Ghana Infrastructure Investment Fund

Environmental And Social Safeguards Policy

As approved by the Board of Directors on 25th July 2024

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SUMMARY

Within the parameters of its objective and all of its loan and investment activities, the Ghana Infrastructure Investment Fund (GIIF) ensures that it promotes Ghana's social and economic development and environmental quality. The GIIF incorporates environmental and social sustainability into all of its lending activities because it understands that these are essential to accomplishing development goals.

The Environmental and Social Safeguards Policy (ESSP) advances and formalizes the GIIF's commitment to promote environmentally and socially sustainable projects and investments consistent with GIIF operations. The policy aims to avoid, reduce, or compensate for adverse social or environmental impacts caused by projects and programs, and such projects and programs will not be supported, either materially or immaterially.

The ESSP Framework is guided by eleven overarching principles[1] and eleven safeguards' standards[2] that reflect key environmental and social areas of concern to the GIIF's safeguarding approach. The principles and standards underpin this policy's approach to environmental and social safeguards, and they consolidate the objectives of relevant international conventions and agreements on environmental and social issues, such as the Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights, [3] and the United Nations Declaration on the Rights of Indigenous Peoples.

The policy applies to GIIF's activities in general and investment activities in particular, irrespective of the type of investment provided, where the Fund is the entity legally responsible[4] including those projects where third-party funds are administered by the Fund or where joint financing partner institutions are being considered.

It is made up of four interconnected components, which are combined in this document:

- ❖ The policy statement outlines the policy principles and describes the shared goals of GIIF's safeguards.
- ❖ The Operational Safeguards Standards (OSSs) are a set of eleven requirements that the project development team must follow when dealing with social and environmental impacts and risks.
- ❖ The section on Environmental and Social Safeguard Steps along the Project Cycle provides guidance on the specific procedures that the project development team should follow to ensure that operations meet the OSSs at each stage of the GIIF project cycle.
- ❖ The Environmental and Social Safeguards Tools section provides tools for project development teams to screen projects for environmental and social risks and develop environmental and social safeguards.

This policy will be updated as needed to reflect the changing interests and needs of its stakeholders and donors.

[1] *ESSP principles are quoted chapter 2.*
[2] *ESSP safeguards standards are captured in chapter 3.*
[3] *UN, 1948, Universal Declaration of Human Rights: available at http://www.un.org/en/universal-declaration-humanrights/.*
[4] *There might be several scenarios under which projects might be executed. The scope is thus detailed in chapter 5.1, and it will apply to all project types and sizes.*

TERMS AND DEFINITIONS

Associated facility or activities	a facility or activity not funded as part of the project, but which is necessary for the financial and/or operational viability of the project and would not have been constructed or expanded if the project did not exist. Example: a visitor center built by the project might require an access road as associated facility – the construction of which might trigger environmental impacts.
Continuous improvement	Recurring process of enhancing the environmental management system in order to achieve improvements in overall environmental performance consistent with the institution's environmental and social risk policy.
Cumulative impact	The collective impact of a project's impact added to the impacts of other relevant past, present and reasonably foreseeable future developments. Example: Investments in tourism development by the Government leads to substantial increase in number of tourists that frequent a site and turns a project-funded PA access road into a major cause for disturbance for wildlife
Destruction	The elimination or severe diminution of the integrity of an area caused by a major, long- term change in land or water use or modification of a habitat in such a way that the area's ability to maintain its role is lost.
Environment	The surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, humans, and their interaction.
Environmental aspect	An element of an organization's activities or products or services that can interact with the environment.
Environmental impact	Any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organization's environmental aspects.
Environmental Management System	The part of an organization's management system used to develop and implement its environmental policy and manage its environmental aspects.
Forced labor	All work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.
High Conservation Value (HCV)	Natural habitats where these values are considered to be of outstanding significance or critical importance (see http://www.hcvnetwork.org).
Induced impacts	Impacts on areas and communities from unplanned but predictable activities or developments induced/enabled by the project (incl. impacts that might occur later or in different locations). Example: Equipment intended for species monitoring (camera traps) could be used for law enforcement actions.
International best practice guidelines	As used in the ESMS, this refers to the Performance Standards on Social and Environmental Sustainability used by the World GIIF Group (http://www.miga.org/policies/index_sv.cfm?stid=1652)
Social and environmental issues	Social issues include labour rights, employee health and safety, community health and safety, nuisance and noise, resettlement, human rights, indigenous rights, cultural heritage and historical sites; environmental issues include release into the air, land use, soil or groundwater contamination, release into water, natural resources, nature conservation (fauna and flora); the built environment; and the side effects of any process or activity including deposit, disposal, storage, treatment, transportation, handling, manufacture, etc. of any hazardous substance or waste or substance that constitutes a scrap material
Project development team	This is made up of GIIF Staff, Experts, National and International Partners, and Project Proponents

1. INTRODUCTION

The Ghana Infrastructure Investment Fund (GIIF, or the Fund) is a body corporate wholly owned by the Republic of Ghana and established pursuant to the Ghana Infrastructure Investment Fund, Act of Parliament, 2014 (ACT 877) & Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (ACT 1063), the Fund's mandate is to mobilize, manage, coordinate and provide financial resources for investment in a diversified portfolio of infrastructure projects in Ghana for national development. The Fund is a corporate permanent capital investment vehicle capitalized with USD 345 million in anchor equity, with the mission of "developing, mobilizing, managing, coordinating, and providing financial resources for investment in a diverse portfolio of infrastructure projects in Ghana"[5]. Since its inception, the GIIF has played a significant role in bridging the financing gap for the development of medium - and large-scale infrastructure in Ghana.

The GIIF offers a variety of financial instruments, including equity, quasi-equity, debt, mezzanine, and credit enhancement instruments, to cover the entire economic and social infrastructure. This is in line with its mission to facilitate the development of sustainable commercial infrastructure across multiple sectors and industries to accelerate economic development. The sectors GIIF focuses on financing are:

- Power;
- Transportation;
- Telecommunications, Media, and ICT;
- Heavy industry;
- Agribusiness;
- Mining and associated services;
- Tourism;
- Oil and gas;
- Health, Education, Administration, and security;
- Social Housing;
- Sports and cultural centers;
- Water/waste services.

GIIF is a complementary source of funds for small, medium, and large infrastructure projects, lending up to 60% of the project cost within the framework of an appropriate financing plan. The Fund ensures that it promotes Ghana's social and economic development as well as environmental quality within the parameters of its objective and all of its loan and investment activities. The Fund incorporates environmental and social sustainability into all of its lending activities because it recognizes their importance in achieving development goals (this is detailed under Chapter 4 on ESS Steps along the GIIF project cycle).

The GIIF also emphasizes the need to establish an environment that allows all people to live secure, fulfilling lives free from natural disasters and other forms of ecological catastrophe. The Fund acknowledges that initiatives and investments that promote environmental and social sustainability rank among the top priorities of its activities and holds that environmental and social sustainability are key components of attaining results consistent with its purpose.

In accordance with its mandate and privileged association with International Financial Institutions and the Government of Ghana, the Fund supports the social and environmental standards and principles of its partners, including the principles of ISO 14001 on Environmental Management Standards and

Systems and the Republic of Ghana's 1992 Constitution, which recognizes environmental, economic, and social rights as integral parts of human rights.

The GIIF also considers and adheres to the Equator Principles,6 the World GIIF Environmental and Social Safeguards Policy,7 International Finance Corporation (IFC) Performance Standards,8 AfDB's integrated Safeguards Systems,9 ILO Fundamental Principles and Rights at Work.10 The GIIF also affirms its commitment to the principles and values enshrined in the United Nations Charter and the African Charter on Human and Peoples' Rights.11

5 https://giif.gov.gh/about-giif/hi

6 *Equator Principles - http://www.equator-principles.com/; http://www.equator-principles.com/index.php/best-practice-resources/best-practice-q-resources*

7 World Bank safeguards policies at: *https://policies.worldbank.org/sites/PPF3/Pages/Manuals/Operational%20Manual.aspx*

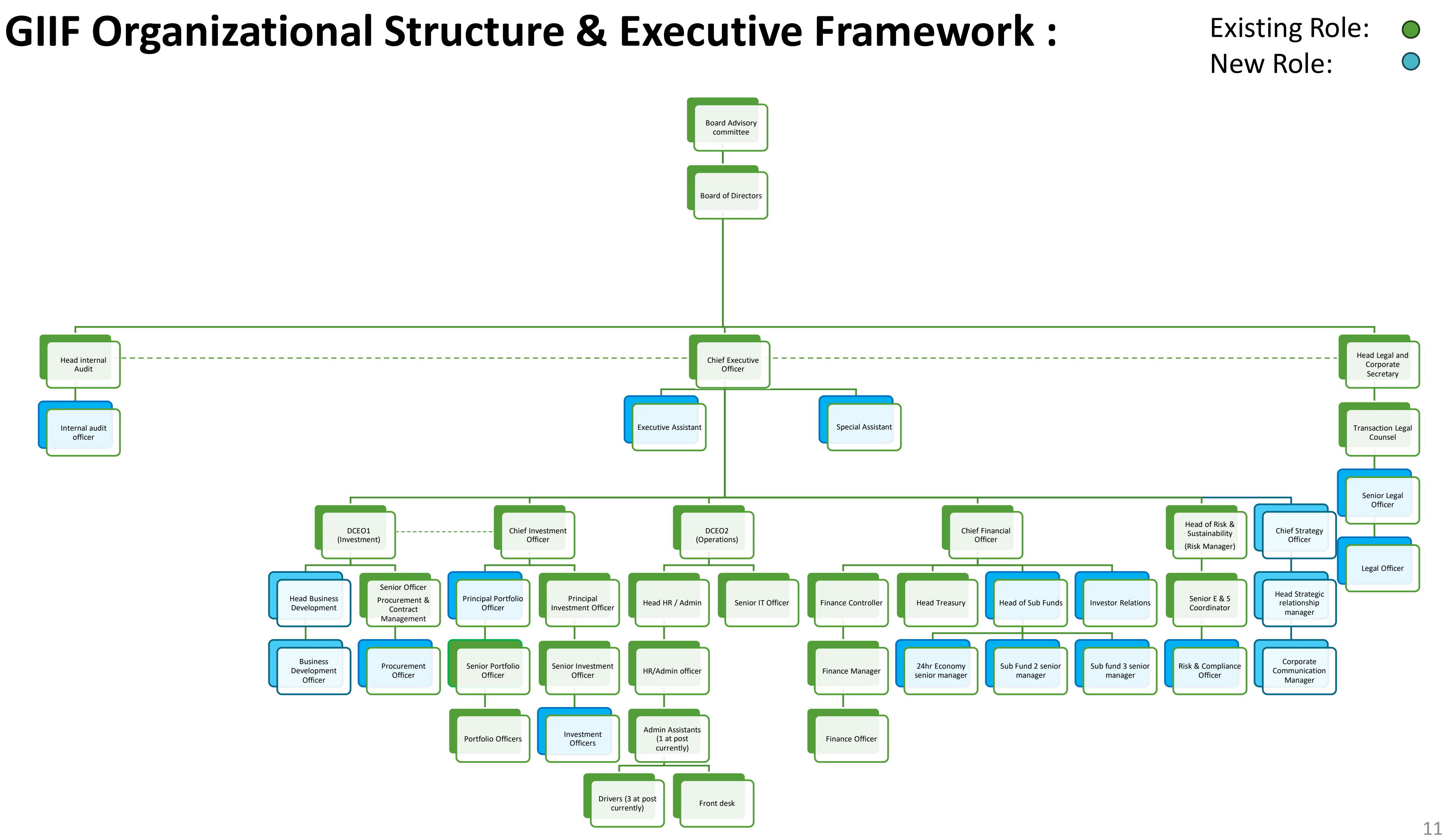
8 *The IFC's Performance Standards have become the 'go to' standards for most private sector investment agreements, as its mandate is to boost development in low-and middle-income countries by providing loans, equity, and advisory services to be the private sector. The organizations Sustainability Framework and eight Performance Standards are gaining importance in the development arenas as climate finance mechanisms refer to these as their foundational standards available at: http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_pps*

