
 - Gender analysis (y/n)
- (e) Public consultation/stakeholder engagement required? (y/n). If so, specify.

Note: For Category “A” projects, the ESIA lists all applicable environmental and social regulations and standards, including any multilateral agreements that the Member State has adopted. The project’s compliance status with each is also assessed.

Annex 8 (Section 3.1.3): Environmental and Social Project Documentation

A. Contents of an Environmental and Social Impact Assessment (ESIA) Report

The ESIA focuses on important issues, and reporting may be customised to particular problems. However, a full ESIA report typically includes the following sections.

1. Executive Summary

A highlight of the main findings and recommended actions of the ESIA related to the operation's environmental and social feasibility.

2. Regulatory and Legislative framework

A summary of the relevant laws and their administrative regulations considered during the planning and implementation of the project. A discussion of the policy, institutional, legal, environmental, social and gender framework associated with the project, including any project specific legal, (e.g., concession contracts, etc.), or other requirements is also covered here.

3. Project Description

A concise description of the proposed project; including its objectives, maps and diagrams of the project site, its area of influence, and any associated facilities.

4. Baseline Data

A description of the existing environmental, social and gender conditions relevant to project decision making, both at the proposed project site(s)/location(s) and within its area of influence.

5. Impacts and Risks

An analysis of the direct, indirect cumulative environmental, social and gender impacts and risks. It should include opportunities for enhancing environmental and gender benefits. Provide an evaluation of the quality of available data and other key information and data gaps.

6. Mitigating measures

Specific details of mitigation measures during design, construction and operation phases will be proposed and delineated here. Compensation for affected parties will also be addressed here thoroughly.

The section will include the following:

- Mitigation Measures During Design and Construction
- Mitigation Measures During Operation

7. Analysis of Alternatives

Describe alternatives that were examined in the course of developing the proposed project and identify other alternatives, which would achieve the same objectives. The concept of alternatives extends to siting, design, technology selection, construction techniques and phasing, and operation and maintenance procedures. It will compare alternatives in terms of potential environmental and social impacts and suitability under local conditions.

The section will include the following:

- Current Situation (“No Action” option)
- Alternative alignments to avoid/minimize damage to environmentally sensitive areas.
- Alternative sites for associated facilities (to improve public safety as well as to reduce public interference on such facilities).
- Provide opinion on alternative construction technologies.

8. Environmental and Social Management Plan

9. Bibliography/ list of references.

10. Appendices (e.g. technical information).

B. Content of an Environmental and Social Management Plan (ESMP)

Summary of Potential Impacts

A summary of the potential environmental and social impacts which must be mitigated, as well as potential enhancement measures.

Planned Mitigation Measures

A description of the planned mitigation measures in relation to the impacts and conditions under which they are required; includes environmental assessment process to be conducted in case of major changes in project scope; and sets out clear and achievable targets and indicators for the level of mitigation to be achieved.

Monitoring Programmes and Parameters

Environmental performance indicators, parameters to be measured, methods to be used, sampling locations and frequency of measurements, detection limits and thresholds to signal the need for corrective actions.

Public Consultation

A plan for public multi-stakeholder consultation during the preparation and implementation of the ESMP. The degree of consultation depends on the project and local situation, but normally

includes information available in a timely manner, and in location(s), format(s) and language(s) that allow relevant stakeholders to form an opinion and comment on the proposed course of action. This process includes:

- (a) notification of local communities when project activities are going to take place, how monitoring will occur, and proposed mechanisms for feedback; and
- (b) disclosure of monitoring programme results and consultation on these findings.

Mechanisms for Feedback and Adjustment

The procedures and mechanisms that will be used to modify and reshape the project, in light of monitoring results, and the findings of consultations. A feedback mechanism should be included in the ESMP to provide for modifications to the project.

Institutional Arrangements for Mitigation and Monitoring

The organizational responsibilities to ensure implementation of the ESMP and the arrangements for information flow and coordination between responsible agencies. It also specifies the organizations and individuals that will be responsible for these tasks including enforcement of remedial actions. It should also describe the institutional responsibilities for staffing, training, and the provision of counterpart funding. **(Note: Overall performance and effectiveness of the ESS)**

Measures for Capacity Building

A proposal of any required institutional strengthening measures necessary to achieve these tasks, including the formation of new structures responsible for monitoring and reporting, as required; the recruitment of new staff and consultants; and associated training. A third party may be contracted for monitoring activities where the capacity of local authorities is limited.