9 *https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/December_2013_-_AfDB%E2%80%99S_Integrated_Safeguards_System_-_Policy_Statement_and_Operational_Safeguards.pdf*

10 *ILO Fundamental Principles and Rights at Work - http://www.ilo.org/declaration/lang--en/index.htm*

11 *African Charter on Human and Peoples' Rights- http://www.humanrights.se/wp-content/uploads/2012/01/African-Charter-on-Human-and-Peoples- Rights.pdf*

Figure 1: GIIF Organogram



1.1. Background to the Environmental and Social Safeguard Framework (ESSF)

The Ghana Infrastructure Investment Fund (GIIF) developed an Environmental and Social Impact Policy (ESIP) in 2019 to respond to the requirements of the (insert name of donor that triggered the first ESMS) in processing public and private sector infrastructure. (Insert the name of the donor that triggered the first ESMS.) was financing a USD loan of (insert the amount) to GIIF. As per (insert the name of the donor that triggered the first ESMS)'s environmental and social safeguards for financial intermediaries, an environmental and social management system had to be developed. Hence, GIIF developed its first Environmental and Social Impact Policy in 2019. The policy was applicable to all transactions (Insert name of donor that triggered first ESMS) financed through GIIF for direct lending and refinancing operations of both public and private sector companies. In order to ensure that it meets the requirements of multilateral financial institutions (MFIs) as financial intermediaries, GIIF has taken on the task of updating the ESIP prepared in 2019 into integrated operational standards. This would ensure that all projects and investments funded by the GIIF are environmentally and socially sustainable by allowing for the proactive consideration, identification, and evaluation of environmental and social risks of projects before a decision is made to finance them and to monitor ongoing social and environmental performance after disbursement. The ESS was established at a time when new global strategic priorities were emerging, and MFIs were increasingly harmonizing and making compliance with environmental and social safeguards a condition for funding.

This document provides an overview of the ESSP as well as the ESSP Statement and Operational Standards. The ESSP draws on the GIIF's values and good practice tools, safeguard requirements and policies of the Global Environment Facility[12], Green Climate Fund[13], Adaptation Fund[14], United Nations Environment[15], the World GIIF[16], the International Finance Corporation (IFC)[17], African Development GIIF[18], and United Nations Development Programme[19], as well as legislations and institutional procedures, environmental and social regulatory frameworks and policies of Ghana (see chapter 1.2.).

The ESSP Framework is guided by eleven overarching principles[20] and eleven safeguards' standards[21] that reflect key environmental and social areas of concern to the GIIF's safeguarding approach. The principles and standards underpin this policy's approach to environmental and social safeguards, and they consolidate the objectives of relevant international conventions and agreements on environmental and social issues, such as the Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights[22], and the United Nations Declaration on the Rights of Indigenous Peoples.

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12 Global Environment Facility, GEF Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming, http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.10_GEF_Policies_on_Safeguards_and_Gender.April_26_2011.p df.

13 GCF approved safeguard standards IFC available at: https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

14 Adaptation Fund, Environmental and Social Policy available at : https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-OPG- ANNEX-3-Environmental-social-policy-March-2016.pdf

15 United Nations Development Programme, Guidance Note: Environmental and Social Screening Procedure for UNDP Projects (March 19, 2012), https://info.undp.org/global/.../ESSP_Guidance_19Mar12_English.docx

16 World Bank safeguards policies at: https://policies.worldbank.org/sites/PPF3/Pages/Manuals/Operational%20Manual.aspx

17 The IFC's Performance Standards have become the 'go to' standards for most private sector investment agreements, as its mandate is to boost development in low- and middle-income countries by providing loans, equity, and advisory services to be the private sector. The organisations Sustainability Framework and eight Performance Standards are gaining importance in the development arenas as climate finance mechanisms refer to these as their foundational standards available at: http://www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_pps

18 https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/December_2013_-_AfDB%E2%80%99S_Integrated_Safeguards_System_-_Policy_Statement_and_Operational_Safeguards.pdf

19 United Nations Development programme "integrating Human Rights with Sustainable Human Development" policy document, January 1998 and 2005 http://www.undp-aciac.org/publications/other/undp/hr/hr-susdev98e.pdf; https://www.un.org/ruleoflaw/files/HRPN_English.pdf

[20] ESSP principles are quoted chapter 2. [21] ESSP safeguards standards are captured in chapter 3. [22] UN, 1948, Universal Declaration of Human Rights: available at http://www.un.org/en/universal-declaration-humanrights/.

1.2. Complimentary Environmental and Social Compliance and Safeguards

This section describes the complementary policies and safeguards standards that informed the ESS policy at the national and international levels.

Table 1: Lists of National and International Safeguards and regulatory policies

Environmental and social Regulatory Frameworks and policies in Ghana	- 1992 Constitution - EPA Act 1994 (Act 490) - Environmental Assessment Regulation 1999 LI 1653 - Ghana Shared Growth and Development Agenda I&II - National Climate Change Policy (2014) - National Environment policy (2014) - National Water Policy (2007) - National Land Policy (June 1999) - Riparian Buffer Zone Policy (2011) - Biosafety Act (2011) - Ghana Forest and Wildlife Policy (2012) - Land Planning and Soil Conservation Act, 1953 - Control and Prevention of Bushfires Act (1990) - Local Government Act 936 (2016) - The Fisheries (Amended) Regulations (1984) - Forest Protection (Amendment) Law, 1986 (PNDCL 142) - Mineral and Mining Act 2006 (Act 703) as amended
World Bank Environmental and Social Safeguard Policies[23]	- Environmental Assessment (OP/BP/GP 4.01) - Natural Habitats (OP/BP 4.04) - Pest Management (OP 4.09) - Cultural Property (OPN 11.03, being revised as OP 4.11) - Involuntary Resettlement (OP/BP 4.12) - Indigenous Peoples (OD 4.20, being revised as OP 4.10) - Forests (OP/BP 4.36) - Safety of Dams (OP/BP 4.37) - Projects in Disputed Areas (OP/BP/GP 7.60) - Projects on International Waterways (OP/BP/GP 7.50)
IFC Performance Standards on Environmental and Social Sustainability (2012)[24]	- Assessment and Management of Environmental and Social Risks and Impacts - Labor and Working Conditions - Resource Efficiency and Pollution Prevention - Community Health, Safety, and Security - Land Acquisition and Involuntary Resettlement - Biodiversity Conservation and Sustainable Management of Living Natural Resources Indigenous Peoples Cultural Heritage

[23] *World Bank safeguards policies at: https://policies.worldbank.org/sites/PPF3/Pages/Manuals/Operational%20Manual.aspx. Reference to the World Bank safeguards by the ADB is to demonstrate the Bank's emulation of best practices from other MDBs. Therefore, how the safeguards are used in this document or any opinions stated herein are those of the consultant (s) and do not necessarily reflect the operations of the World Bank.*

[24] *GCF approved safeguard standards is the IFC is available at: https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES*

International Conventions	- Convention on Biological Diversity: 1992 - Framework Convention on Climate Change:1992. - Convention to Combat Drought and Desertification: 1994 - Vienna Convention for the Protection of the Ozone Layer: 1989 - Montreal Protocol on Substances that Deplete Ozone Layer: 1987 - Convention on the Conservation of Migratory Species of Wild Animals:1979 - Convention Concerning the Protection of Workers against Occupational Hazards in the Working Environments due to Air Pollution, Noise and Vibration: 1977 - Convention Concerning Prevention and Control of Occupational Hazards Caused by Carcinogenic Substances and Agents: 1974 - Convention Concerning the Protection of the World Cultural Natural Heritage:1972 - CITIES - Ramsar Convention on Wetlands - Convention on International Trade in Endangered Species of Wild Flora and Fauna

1.3. GIIF ESS Policy Objectives and Statement of Commitment to Responsible Financing

1.3.1. Objectives

GIIF's environmental objectives are to preserve, protect, and improve the quality of the environment; protect human health in relation to the environment; ensure the prudent and rational utilization of natural resources and to conserve nature; and promote measures to deal with regional or worldwide environmental problems, notably climate change and access to potable water and sanitation. The policy particularly ensures that all activities considered for financing will be subject to:

- screening against a list of excluded activities, which GIIF will not finance;
- identification of social and environmental risks during project appraisal;
- Social and environmental due diligence, including compliance with applicable national laws and the applicable requirements of external stakeholders commensurate with the level of risk and type of project, and proposed corrective actions to mitigate potential social and environmental impacts.
- Monitoring and reporting on the social, environmental, and financial performance of projects after disbursement; and
- Continuous improvement in the social and environmental performance of projects financed by GIIF.

1.3.2. GIIF ESS Policy Statement

Societies around the world are increasingly requiring corporations to acknowledge and accept the responsibilities of managing environmental and social assets for future generations' benefit. As a result, GIIF will carry out its investment activities while considering the environmental, social, health, safety, and labor aspects of the activities it finances.

In all GIIF financing activities, GIIF will comply with international financial institution requirements to protect the environment and people, implement sound social and environmental rules and regulations, and identify, determine, and mitigate risks. The Fund, in particular, commits to a systematic assessment of impacts and risks, implements appropriate safeguards across the portfolio, and provides support to clients and partners.

GIIF will develop guidelines to assist relevant staff (staff and senior management) in improving their ability to identify social and environmental issues and assess risks in order to ensure the ESS is implemented effectively and in a timely manner. GIIF will also ensure that staff have the resources they need to carry out their duties under the ESMS and that they receive any necessary training. To ensure ESSP compliance, GIIF may hire consultants to conduct site visits and social and environmental due diligence as needed.

1.4. Scope

The policy applies to GIIF's activities in general and investment activities in particular, irrespective of the type of investment provided, where the Fund is the entity legally responsible[25] including those projects where third-party funds are administered by the Fund or where joint financing partner institutions are being considered (see details of the scope under chapter 5.1).

1.5. Policy Updates

GIIF recognizes that the ESSP will periodically have to be reviewed and revised to reflect changes in the regulatory framework as well as best practice guidelines, and to better suit the needs of its mission. This task be the responsibility of the GIIF's Risk Department.

The Management Risk & Investment Committee keeps the Board of Directors informed on challenges, successes and other important issues associated with ESS implementation.

Based on input received from the Investment Team, and the Risk Manager, the Management Risk and Investment Committee makes the necessary revisions to the ESS to improve the operational aspects of ESS implementation and to reflect changes in applicable national laws on environment, health, and safety.

All changes and any reviews to the ESS are approved by the Board, before informing all GIIF staff about such changes in the ESS procedures.

[25] *There might be several scenarios under which projects might be executed. The scope is thus detailed in chapter 5.1, and it will apply to all project types and sizes.*

2. ENVIRONMENT AND SOCIAL SAFEGUARDS GENERAL PRINCIPLES

All GIIF-supported projects/investments must be designed and implemented in accordance with environmental and social principles. It is recognized, however, that depending on the nature and scale of a project/programme, not all of the principles may be applicable to every project/programme.

2.1. Climate Resilience

In all its operations, GIIF recognizes the importance of addressing both the causes and the consequences of climate change. When appropriate, the Fund makes innovative investments and provides technical assistance to support low- or no-carbon investments as well as climate change mitigation and adaptation opportunities. The Fund collaborates with borrowers or clients to ensure that projects support improve climate resilience and avoid unjustified increases in greenhouse gas emissions.

2.2. Precautionary Principles

The GIIF will ensure that scientific uncertainty or knowledge gaps about potential environmental or social impacts are not used to postpone cost-effective environmental protection measures.[26] As a result, projects and investments with uncertainties will be subjected to higher-risk screening to ensure rigorous and participatory evaluations. If there is still doubt about the negative environmental or social impacts after the assessment, projects or investments will be canceled or major design changes will be implemented. GIIF, its borrowers, and clients are also guided by the precautionary approach in anticipating, preventing, and mitigating threats through constructive alternative and practical solutions and measures. However, providing feedback on decisions and amending them will necessitate careful monitoring and periodic review.

2.3. Using a Rights-based Approach

The Fund is committed to full compliance with the world's leading human rights normative standards, such as the Universal Declaration of Human Rights,[27] the Covenants on Civil and Political Rights, and the Covenants on Economic, Social, and Cultural Rights.[28] This is to ensure that all people enjoy their fundamental human rights without regard to gender, race, nationality, ethnic, social, or indigenous origin, religion or belief, disability, age, or sexual orientation.[29] A rights-based approach respects the rule of law and assesses the legitimacy of rights in statutory and customary legal frameworks.[30] This approach will be used by the Fund to ensure equality and non-discrimination during project conception, design, and implementation. GIIF will ensure that the communities associated with the areas and resources where the Fund's projects and investments are implemented do not suffer as a result of these interventions. As a result, the GIIF's projects and investments are fully in accordance with and respect all fundamental human rights, including social, economic, and cultural rights. GIIF ensures that projects do not negatively impact people's livelihoods, either directly or indirectly.

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26 *Precautionary Principle of the UN Conference on Environment and Development.*

27 *UN, 1948, Universal Declaration of Human Rights: available at* http://www.un.org/en/universal-declaration-humanrights/.

28 *UN, 1966, Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights: available at* http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx.

29 *IFC Performance Standards and Environmental Sustainability, 2012 pg. 18 available at:* https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

30 *Office of the United Nations High Commissioner for Human Rights, 2012, Human Rights Indicators – A Guide to Measurement and Implementation, Page 12; available at* http://www.ohchr.org/Documents/Publications/Human_rights_indicators_en.pdf

2.4. Protecting the needs of Vulnerable Groups

Protecting vulnerable groups' needs and addressing the root causes of their vulnerability are critical in identifying, avoiding, and mitigating negative social and environmental impacts, as well as identifying opportunities to improve social and environmental livelihood conditions. The GIIF is dedicated to protecting the most vulnerable people and allowing them to benefit from GIIF operations. The GIIF is especially concerned about groups whose lives and livelihoods have been or are likely to be negatively impacted by a project financed by the GIIF and who have less capacity than others to adapt to the project's new economic or social circumstances. Vulnerable groups may include but are not limited to people without legal title to assets; ethnic, religious, or linguistic minorities; some categories of children (orphans, homeless); marginalized social groups. This principle is expanded upon in the ESS standards on land acquisition and involuntary resettlement, as well as the indigenous people and Local Community's standard (under OSS3 and OSS4).

2.5. Free-Prior and Informed Consent

Free, Prior, and Informed Consent (FPIC)[31] is the most rigorous and intense form of engagement. It entitles stakeholders to determine the outcome of decision-making that affects them rather than merely being involved in the decision-making process[32]. It has the element of engaging beforehand affected communities in good faith negotiations[33]. The GIIF applies FPIC principles when project/investment:

- take place on lands, waters, or territories of indigenous peoples or other communities with legal (including customary) rights and entitlements to such lands, waters, or territories.
- may have negative economic, social, cultural, or environmental impacts on indigenous peoples.
- Involve the use of traditional knowledge of indigenous peoples or other local communities; or
- Promote the development and generation of social or economic benefits from cultural heritage sites or resources to which communities have legal (including customary) rights.

This is to freely grant them authorization and expression to their properties, resources, territories, and lands, within existing legal frameworks (including customary law), for the execution of certain activities that may impact the party granting authorization, as described in OSS2, OSS3, OSS4, and OSS6.

2.6. Transparency, Inclusivity and Accountability

GIIF is committed to ensuring that the borrower and client/project development team participate in meaningful and transparent dialogue with affected communities, particularly vulnerable groups, throughout the environmental and social assessment process. This guarantees that they can take part in decisions regarding avoiding or mitigating environmental or social repercussions in a free, educated, and proactive manner. Information dissemination, stakeholder consultation, stakeholder participation, feedback, disclosure of information, and dedicated mechanisms to report complaints will be integral to all GIIF safeguard requirements and processes.

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31 *Definition, requirements and application of FPIC in the International Finance Corporation's Guidance Notes: Performance Standards on Environmental and Social Sustainability: pages 9-10 , Available at: http://www.ifc.org/wps/wcm/connect/efdaaa8043649142947696d3e9bda932/Guidance+Notes+to+Performance+Standards+on+Environmental+and+Social+Sustain ability.pdf?MOD=AJPERES*

32 *FPIC is available in IFC Performance Standard on Environmental and Social Sustainability Guidance Note PG 9- 10*

33 *The FPIC process builds upon the requirements of Good Faith Negotiation and it involves on the part of all parties: (i) willingness to engage in a process and availability to meet at reasonable times and frequency; (ii) provision of information necessary for informed negotiation; (iii) exploration of key issues of importance;*
(iv) use of mutually acceptable procedures for negotiation; (v) willingness to change initial position and modify offers where possible; and (vi) provision of sufficient time for decision making.

2.7. Precedence of the Most Stringent Standards

With regard to environmental and/or social evaluations, human rights, social equity, and gender equity issues, ESS methods and standards will be implemented concurrently and in accordance with applicable Ghanaian law and international regulations that Ghana is required to utilize and implement. GIIF will not sponsor any initiatives that violate host nation duties under international law and appropriate national legislation. If there are stricter financial and fiduciary standards in international ESS standards and procedures than there are in national laws and regulations, GIIF will follow the more stringent international ESS standards and processes.

2.8. Gender Equality

The Fund recognizes that poverty, environmental degradation, and gender inequalities are frequently inextricably linked. As a result, the Fund places a premium on reducing gender inequality and poverty by assessing gender issues in each project. It bases project design and compensation plans on the findings to improve gender balance.

2.9. Stakeholder information and Consultation

The Fund recognizes the principle of participatory stakeholder engagement as an essential component of an effective and adaptive ESS. Stakeholder engagement is the foundation for developing strong, constructive, and responsive relationships, which are required for successful management of an investment's and project's environmental and social impacts. As a continuous process, stakeholder engagement may include varying degrees of the following elements: stakeholder analysis and planning; information disclosure and dissemination; consultation and participation; a grievance mechanism; and ongoing reporting to affected communities. The Fund is guided by the stakeholder engagement principles enshrined in the International Finance Corporation's Guidance Notes: Performance Standards on Environmental and Social Sustainability[34], the Global Environment Facility[35], and the United Nations Environment Stakeholder Engagement Handbook[36]. Clients must conduct stakeholder analysis to identify all individuals and/or organizations who may have both tangible and intangible interests in proposed projects or investments, or who may be impacted by them. Refer to the GIIF Stakeholder Engagement Strategy for details on requirement for an enhanced consultation and participation of the stakeholders in proposed projects.

2.10. Proportionality and adaptative management

The Fund approaches Environmental and Social Management Plans (ESMPs) that it may agree on with borrowers or clients as a condition for project financing in a proportionate and adaptive manner: the agreed management measures should be proportionate to the level of environmental and social risk and flexible enough to be adapted to changing circumstances during project implementation. To properly use and apply this principle, the Fund collaborates with the borrower or client as needed during project preparation to ensure successful implementation and compliance. The Fund pays special attention to key decisions, such as the scope of assessment, categorization, and habitat designation, as well as areas where the borrower or client may require assistance or where the issues are inherently complex.

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34 *The principle of Stakeholder Engagement is directly reflected in the International Finance Corporation's Guidance Notes: Performance Standards on Environmental and Social Sustainability: pages 29-32.*

35 *GEF Stakeholder Engagement Policy https://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Guidelines.pdf*

36 *UN Environment newly adopted Stakeholder Engagement Policy.*

2.11. Harmonization in multi-organization projects

The Fund is committed to maximizing efficiency and lowering costs for its borrowers and clients while adhering to environmental and social safeguards. As a result, the Fund supports harmonizing the implementation of safeguards in the context of co-financing. When the Fund participates in operations led by other development finance institutions or financial partners, the borrower or client performs additional due diligence as needed to comply with the ESS requirements. When the fund leads the operation, it assists the borrower by facilitating the necessary coordination to reduce transaction costs.

3. THE OPERATIONAL SAFEGUARDS STANDARD

To achieve the goals and optimal function of the ESSP, GIIF has adopted 11 Operational Safeguards Standards (OSS), and each standard explains the specific objectives and requirements for managing and accessing social and environmental risk associated with the various project categories detailed in Chapter 4 of this document.