Responsibilities for Reporting and Review

Reporting responsibilities of contractors, Implementing Partners, sponsors, local authorities, and lenders; and clarifies who prepares, submits, receives, reviews, and approves key reports. The structure, content, and timing of reporting should be specified and should facilitate supervision by the CCCCC.

Implementation Schedule and Work Plan

Details on the timing, frequency, and duration of mitigation measures and arrangements for monitoring and reporting. The responsibilities and requirements of contractors are to be clearly described and integrated into bidding/contract documents, to ensure that contractors are clear about their obligations. Where supervision identifies inadequacies in implementation of agreed actions, such documents provide a basis for enforcement and reporting.

Cost Estimates

All costs for implementation of the ESMP, including operation and maintenance, should be included as a budget.

Environmentally Responsible Procurement

When mandated by the CCCCC, a description is provided in the ESMP of the measures that need to be considered to facilitate environmentally responsible procurement.

C. Sample Table of Contents for an Environmental Audit Report

Executive Summary

Overview and summary of items below:

Nature of the Proposed Project

- (a) Context of the Audit.
- (b) Description of Processes, Facilities and Assets.
- (c) Facility Location and Description of Environs.
- (d) Facility and Site History.
- (e) International/National/Local Regulatory Requirements.
- (f) Applicable World Centre Guidelines/European Union Directives/Other Requirements and Standards.

Corporate Environmental, Occupational Health, Safety and Social Management

- (a) Environmental, Occupational Health and Safety Policies and Procedures.
- (b) Organisation of Environmental, Health and Safety Management.
- (c) Contingency Planning and Emergency Procedures.
- (d) Staff Training and Supervision.
- (e) Internal Employee Consultation Procedures/Practice.
- (f) External Information Sharing and Dialogue with Civil Society.

Environmental Management at the Facility Level

- (a) Inputs, Products and Waste Streams, (subdivide as appropriate):
 - (i) Raw Materials Consumption and Source (where appropriate).
 - (ii) Water Consumption and Source.
 - (iii) Energy Consumption and Source.
 - (iv) Intermediate Products.
 - (v) Effluents.
 - (vi) Air Emissions.
 - (vii) Greenhouse Gas Contribution.
 - (viii) Solid and Hazardous Wastes.
 - (ix) Noise and Vibration.
 - (x) Electromagnetic fields.

- (xi) Radiation
- (b) Process Efficiency.
- (c) Materials Handling and Storage.
- (d) Disposal of Wastes.
- (d) Management of Hazardous Materials, (including Polychlorinated Biphenyls, (PCBs), and Asbestos).
- (e) General Housekeeping Issues.
- (f) Soil and Groundwater Contamination.
- (g) Current Environmental Monitoring Activities.
- (h) Regulatory Compliance Status.
- (i) Expenditures on Environmental Management:
 - (i) Capital Cost/Project Finance;
 - (ii) Operations and Maintenance.
- (j) Natural environment (for example, buffer zones).
- (k) Eco-labelling, product attributes, certifications.

Health, Safety and Social Aspects at the Facility Level

- (a) Occupational Health, Safety and Social Issues.
- (b) Current Health, Safety and Social Monitoring Practices.
- (c) Community Health Exposure.
- (d) Regulatory Compliance Status.
- (e) Impact on Community Development.
- (f) Expenditures on Health, Safety and Social Issues:
 - (i) Capital Cost/Project Finance;
 - (ii) Operations and Maintenance;

Conclusions and Recommendations

- (a) Regulatory Compliance.
- (b) Process Efficiency and Environmental Opportunities.
- (c) Environmental Management Issues.
- (d) Health and Safety Issues.
- (e) Stakeholder Dialogue and External Reporting.
- (f) Environmental, Health, Safety and Social Performance Monitoring.
- (g) Consolidated Environmental, Health, Safety and Social Action Plan/ESMP.
- (h) Community Development Issues.

Appendices

- (a) Photo/Video Log pertaining to site visits.
- (b) Copies of permits, laws and regulations.
- (c) Records of community consultations.
- (d) Environmental, occupational health, safety and social performance monitoring protocols.