The Operational Safeguards Standard

OSS 1: Environmental and Social Assessment

OSS 2: Protection of Natural Habitats and Biodiversity OSS 3: Involuntary Resettlement and Land Acquisition

OSS 4: Indigenous People/Local Communities

OSS 5: Pest Management

OSS 6: Protection of Cultural Heritage OSS 7: Safety of Dams

OSS 8: Labour and Working Conditions

OSS 9: Resource Efficiency and Pollution Prevention

OSS 10: Community Health, Safety and Security

OSS 11: Information Disclosure

Operational Safeguards Standard 1 outlines GIIF's overarching requirements for borrowers, clients, and the project development team to identify, assess, and manage potential environmental and social risks and impacts of projects and investments, including climate change issues.

Operational Safeguards Standards 2–10 ensure that proposed GIIF projects and investments take a precautionary approach, and that potential negative impacts and risks to the environment, natural habitats, local communities, labor force, and cultural heritage are avoided or minimized if possible, and mitigated if not. These OSSs are triggered by the environmental and social screening and assessment procedures undertaken as part of OSS 1.

The overarching frameworks for GIIF's information disclosure requirements are provided in **Operational Safeguards Standard 11.**

Each OSS is structured in the following fashion:

a) Objectives
b) Scope of Application
c) Specific OSS requirements

3.1. Safeguards Standards 1 -Environmental and Social Assessment (ESA)

a) Objectives

The overall goal of the ESA safeguard is to ensure that all GIIF projects and investments undergo the necessary assessments to identify, evaluate, and manage the associated environmental and social risks and impacts in accordance with the ESS established herein.

The specific goals are as follows:

- Identify and assess the environmental and social impacts and risks of GIIF lending and grant-financed operations in their areas of influence, including those related to gender, climate change, and vulnerability.
- Avoid or, if avoidance is not possible, minimize, mitigate, and compensate for negative environmental and community impacts.
- Ensure that environmental and social risks are effectively managed during and after project implementation.
- Contribute to the strengthening of staff capacity to meet the GIIF's Environmental and Social Safeguards (ESS) requirements.
- Allow stakeholders to participate in the consultation process so that affected communities and stakeholders have timely access to information about GIIF operations in appropriate forms and are meaningfully consulted about issues that may affect them.

b) Scope of Applications

This OSS applies to all GIIF public and private sector lending operations, including program-based lending, program lending that leads to individual subprojects or investments, and project activities funded through other GIIF-managed financial instruments. The environmental and social assessment work performed under this OSS determines whether the operations involve any specific risks covered by OSS 2- 10 and whether any related requirements must be met. Before presenting a project to the board, the GIIF will review and disclose all documentation related to the impact assessment.

c) Specific OSS Requirements

C1. Approach

The GIIF's overall project screening, appraisal, and approval systems include environmental and social assessments.[37] The GIIF may seek expert advice to assist in the assessment of specialized or technical issues as well as the preparation of the necessary environmental and social studies. Borrowers and clients are responsible for conducting the environmental and social assessment (Environmental and Social Impact Assessment, or ESIA) and developing an appropriate plan for mitigating potential impacts as part of the project documentation.

C2. Responsibility

The risk manager assists with the due diligence process and ensures that borrowers and clients are fully aware of fund policies and procedures, while the investment officer ensures that deliverables and the compliance process are carried out properly to ensure quality—more information on the roles and responsibilities can be found in Chapter 5.2.1 under institutional arrangements.

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37 *Enclosed in operational parameters of the GIIF.*

C3. Screening

To determine the specific type and level of environmental and social assessment that is required, the GIIF Risk Manager and the borrower or client screen the project for environmental and social impacts, including climate change impacts, potential adaptation and mitigation measures, and the vulnerability of populations and their livelihoods. The screening is carried out in accordance with the GIIF's Environmental and Social Assessment Procedures (ESAPs); more information on the screening process can be found in Chapter 7.

C4. Scope

The scope of the environmental and social assessment is determined on a case-by-case basis, and the process encompasses all phases of the project, from project concept design and operation to project closure and decommissioning.

C5. Area of influence

The geographic and temporal areas of influence of the project and investment are delineated and explicitly covered in any impact assessment. As appropriate, the area of influence includes the following:

- the area that is likely to be directly affected by the project.
- related or associated facilities that are dependent on the project but are not funded by it but would not have been implemented if the project did not exist; and
- Areas, including the communities within them, may be impacted by unplanned but technically predictable activities caused by the project.

C6. Project Scoping

A project's scope considers its size, processes, site design, construction and expansion sequencing, and any new infrastructure. The assessment determines the range of likely potential risks and impacts during the scoping phase, as well as whether specific requirements of the GIIF's OSS apply. Where applicable, the assessment also considers potential cumulative impacts: the effects of the proposed project on areas and resources, as well as the effects of other existing or planned developments, including any associated facilities, regardless of which entity undertakes those actions. Individually minor but collectively significant actions that occur over time can have cumulative effects.

C7. The Environmental and Social Assessment procedure

All prospective project proponents are requested to provide information about the nature of the project for which financial assistance is being requested. A designed form for this purpose is given to the proponent to identify and consider financial viability of the project, project location, construction, and operation. The client also identifies the environmental issues (air, land, water, natural resources, nature (flora and fauna) and built environment); and social impacts (community interactions, relocation, cultural heritage, and indigenous people) and issues associated with the proposed projects worker health and safety issues; labour. For each social and environmental component, the project Sponsor is asked to provide an Environmental and Social Management Plan (ESMP) – thus a description of mitigation and enhancement measures to avoid or reduce the impact. Where a project component or exact location remains uncertain, an ESMP cannot be developed, but an Environmental and Social Management Framework (ESMF)[38] is developed to guide the identification, preparation, and appraisal of components and activities

C7.1. Screening categorization

All applications received by GIIF are screened against GIIF's exclusion list (Appendix 1) to determine if the activity for which financing is being requested is eligible under GIIF 's social and environmental policy. Beyond identifying projects eligibility, the screening is also conducted to determine whether and what environmental and social review and management are required, quickly identifying projects with no potential environmental and social issues so that only those with potential environmental and social implications must undergo more detailed assessments. The screening process will result in the project being classified into one of the categories listed in Table 2. The proponent or client proposes a category in collaboration with the GIIF's investment team, providing sufficient supporting documentation and baseline data to allow the GIIF risk manager or environmental and social risk Manager to review and validate the proposed category. The GIIF and its borrowers or clients are thus jointly responsible for appropriate categorization, which should be based on reasonably accurate due diligence material.

38 *The ESMF is a safeguard document that establishes a mechanism for determining and assessing a project's or program's future potential environmental and social impacts when the project component or exact location is unknown.*

Table 2: Risk Categorization

Risk Level	Definitions
Category A[39] -High GIIF operations likely to cause significant environmental and social impacts.	Category A projects are likely to induce significant and/or irreversible adverse environmental and/or social impacts that are sensitive, diverse, or unprecedented, or that affect an area broader than the sites or facilities subject to physical works, i.e., the geographical scope of the project. Category A projects are usually large-scale infrastructure development, replication and/or scale-up investment projects supported by multilateral and regional development GIIFs (e.g., new large-scale dams above 15 meters in height; establishment and/or relocation of industrial zones; investment into power generation and distribution systems – i.e., construction/rehabilitation of major power plants and power distribution networks, major road and highway construction). **Category A projects require an ESIA to be conducted**, which should examine the project's potential negative and positive environmental impacts, compare them with those of feasible alternatives (including the "without project" situation), and recommend any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts. As a result of the ESIA process, an **Environment and Social Management Plan (ESMP**) will be developed. **Examples of Category A projects:** **Agriculture, Animal Husbandry and Rural Development** • Agricultural and breeding activities which use chemical fertilizers and pesticides in wetlands • Large scale monoculture agricultural practices such as tea, coffee, flowers and pyrethrum, etc. • Works and activities that use biotechnology to modify seeds and animals • Large-scale reclamation and new land development • River basin development • Large-scale irrigation, drainage and flood control (e.g., 2000 hectares or more) • Commercial logging • Large-scale aquaculture/mariculture • Intensive animal farming (e.g., more than 85,000 places for broilers, 60,000 places for hens, 3000 places for production pigs or 900 places for sows) **Industry** • Mining/extraction, quarrying and processing of metal ores or coal • Construction of industries, factories and activities carried out in those industries • Construction of oil pipelines and its products, gases and storage tanks

[39] GIIF *does not support an existing or proposed portfolio expected to include substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.*

	• Construction of slaughterhouses • Agro-industry with organic effluents or wastes • Industrial plants including major expansion (with toxic or dusty discharges) • Large ferrous and non-ferrous metal operations • Large-scale pulp and paper industries • Large-scale textile industries involving wet processes • Integrated chemical installations for manufacture on an industrial scale of substances using chemical conversion processes • Manufacture, transportation, and use of pesticides, hazardous or toxic materials • Projects with important risk of accident • Major storage facilities for petroleum, petrochemical and chemical products • Food industry • Rubber industry **Infrastructures** • Construction and repair of international roads, national roads, district roads and repair of large bridges • Construction of hydro-dams and electrical lines • Construction of public dams for water conservation, rainwater harvesting for agricultural activities and artificial lakes • Construction of terminal ports and airports, railways and car parks • Construction of hotels and large public buildings which house more than a hundred people per day • Water distribution activities and sanitation • Construction of public land fills • Construction of hospitals • Construction of stadiums and large markets • Initial installation of communication infrastructures. • Large-scale tourism development **Other Types of Projects** • Coastal or waterside development • Projects involving significant migration, displacement and/or resettlement • Projects that may significantly increase health and safety risks, including HIV/AIDS • Importation of exotic species for commercial use • Projects in or near high highly sensitive and high value ecosystems (parks and buffer zones)

	• Projects with transboundary effects • Hazardous waste management and disposal
Category B -Medium GIIF operations likely to cause less adverse environmental and social impacts than Category A	Category B projects often differ from Category A projects of the same type only in scale. They are likely to have less adverse impacts on human populations or environmentally important areas than Category A projects. Likely impacts are few in number, site-specific, largely reversible, and readily minimized by applying appropriate management and mitigation measures or incorporating internationally recognised design criteria and standards. An operation that involves resettlement activity for which an Abbreviated Resettlement Action Plan (ARAP) is required under the ESAPs is classified as Category B. Such projects require an appropriate level of environmental and social assessment (SESA for programme operations, investment plans, and some corporate loans, or ESIA for investment projects) tailored to the expected environmental and social risk so that the borrower or client can prepare and implement an adequate ESMP (for an investment project) or ESMF (for a programme operation), to manage the environmental and social risks of subprojects in compliance with the GIIF's safeguards. **<u>Examples of Category B Projects</u>** **Agriculture, Animal Husbandry and Rural Development** • Agribusiness (small scale) • Processing and preservation of fruit and vegetable, fish, meat • Vegetable/animal oil production and processing • Dairy products manufacture • Small-scale reclamation and new land development • Small-scale reforestation/afforestation • Land and soil management and agricultural practices improvement • Small-scale irrigation and drainage • Small-scale aquaculture/mariculture • Watershed development (management or rehabilitation) • Small-scale animal production **Industry** • General manufacturing • Manufacture of construction materials • Textile plants (thread making and weaving) • Industry development (with no toxic discharge) • Chemical industries, without any bulk storage of inflammable, explosive or hazardous substances • Manufacture of plastic products

	• Manufacture of leather products (except tanning and dyeing) • Repair and maintenance shops • Printing • Manufacturing of wood products • Saw milling • Manufacture of veneer, plywood and other wood-based materials **Infrastructures** • Dams and small reservoirs • Feeder roads construction • Roads rehabilitation and maintenance • Telecommunication facilities • Rural water supply and sanitation • Water supply and sanitation projects • Small scale hydro-power development • Small-scale power transmission • Rural electrification • Renewable energy development • Urban expansion plan • Public facilities (hospitals, schools, housing development, etc.) • Small-scale tourism development • Small-scale rehabilitation, maintenance and modernization projects **Other Types of Projects** • Small scale protected areas establishment • Environmental programs • Structural and sectoral adjustment loans • Privatization projects • Micro-financing projects • Poverty reduction projects • HIV/AIDS programs and projects • Women targeted projects

Category C -Low/No Category 3: GIIF operations with negligible adverse environmental and social risks	A proposed project is classified as Category C if it is likely to have either minimal or no adverse social and/or environmental impacts (e.g., studies, policy inventory work, and awareness-raising activities) and/or has only a minor budget allocation (with regards to the latter, please note that projects shall neither be divided into two or more separate projects nor deliberately under-budgeted to meet this criterion). Category C projects do not require an environmental and social assessment. Beyond screening and categorization, no action is required. Nonetheless, to properly design a Category C project, it may be necessary to carry out gender analyses, institutional analyses, or other studies on specific, critical social considerations to anticipate and manage unintended impacts on the affected communities. The GIIF's information disclosure requirements and the accountability and grievance systems will also apply for Category C projects. It is also important to note that such projects, particularly 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 and through GIIF's procurement processes, as applicable. **Examples of Category C Projects** • Institutional development and capacity building • Health programs/family planning programs • Establishment of business services industries (business advisors, accountancy auditors, etc.) • Life insurance companies • Broadcasting (TV, radio, satellite) • Purchase of computer equipment • Establishment and equipment of art, design, telecommunications studios • Establishment of restaurants and other food premises • Spinning, weaving and finishing of natural and synthetic fabric • Tailoring and dress-making shops • Manufacture of leather products and clothing (except where tanning or dyeing is involved) • Lines of credit, corporate loans to GIIFs1 • Private equity funds, etc. managed by financial intermediaries

The risk categorization of projects may be reclassified when they have the potential to negatively affect environmentally sensitive areas or socially sensitive issues.

Re-categorize Project Risk Category from C (Low) to B (Medium) if:

- Involve negative physical intervention in the environment
- Disfavour certain groups by virtue of their age or other social characteristics
- Affect rural areas with a relatively high population density (compared to national average)
- Increase women's workload
- Modify adversely gender relationships, roles and/or responsibilities
- Be detrimental to poor, women, vulnerable groups or less-organized segments of society such as nomad people
- Involve involuntary displacement or resettlement for a small number of people
- Increase health risks, including HIV/AIDS
- Disparity in boys versus girls access to education

Re-categorize Project Risk Category from B (Medium) to A (High) if:

Affect the following environmentally sensitive areas:

- Tropical rainforests
- Areas with erosion-prone soils (e.g. mountain slopes)
- Natural conservation areas
- Wetlands of national or international importance
- Areas with protected and/or endangered species
- Areas of particular scientific interest

3.2. Operational Safeguards Standard 2: Protection of Natural Habitats and Biodiversity

a) Objective

Clients or borrowers are required by this standard to (i) identify and implement opportunities to conserve and sustainably use biodiversity[40] and natural habitats, and (ii) observe, implement, and respond to requirements for the conservation and sustainable management of priority ecosystem services.[41]

b) Scope of Application

The OSS will specifically apply to GIIF lending operations that:

- are located in modified, natural, and/or critical habitats; [42]
- involve the introduction or reintroduction of species.
- are located in areas that provide ecosystem services on which potentially affected stakeholders rely for survival, sustenance, livelihood, or primary income, or that are used to sustain the project.

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40 *The Convention on Biological Diversity defines biodiversity as "the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems."*

41 *Ecosystem services are the benefits that people derive from ecosystems. There are four types of ecosystem services: (i) provisioning services, which are the products people obtain from ecosystems (food, freshwater, wood and fibre, fuel), (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes (climate regulation, flood regulation, disease regulation, water purification), (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems (aesthetic, spiritual, educational, recreational), and (iv) supporting services, which are the natural processes that maintain the other services (nutrient cycling, soil formation, primary production).*

42 *Biodiversity outside of natural habitats (such as within agricultural landscapes) is not covered under this policy. It is good practice to take such biodiversity into consideration in project design and implementation.*

- The primary goal is to extract renewable natural resources (for example, plantation forestry, commercial harvesting, agriculture, livestock, fisheries, and aquaculture);
- involve the use and commercialization of an indigenous knowledge system.[43]

c) Specific OSS requirement

C1. Screening, appraisal, approval

Before deciding where to locate the infrastructure, the GIIF looks for natural and/or critical habitat. If critical habitat is discovered during the screening process, the GIIF will decide whether to relocate the project to a different site or to halt further project development. If the proposed project falls into Category A or B, the project proponent must conduct an ESS study prior to project appraisal in order to identify and assess potential opportunities for, risks from, and impacts on biological diversity and ecosystem services, including direct, indirect, cumulative, and pre-mitigation impacts. If avoidance is not possible, the client or borrower will reduce and minimize potential adverse impacts; if reduction or minimization is insufficient, mitigate and/or restore; and, as a last resort, compensate for and offset. This strategy's implementation includes modified habitats, natural habitats, and critical habitats. GIIF will ensure that measures are put in place to reduce the impact of modified habitats. The GIIF will make every effort to avoid significant conversion and degradation of natural habitats. GIIF will not finance any project activities in critical habitat areas and will either relocate the project to a different site or cease all future project development.

C2. Siting

The GIIF will not fund large-scale infrastructure or investment projects that may necessitate the use of natural habitats. When physical infrastructure is included in a GIIF project, preference is given to locating such infrastructure on lands where natural habitats have already been converted to other land uses, i.e., land classified as urban/built-up land. The project will conduct any interventions on a specific piece of land in accordance with national land-use rights and permits. This OSS commits GIIF to refrain from undertaking projects that would result in significant conversion or degradation of critical natural habitats, including those that are (a) legally protected, (b) officially proposed for protection, (c) identified as having high conservation value by authoritative sources, or (d) recognized as protected.

C3. Consideration of alternatives

Where OSS1 procedures indicate that projects may have an adverse impact on non-critical natural habitats, the GIIF will only proceed if no viable alternatives are available, consultations with relevant stakeholders, including affected communities, have been conducted, and appropriate conservation and mitigation measures, including those required to maintain the ecological services they provide, are in place.

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[43] *In the emerging global knowledge economy, a country's ability to build and mobilise knowledge capital is equally essential for sustainable development as the availability of physical and financial capital. The basic component of any country's knowledge system is its indigenous knowledge. It encompasses the skills, experiences and insights of people, applied to maintain or improve their livelihood (World Bank 1997).*

3.3. Operational Safeguards Standard 3: Involuntary Resettlement and Land Acquisition

a) Objective

To avoid physical and economic displacement that results from GIIF project-related land use.

b) Scope of Application

It will also apply to limiting access to land or natural resources, which may result in economic or livelihood losses. The GIIF will ensure that any project interventions on a specific piece of land are carried out in accordance with national land-use rights and permits and do not involve involuntary displacement.

c) Screening

The GIIF will ensure that the buildable land used or provided for project purposes has the necessary property and build-up permits, in accordance with all national public authorities' laws, ordinances, rules, and regulations. It will also ensure that all licenses and inspections required for the project's proper execution and completion are available. If the possibility of involuntary resettlement is identified, GIIF management will decide, in consultation with national counterparts, whether to relocate the project to a different site or to halt further project development. If the proposed project falls into Category A or Category B, the project proponent is responsible for overseeing the necessary ESS studies prior to project appraisal.

3.4. Operational Safeguards Standard 4: Indigenous People and Local Communities

a) Objective

When it comes to indigenous people, the GIIF follows the following criteria.

- Priority in time for occupation and use of a specific territory[44]
- collective cultural attachment to the land.
- voluntary preservation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws, and institutions.
- Self-identification as well as recognition as a distinct collective by other groups or state authorities.
- a history of subjugation, marginalization, dispossession, exclusion, or discrimination.

b) Scope

For the purpose of this Standard, the GIIF identifies indigenous people through criteria that reflect their social and cultural distinctiveness. Such criteria may consider whether:

- They have historical continuity or association with a specific region or part of a specific region that predates colonization or annexation.
- They identify as Indigenous Peoples and are accepted as members of their community on an individual level.
- They are inextricably linked to territories, natural resources, and ecosystems.

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[44] *The concept of "priority in time" is used to distinguish between persons who were born in a particular place (i.e., are indigenous) and those who arrived from elsewhere (i.e., are advance). Hence it suggests that the group to which it refers was the first to exist in the particular location.*

- They maintain, at least in part, distinct social, economic, and political systems.
- they maintain, at least in part, distinct languages, cultures, beliefs, and knowledge systems;
- they are determined to maintain and further develop their identity and distinct social, economic, cultural, and political institutions as distinct peoples and communities.

c) Screening, appraisal, approval

All proposed projects involving indigenous people must be classified as Category A. The risk manager or the environmental and social risk manager, as well as the client, are in charge of supervising ESIA studies that must be completed prior to project appraisal. If the project is finally approved, management conditions will be imposed, and these will be monitored throughout the project's implementation. The study can be carried out by independent and experienced social science experts.

C1. Free-prior, and informed Consent

The GIIF commits to conducting free, prior, and informed consultation with affected local communities in order to (a) ensure positive project engagement; (b) avoid negative impacts, or, if avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (c) tailor benefits in a culturally appropriate manner. The specific requirements and dimensions of the FPIC are detailed in Annex 2C1 of this document.