Annex 9 (Section 3.1.3): Presentation of Environmental and Social Input in the Appraisal Report for Category “A” Projects

A. Environment and Social Summary

(a) Project Concept and Rationale

Rationale for project concept and design including a discussion of project alternatives and reasons for chosen design.

(b) Baseline Conditions of Project Area and Project Beneficiaries

- (i) Baseline environmental and social information on project area and beneficiaries.
- (ii) Legal, and institutional framework and the specific considerations of relevance to the project.
- (iii) Discuss the environmental management capacity of the EA.

(c) Environment and Social Impact

- (i) Discuss significant negative and beneficial environment and social issues and risks, context ensuring that the key issues relevant to board decision-making are included. What are the appropriate environmental and social standards referenced?
- (ii) Summarise the requirements of the ESMP including a discussion of the required performance standards and any associated loan conditions.

(d) Environmental Monitoring Requirements

Detail of the environment and social monitoring requirements and indicators together with associated monitoring and reporting requirements.

(d) Conclusion

Conclude with a judgment about the overall acceptability of the project.

B. Environmental or Social Input Category “A” And “B” in the Project Chapter

- (a) Brief description of the project’s environment and social context ensuring that the key issues relevant to board decision-making are included. For example, what PS(s) are triggered? For example, is it close to or in a national park or protected area? Were stakeholder consultations carried out for a Category A project?
- (b) Refer to Implementing Partner’s national environment and social requirements such as legislation and policies.

- (c) Describe the main environmental and social impacts, (positive and negative), making the distinction between construction and operations. Describe the main mitigation measures included in the ESMP.
- (d) Conclude with a statement of acceptability with the CCCCC PS based on the ESPSC.

Annex 10 (Section 3.1.5): Environmental and Social Supervision of Projects

Project supervision aims at ensuring the Implementing Partner compliance throughout the project cycle, with the approved project design and terms and conditions of the loan agreement. The legal documentation, (grant agreements, bidding documents and related contracts), provides the primary framework to support and enforce supervision. During supervision, the Implementing Partner is responsible for undertaking performance monitoring in accordance with the ESMP, and for reporting these to the CCCCC. The Project Manager at the CCCCC has the pivotal role in project supervision and confirms the project's progress reports submitted by the Implementing Partner and ensures that these are in keeping with the agreed supervision and implementation schedules.

Project Supervision Plan

In preparing a supervision plan for a project, consideration to the following should be critical to its design;

- (a) Magnitude and significance of impact;
- (b) Uncertainties associated with predicted impacts;
- (c) Past experience of similar projects within sector, country or executing agency (EA);
- (d) Institutional complexities and capacities that may be involved in project implementation;
- (e) Availability of specialist skills in the CCCCC, country or Region.

For Category "A" projects, the assigned Environment or Social Specialist should ensure participation in at least one annual supervision field visit. For Category "B" projects assigned staff need to make a determination of the need for field visits with the assigned supervising Project Coordinator (PC). For Projects with multiple sub-projects, environmental supervision report should consider the following:

- (a) Promotion of environmental and social enhancement project sub-components. Are there specific targets for these components?
- (b) The capacity and terms of reference for the staff required to support environment and social issues.
- (c) The quality of reporting on environment and social concerns in supervision reports.
- (d) Are the current sub-project appraisal forms and procedures relevant and appropriately used?
- (e) The use of practical indicators in sub-project appraisal and supervision.
- (f) Are there formal linkages with the project management unit and the national environment and social institutions responsible for wider national policies and programmes?

Implementation Progress Rating for a supervision report may be as follows:

Highly Satisfactory (HS): Environmental/social components are implemented in a timely and satisfactory manner.

Satisfactory (S): Implementation of the critical aspects of the environmental/social components is proceeding in a timely manner. There are some with certain aspects, (stating what these are), but these are not undermining the progress of implementing the other

components, these are being addressed, (state how), by the Implementing Partner and the implementing IA

Unsatisfactory (U): There are major problems in implementing some or all the environmental/social requirements of the project, including aspects critical to the success of the overall project. Provide recommendations on how these will be addressed.

Highly Unsatisfactory (HU): As in “U”, but problems have not been addressed. State why and provide appropriate recommendations to the Project Supervisor.

Annex 11 (Section 3.3): Risk Identification and Assessment Methodology