C2. Benefits-sharing

The GIIF ensures that any access to and commercialization of indigenous knowledge is based on equitable benefits. Where proposed projects result in locally targeted socioeconomic benefits, the client ensures that such benefits are culturally appropriate, gender and generationally inclusive, and age appropriate. The options preferred by the affected indigenous people for the provision of benefits and mitigation measures will be fully considered.

C3. Preparation of local community plan (LCP)

Additionally, the client shall be made to prepare an LCP when it is identified that indigenous people and local communities will be affected by such project. Such plans should draw on indigenous knowledge and be developed with the full and effective participation of affected indigenous people. Specific dimensions of IPPs/ LCPs are outlined in Annex 2 C2 of this document.

3.5. Operational Standards 5: Pest Management

a) Objective

The GIIF ensures that the environmental and health risks associated with pesticide use are minimized and managed in any project or investment that involves applying or promoting the use of pesticides, and that safe, effective, and environmentally sound pest management is promoted and supported. GIIF opposes the use of pesticides, products, and chemicals specified in the Stockholm Convention and WHO Classes IA, IB, and II in pest management projects. Furthermore, GIIF would ensure that such projects adhere to standard national practices as well as the minimum standards outlined in the FAO Code of Conduct on Pesticide Distribution and Use.

b) Scope of application

Applies to projects that entail the procurement and use of pesticides. Any indication that a project may result in the procurement of prohibited pesticides, products, or chemicals results in the project or investment being rejected.

c) Screening

The project proponent and GIIF will screen for the use of pesticides and if the proposed investment is identified as category A or B, a detailed study will be carried out to identify and assess the potential impact of pesticides use on the environment and social components, including direct, indirect, cumulative and pre-mitigation impacts.

3.6. Operational Safeguards Standards 6: Protection of Cultural Heritage

a) Objectives

This OSS is intended to ensure that GIIF-supported projects or investments do not involve the alteration, damage, or removal of any tangible or intangible cultural heritage[45] .

b) Scope of application

The OSS applies to all GIIF lending operations that are either known at the outset to have the potential to negatively impact cultural heritage or are determined to be likely to have such negative impacts during an ESA, or that propose to use cultural heritage for commercial or other purposes. This standard's applicability will be determined during the social and environmental screening and review processes.

c) Specific Requirements

C1. Screening

If cultural heritage (both tangible and intangible) exists and is proposed to be used, affected communities

will be informed of their rights under applicable international[46] and national/local law, the scope and nature of the proposed development, and the potential consequences of such development. The project will not proceed unless.

- good faith negotiations with affected communities result in a documented outcome and
- the project provides for fair and equitable sharing of benefits from any commercialization of such knowledge, innovation, or practice, in accordance with the affected community's customs and traditions.

The OSS4 requirements apply to projects involving indigenous peoples' cultural heritage. Where the GIIF project or investment site contains cultural heritage or prevents access to previously accessible cultural heritage sites that are or have been used by potentially affected communities for long-standing cultural purposes within living memory, the GIIF project should allow continued access to the cultural site or provide an alternative access route, subject to overriding health, safety, and security considerations.

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45 *Tangible cultural heritage is defined by UNESCO as movable cultural heritage (paintings, sculptures, coins, manuscripts); immovable cultural heritage (monuments, archaeological sites) and underwater cultural heritage (shipwrecks, underwater ruins, and cities), which are considered worthy of preservation for the future. These include objects significant to the archaeology, architecture, science, or technology of a specific culture (The Convention Concerning the Protection of the World Culture and Natural Heritage. The General Conference of the United Nations Educational, Scientific and Cultural Organization meeting in Paris, 17 October to 21 November 1972, at its 17th session).*

46 *Compliances with the country's obligations under the Convention Concerning the Protection of the World Cultural and National Heritage*.

C2. Chance Find

A "chance finds" procedure must be implemented for any project involving land clearing or excavation where there are indications of undetected physical or cultural heritage. If a chance find is made during the project preparation and/or implementation stages, appropriate national procedures will be followed. Chance finds will not be disturbed until they have been evaluated by qualified experts. In the absence of national procedures, appropriate procedures will be developed in accordance with the assessment of qualified experts. Based on this assessment, the GIIF and client will decide whether to relocate the project to a different site or to halt any further project development in accordance with the requirements of this OSS.

3.7. Operational Safeguards Standard 7: Safety of Dams

a) Objectives

This standard's goal is to ensure quality and safety in the design, construction, operation, and maintenance of new dams, as well as in the rehabilitation of existing dams. The GIIF does not typically invest in large-scale water management infrastructure projects involving the construction or rehabilitation of large and complex dams. All GIIF investments and projects involving dam construction or rehabilitation are subject to GIIF regulations and, where necessary, national guidelines on construction, supervision, instrumentation, operation, maintenance, and emergency preparedness. To assess and mitigate the environmental and social risks of dam construction, the GIIF will use the Guidelines for SHP Systems[47] developed by UNEP and the Basel Agency for Sustainable Energy.

b) Scope of application

applies to all GIIF-funded project activities involving the construction, operation, and maintenance of new dams or the rehabilitation of existing dams. This standard's applicability will be determined during the social and environmental screening and review processes.

c) Specific requirements

Where the dam is new or rehabilitated, GIIF ensures that the clients engage experienced and competent professionals to supervise dam construction or rehabilitation in accordance with existing guidelines. If the dam is new and taller than 15 meters, the GIIF will not support it. However, if a new dam of 15 meters or less is to be built, or an existing dam that exceeds 15 meters in height is to be rehabilitated, both ESIA and ESMP will be required. The ESIA or ESMP commitments will detail comprehensive plans for the overall design, operation, and maintenance of dams. If the project is finally approved, management conditions will be imposed, and these will be monitored throughout the project's implementation.

3.8. Operational Safeguards Standard 8: Labour and working Conditions.

a) Objectives

Applies to the protection of the fundamental rights of workers and avoidance of tendency to undermine worker commitment and retention which could jeopardize a project.

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[47] *UNEP, Basel Agency for Sustainable Energy (BASE), n.d. Environmental Due Diligence (EDD) Of Renewable Energy Projects-Guidelines for Small Scale Hydroelectric Energy Systems- Release 1.0*

- fair treatment, non-discrimination[48], and equal opportunity of workers.
- establishing, maintaining, and improving the worker-management relationship.
- compliance with national employment and labor laws.
- Support the principles of freedom of association and collective bargaining of project workers, contracted workers, community workers and primary supply workers.
- Protection of workers, including vulnerable categories of workers such as children[49] workers, workers engaged by third parties[50], and workers in the client's supply chain[51] .
- safety and healthy working conditions, and the health of workers.[52]
- Prevention of the use of forced labor and child labor[53]

b) Scope of Application

The nature and scope of this OSS's applicability will be established during the environmental and social assessment process required by OSS1.

c) Screening

The GIFF will ensure that clients have adequate human resource policies and procedures in place to provide safe and healthy working environment, with clear and understandable information on workers' rights and any collective agreement in place.

3.9. Operational Safeguards Standard 9: Resource Efficiency and Pollution Prevention and Management of Chemical Waste

a) Objectives

While the GIIF's ESSP is governed by a precautionary approach, this OSS will be observed and implemented to ensure that a project-level approach to resource efficiency, cleaner production processes, and pollution management[54] is adopted in accordance with internationally disseminated practices[55] and technologies. As a result, the goal of this OSS is to avoid or minimize the negative effects of pollution on human health and the environment by avoiding or minimizing project-level wastes, emissions, and pollution.

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[48] *Either on personal characteristics such as gender, race, nationality, ethnic, social, and indigenous origin, religion or belief, disability, age, and or sexual orientation*

[49] *Underpin in IFC Performance Standards "The client will not employ children in any manner that is economically exploitative, or 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".*

[50] *With respect to contracted workers the client will take commercially reasonable efforts to ascertain that the third parties who engage these workers are reputable and legitimate enterprises and have an appropriate ESMS that will allow them to operate in a manner consistent with the requirements of this ESS Performance Standard*

[51] *The client will identify risks in the primary supply chain consistent with footnote 17 & 21 and take appropriate mitigation steps to remedy them should such cases be identified. the client will also ensure primary suppliers within the supply chain are taking steps to prevent or to correct life-threatening situations- **reflected in the IFC PS.***

[52] *consistent with the World Bank Group Environmental, Health and Safety available at https://www.ifc.org/wps/wcm/connect/554e8d80488658e4b76af76a6515bb18/Final+-+General+EHS+Guidelines.pdf?MOD=AJPERES*

[53] *This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. The client will not employ trafficked persons as reflected in the IFC PS.*

[54] *As reflected in internationally recognised standards such as the World Bank Group's Environmental, Health and Safety Guidelines, available at http://www.ifc.org/ehsguidelines. These standards contain performance levels and measures that will normally be acceptable and applicable to Projects. When national regulations differ from these levels and measures, the project will achieve whichever are more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the project will provide full and detailed justification for any proposed alternatives, provided that such alternatives are consistent with the requirements of ADB ESSP.*

[55] *International conventions and standards include the Convention on Long-range Transboundary Air Pollution, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes, the London Convention for Ocean Disposal, the Stockholm Convention on Persistent Organic Pollutants and the Montreal Protocol on Substances that Deplete the Ozone Layer, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Haza rdous Chemicals and Pesticides in International Trade, and the Minamata Convention on Mercury.*

b) Scope of Application

The OSS applies specifically to GIIF projects and investments that:

- ❖ Significantly consumes or causes the consumption of water, energy, or other resources, whether through its footprint or the boundary of its influence.
- ❖ produces or causes significant GHG emissions, the production of solid, liquid, or gaseous hazardous waste.
- ❖ uses, causes the use of, or manages the use, storage, or disposal of hazardous chemicals, including pesticides, herbicides, insecticides, or any other poison.

3.10. Operational Safeguards Standard 10: Community Health, Safety and Security

a) Objective

GIIF recognizes that project activities, equipment, and infrastructure can increase the risk and impact exposure of project-affected communities and beneficiaries, and it ensures that the health, safety, and security risks and impacts arising from project-related activities on project-affected communities are avoided or minimized. As a result, the goal of this OSS is to anticipate and avoid adverse effects on the health and safety of project-affected communities and beneficiaries from both routine and non-routine circumstances during the project's lifetime.

b) Scope of application

This OSS applies to all projects that.

- ❖ exposes the neighborhood to disease.
- ❖ involve activities that are likely to have a negative impact on the local community's security.
- ❖ restricts ecosystem service provision in any way.
- ❖ affect the health and safety of project staff or anyone else associated with the project.
- ❖ have effective emergency response plans in place.

c) Specific requirement

The GIIF screens early as part of the environmental and social assessment procedure required by OSS1 to determine if it poses any potential risk to the community, health, or safety. If it is determined that the proposed project may pose significant risks to and have potential impacts on the safety of affected communities during project design, construction, operation, and decommissioning, the client must establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts.

3.11. Operational Safeguards Standard 11: Information Disclosure and Stakeholder Engagement

In line with principle 2.9 of this OSS, the GIIF will ensure meaningful consultation with stakeholders and public disclosure of appropriate information.

Contents of the information to be provided include,

- ❖ Project description;
- ❖ Rationale for the project categorization;

- ❖ List of key environmental, social, health, and safety issues;
- ❖ Details of proposed mitigation measures;
- ❖ Information on the project's monitoring and reporting programme;
- ❖ The full ESIA or ESMP in those languages required by the relevant project donor; and,
- ❖ The process by which any grievances will be managed.

3.11.1. Disclosure and consultation timeframes

The following disclosure and consultation timeframes apply for projects of GIIF, as well as those of project executing entities overseen by GIIF, for the various project categories:

Category A Projects

- ❖ The completed Environmental and Social (E&S) Screening Template is published on the GIIF website upon donor approval of the project concept;
- ❖ The draft TOR for the ESIA study is placed on the GIIF website for public review for 5 working days before finalization;
- ❖ The draft ESIA is placed on the GIIF website, 10 working days prior to consultation;
- ❖ Upon technical clearance by the MRIC, the final ESIA is published on the GIIF website in the applicable languages at least 120 working days prior to GIIF Executive Board approval.

Category B Projects

- ❖ The completed Environmental and Social (E&S) Screening Template is published on the GIIF website upon donor approval of the project concept;
- ❖ The draft ESMP/ESIA is placed on the GIIF website, 10 working days prior to consultation;
- ❖ Upon technical clearance by the MRIC, the final ESMP or ESIA is published on the GIIF website in the applicable languages at least 30 working days prior to GIIF Executive Board approval.

Category C Projects

- ❖ Information will be released as appropriate.
- ❖ For all Project Categories, in the case that a grievance mechanism is triggered in relation to the published ESS studies, GIIF Executive Board approval shall be delayed until an amicable solution is found.

3.11.2. General public access

GIIF will endeavor to put all project-related information on its website for easy public access. If specific information is not available on the GIIF website, the public can contact GIIF through available channels.

3.11.3. Review and appeal process

If an information requester is unable to obtain the desired information from the GIIF website, or if the information requested is denied for reasons that appear to be inconsistent with the spirit of this policy, the requester may use the GIIF Grievance and Redress Mechanism to file an official complaint in accordance with the procedures outlined in chapter 6.

3.11.4. Exceptions

In certain situations, GIIF recognizes that sensitive information pertaining to political and economic contexts may need to remain confidential. SS 2-10 will be subjected to more thorough evaluations. The GIIF's information disclosure policy addresses specifics about the types of information that are exempt.

4. HOW THE ESS FITS INTO GIIF'S INVESTMENT APPRAISAL

The ESSP is operationalized through a series of review steps to ensure that the policy is applied consistently. These steps are incorporated into the project/investment cycle established by the GIIF project/investment appraisal and procedure guidelines to assist the GIIF in assessing and justifying the case for proceeding with or rejecting a project or investment proposal in a structured manner. It is also used to assess every project or investment proposal that is intended to be funded through the GIIF, and it follows a standard format that includes the following:

- Initial screening stage
- Establish Environment and social due diligence.
- Project Review and clearance
- Approval, facility documentation and Disbursement
- Loan/Portfolio Management

4.1. Initial Screening

When a client submits a project or investment concept to the GIIF, the investment department first completes an initial enquiry questionnaire, which includes determining whether the project to be financed is on the exclusive check list (appendix 1). If the project is on the exclusive list, GIIF will not support it. If it is not, the investment team proceeds to determine whether and what risks exist. At this point, the investment officer will have gathered all necessary information from the client (Annex 2A). When there are environmental or social risks, the Environment and Social Risk Manager (ESRM) is responsible for conducting an ESS screening and completing the Environmental and Social Screening Template (presented in Annex 3). The ESS screening is a preliminary assessment of potential negative impacts that determines the project's risk level (low, moderate, or high) and whether additional assessments are necessary. The classification serves to not only signal the level of environmental and social risk, but also to provide guidance for the level of E&S due diligence to be performed. The GIIF requires an Environmental and Social Impact Assessment (ESIA) when a project or investment is classified as high- or moderate-risk. Low-risk projects or investments do not necessitate any additional ESS actions.

- *Responsible Department: Investment Department*
- *Documents to Consult: Exclusive Check list by Investment Department*
- *Form to Complete: initial ESS questionnaire by client*
- *ESS Screening and categorization tool: Environmental and Social Risk Manager completes the tool below based on answers provided by the client to determine the risk categories.*

Figure 2: GIIF Screening and Categorization Tool

2. E&S Risk Assessment

Please enter the key transaction details in the section below. On completion, the overall E&S risk associated with the specified transaction will appear in the E&S Risk Matrix. This inherent risk is a function of the sector E&S risk, the transaction type and, where applicable, the length of the loan agreement. If the chosen sector carries a high or medium E&S risk rating, the key E&S issues present in the sector will automatically populate in the E&S Issue Table. For low risk sectors, the E&S Issue Table is not displayed. (Please note that the transaction country does not influence the inherent risk rating generated).

Transaction Details

Customer name		Transaction country	Ghana
Customer ID		Transaction type	Corporate loan
Assessment date		Length of loan	Medium (1-3yr)

Industry	Construction	NACE code[1]	43.1
Category	Specialised construction activities	Sector E&S Risk	High
Subcategory	Demolition and site preparation (demolition, site preparation, test drilling and boring)	Overall E&S Risk	High

4.2. Establish Environment and social due diligence

If the proposed project or investment concept note passes the GIIF screening process and the final ESS category is confirmed, the outcome of the E&S categorization will determine the level of ESDD to be considered. The client will be asked to provide copies of all necessary permits and required documents or to obtain these before the application is further evaluated. At this stage, GIIF establish the gaps between the Client's E&S performance and GIIFs preferred benchmark. The due-diligence findings are compiled into a Due Diligence Report, which summarizes the social and environmental risks and also includes identification of necessary corrective actions to mitigate potential impacts. The findings of the ESDD assessments, which summarizes the social and environmental risks and also includes identification of necessary corrective actions to mitigate potential impacts are presented in an ESDD report and consolidated and integrated into credit appraisal proposal. Depending on the findings, the ESDD report may result in the client preparing either an ESIA, ESMP, or ESMF with assistant from qualified external consultant. The proponent fully develops the project or investment proposal, ensuring that it addresses all risk factors identified as input into the final proposal, including those in the E&S screening template. To avoid delays, clients are advised to add a feasibility study, including a full ESIA report where necessary, to the project prior to the GIIF's review.

- *Responsible Department: Risk Department*
- *Documents to Consult: E&S Categorization tool by ESRM.*
- *Form to Complete: Category A and B Checklist and ESDD requirement by ESRM and External Consultant*

4.3. Project Review and clearance

The second decision point is clearance, including ESS clearance of the project or investment proposal. At this stage, the Risk Department and ESRM undertake a technical quality review of the project or investment document, including the ESIA, ESMP, or ESMF recommended after the ESDD, to assess whether the findings of the ESIA are appropriately addressed in the project proposal and whether adequate measures for avoiding, reducing, managing risk or compensating for impacts are provided before the proposal is presented to the Investment Management and Risk Committee (IMRC) for further review and clearance. The client is responsible for ensuring that the designated assessments (which can be contracted to external experts or GIIF-approved consultants) are completed correctly. The client must also demonstrate that the resulting mitigation measures were agreed upon by all stakeholders prior to the start of the project and that they will be implemented once the project has begun.

- *Responsible Department: Risk Department*
- *Documents to Consult: ESDD requirement and ESIA, ESMP, ESMF by ESRM and Consultant*

4.4. Approval, facility documentation and Disbursement

At this point, the MRIC reviews all of the analyses and develops a decision package that demonstrates the justification for the projects, investments, and proposed interventions. After the MRIC has approved the project, the Chief Executive Officer (CEO) forwards it to the Board for consideration, ratification, approval, or rejection. Following board approval, the committee secretary prepares an action slip of the issues discussed, extracting action points and pre-disbursement conditions. The investment department then prepares the disbursement memo, in collaboration with the legal department, incorporating all approved pre-disbursement conditions, including the E&S conditions, to be signed and submitted by the proponent with all conditions met. The project or investment is thoroughly vetted and signed after the proponent submits it.

- *Responsible Department: Investment and legal Departments*
- *Documents to Consult: ESS document, Legal clauses, facility documentation, and pre-disbursement conditions.*
- *Form to complete: Loan Documentation*

4.5. Loan/Portfolio Management

Post-approval management, monitoring, and evaluation commitments are made in the project documentation developed during the project or investment proposal and, where necessary, reflected in the bid and contract documents. To ensure that the client follows through on these commitments, the GIIF conducts regular monitoring and reporting through annual ESS performance reports, project progress reports, mid-term reviews, and assessments within the context of final evaluations. To ensure effective project implementation and management, the GIIF's Investment Department and Portfolio Management Team monitor project implementation. They review quarterly implementation reports, conduct field visits, and request that the client revise the ESMP or ESS (if necessary) with risk department approval. The ESRM initiates a full compliance review in certain circumstances. If a complaint for noncompliance is received, the Risk Department initiates the GIIF's mediation process. The Department of Compliance and Risk prepares the management response and maintains the internal tracking system.

Responsible Department: Investment, Risk, and Portfolio Departments
Documents to Consult: ESS reports.

5. INSTITUTIONAL AND OPERATIONAL ARRANGEMENTS FOR ESS POLICY

This section describes the scope of projects covered by the ESSP, how ESSP requirements fit into the Fund's investment and project preparation cycles, and how the Fund holds itself accountable for implementing the ESS requirements, including its grievance procedures.

5.1. Scope of the ESS Policy

Regardless of the type of project, the implementation arrangement in place, or the entities involved in its execution, the ESS requirements apply to all projects where GIIF is the legal entity responsible for the project. This includes the arrangements listed below:[56]

- All projects that are developed and executed by the GIIF.
- Projects funded by multilateral financial institutions, for which GIIF serves as the implementing or executing agency.
- projects executed or subcontracted by GIIF; and
- projects developed and executed by other agencies for which GIIF serves as a grantor, channeling funding from a donor to the executing agencies.

A full ESS application beginning with screening is only done to larger projects in order to apply ESS standards proportionate to the risks in a project. In order to identify potential dangers should the project fall below the aforementioned threshold; the project proponent will conduct a self-assessment of the risks using a guided questionnaire[57]. The project will need a complete ESS application if risks are found.

The following terms and definitions are used.

- **GIIF projects:** all projects for which the GIIF is the legal entity.
- **Executing entity:** the entity in charge of a project
- **Project proponent:** the entity in charge of designing the project.
- **A project:** "a time-bound set of activities intended to achieve results and deliver impacts." Projects are the means by which the GIIF program is implemented, and they are chosen based on the program's needs.

5.2. Accountability

The GIIF assures compliance with the ESSP through specific institutional arrangements put in place for the operationalization of the ESS, and a dedicated grievance mechanism (as detailed in chapter 6). GIIF will also ensure that staff has the necessary resources to perform their duties and receive training, as necessary. GIIF may also hire consultants, as deemed necessary, to make site visits and conduct social and environmental due diligence.

5.2.1. Roles and responsibilities

Although the implementation of the environmental guidelines is a collective responsibility of all employees in the institution, the primary responsibility for implementing these social and environmental guidelines lies with the following people: Investment department, Risk Manager, Management Risk and Investment

[57] *Low risk projects (category C) will require self-assessment by the project proponent through a guided questionnaire.*

Committee, Board of Directors, Environmental and Social Risk Manager, legal, and grievance review committee

Investment Team

- Ensure completion of initial ESRM questionnaire by all prospective sponsors.
- Oversee the social and environmental due diligence process, especially with regards to compliance with applicable Ghanaian laws;
- Support risk department to review Due Diligence Reports to ensure completeness prior to submitting to the screening committee.
- Conduct appraisals of all projects, comprising screening against GIIF's exclusion list, technical review and site visit (including social and environmental aspects), risk classification, social and environmental due diligence;
- Together with the portfolio department, conduct monitoring of all projects, comprising a regular site visit (including review of social and environmental performance and identification of corrective actions); and
- Promptly notify Management Risk and Investment Committee of any fact or situation that is likely to result in noncompliance with applicable social and environmental requirements.

Management Risk and Investment Committee

- The Management Risk and Investment Committee is in charge of the control and management of all GIIF lending policies, processes, and procedures.
- Responsible for overseeing GIIF programme and approving annual work plans, and programme monitoring reports.
- It is in charge of receiving the project concept decision package and ensuring that the project proponent follows the required standard formats.
- The committee makes a recommendation to the board to approve or reject a project or investment.
- The committee secretary prepares an action slip of the issues discussed and extracts action points for various departments and units on the decision made and any other conditions attached to inform the customer to wait for the board's final decision.

Board of Directors

- The board receives the decision package from the MRIC.
- Review and provide final sign-off on the ESMS to ensure that it is integrated as part of GIIF's standard operating procedures;
- Upon a careful evaluation of whether or not the proponent has demonstrated the reasonability of the project or investment concept, the board either approves or rejects the project.
- Make available to external stakeholders' annual reports on the social and environmental performance of GIIF's investment portfolio; and,
- Report to external stakeholders, as necessary, on social and environmental issues as they relate to GIIF's financial performance.

Risk Manager

- The Risk Department at GIIF is in charge of overseeing the implementation of risk management policies and ensuring that GIIF stays within its authorized limits.

- As a result, it retains overall responsibility for evaluating project or investment proposals and monitoring ESSP implementation by directing ESS review procedures throughout the project or investment cycle.
- It identifies the need for evaluating environmental or social issues as needed.
- Review the findings and social and environmental risk assessment provided in the DD Report;
- Request additional information to determine if the environmental risk category, social and environmental risk assessment or proposed corrective actions are satisfactory or need revision;
- Revise the risk category of a project if it has the potential to negatively affect environmentally sensitive areas or socially sensitive issues;
- Review periodic reports on the social, environmental, and financial performance of all projects;
- Evaluate project performance (especially if High Risk (Category A)) and recommend additional measures for corrective action, as necessary.

Environmental and Social Risk Coordinator

- Be responsible for overall oversight, operationalization and coordination of the ESMS;
- Report to the Management Risk and Investment Committee through Risk manager on matters relating to the social and environmental risks associated with projects;
- Periodically review and update the ESS to ensure that social and environmental impacts and risks are properly managed;
- Ensure that sufficient internal resources are allocated to allow for the effective implementation of the ESS;
- Track any changes in the Ghanaian regulatory framework that pertain to the environment, land use, labour health and safety issues, indigenous people and cultural artifact;
- Assist with the day-to-day implementation of the ESS to ensure that these procedures are integrated with the GIIF's investment procedures;
- Serve as a focal point for information on social and environmental best practices relevant to GIIF's investment activities;
- Ensure internal briefings on emerging social and environmental issues to staff as necessary;
- Ensure that updated electronic and hard copies of the ESS are available to all GIIF staff;
- Track changes in the social and environmental regulatory framework; and,
- Oversee the preparation of annual social and environmental performance reports.
- Main liaison between GIIF and all external Consultants

Legal Department

- Ensure that all legal agreements contain appropriate covenants to comply with GIIF's social and environmental policy and applicable social and environmental requirements as set out in the ESS

Grievance Review Committee

The Committee will assess disputes related to the appropriateness of technical design and perceived negative impacts as a result of the implementation of projects, which are those involving the ESS safeguards, within 21 working days.

Monitoring and Evaluation Unit

The M&E Unit is responsible for monitoring and evaluation of all programmes and ongoing projects. Coordinate the preparation of all monitoring and evaluation reports; guide GIIF staff and clients, partners in preparing their progress reports in accordance with approved reporting formats and ensure their timely submission; Develop the overall framework of the monitoring and evaluation activities. Oversee and execute the monitoring and evaluation activities with particular focus on results and impact of projects.

6. GRIEVANCE REVIEW MECHANISM AND PROCEDURE

The ESS grievance mechanism addresses complaints from all project-affected parties, particularly about clients' environmental and social performance. The scope of the grievance mechanism policy applies to all projects covered by the ESS scope (under Chapter 5.1), regardless of size or funding source.

This grievance mechanism acknowledges GIIF's existing mechanisms for handling various types of complaints. As a result, this mechanism is intended to supplement rather than replace existing institution-level systems. Where feasible and appropriate for the project or investment, the grievance mechanism will make use of existing formal and informal grievance mechanisms, supplemented as necessary with project-specific arrangements. However, where the existing grievance mechanism provides limited or no clear guidance on environmental and social impact issues, the grievance mechanism procedure, and requirements in this ESSP shall apply. The grievance mechanism is expected to address concerns in a timely and effective manner that is culturally appropriate, free of charge, and without retribution. It will not prevent people from seeking judicial or administrative remedies.

6.1. Definition of Complaints

The GIIF acknowledges that complaints from affected stakeholders may pertain to either:

- Type 1 complaint: Noncompliance with GIIF regulations, rules, policies, or procedures as perceived.
- Type 2 compliant: Disputes concerning the appropriateness of project technical design and implementation, as well as the necessary safeguards, regardless of compliance with GIIF regulations, rules, policies, or procedures.
- The preceding description is of a combination of type 1 and type 2 complaints.

6.2. Eligibility

- An issue is complaint-worthy if any community, organization, or project stakeholder believes they may be harmed as a result of an executing entity's failure to follow GIIF's ESS principles, standards, or procedures.

- Representatives (individuals or local organizations) can file a complaint in their native or maternal language on behalf of a community, project stakeholder, or affected group.

- Complaints can be made anonymously. The identities of complainants and whistleblowers will be kept confidential upon request.

- Grievances will be handled in a discrete, objective, sensitive, and responsive manner. The grievance mechanism must be accessible, practical, effective, independent, transparent, and follow proper record-keeping principles. An appeal is permitted and will have no consequences on the complainant’s relationship with GIIF.

The following requests are not eligible.

- Complaints about actions or omissions by parties other than GIIF and the relevant executing entity acting under its authority in the context of the project.

- complaints filed:

- after the project's official closure date; or
- 18 months after the project's official closure date in cases where the complaint addresses an impact resulting from project activities that was not, and reasonably could not have been, known prior to the project's closure.

❖ unless new evidence is provided, complaints submitted by the same claimant on matters previously raised with the grievance mechanism.

❖ Complaints about fraud, corruption, or the procurement of goods and services fall under different mechanisms. Reports of project fraud or corruption should be directed to the Risk Department. Complaints about procurement of goods and services, including consulting services, should be directed to the GIIF office in charge of the specific procurement.

6.3. Review process of grievance complaint procedure

To be practical and cost-effective, complaints are resolved at the lowest level possible. The GIIF grievance mechanism will be divided into three stages.

Stage 1: In the first stage of grievance resolution, the affected party directly engages project management (the executing agency) to review the conflict and agree on a course of action that advances their mutual interests. A local implementation committee [1] (made up of community members) is formed and charged with overseeing the effective implementation of projects and investments. Because committee members are drawn from the community, they have a better understanding of the causes of disputes that arise during project implementation. As a result, "deciding together" approaches are typically the most accessible, natural, and cost-effective methods for community and project management.

Stage 2: If the interaction with the executing agency has not been successful, the concern should be raised with the GIIF field officer or contact person on the project via written letter or telephone. Only if the first two stages are unsuccessful should the complaint be forwarded to the Risk Department at the GIIF headquarters (stage 3).

Stage 3: Complaints should explain that good-faith efforts were made to resolve the issue directly with the executing entity and then with the GIIF contact person. If the issue is extremely sensitive, the complainant needs confidentiality, or the complainant is afraid of retaliation, the first two stages can be skipped, and the complaint submitted directly to the Risk Department. A complaint can be submitted to the Risk Department in several ways:

- Post to GIIF Risk Department
  P. O. Box CT 9300 Cantonment,
  Accra 3rd Ambassadorial
  Development Area Ridge-Accra
- Physical Address: 9th Floor, World Trade Center, 29 Independent
  Avenue Ridge Ambassadorial Enclave
- Email: info@giif.gov.gh

A written complaint sent by post, fax, or email should include (in any language) the following information:

❖ If the complaint is filed by the representative of a legal person or entity, include the complainant's name, address, telephone number, fax number, and email address, as well as valid proof of representation.

- ❖ description of the project or program in question.
- ❖ the harm that is or may result from GIIF's or the project executing entity's failure to respect GIIF's ESS principles, standards, or procedures.
- ❖ the allegedly breached principle, standard, or procedure (if known)
- ❖ Actions are taken to resolve the issue, including previous contacts with the executing entity and the GIIF Contact on the field (Stages 1 and 2) and reasonably detailed explanations why these stages have not provided a satisfactory solution as well as a
- ❖ list of supporting documents, as appropriate.

A template for bringing forward complaint is available on the GIIF website https://giif.gov.gh/).

6.4. Review process of the Risk Department

Upon receipt of a complaint, the Risk Department will pre-screen all complaints within five working days to determine the nature of the complaints (described in Chapter 6a) and refer them to the appropriate unit, department, or officer.

(i) The risk department forwards Type 1 complaints to the CU and collaborates closely with the CO to ensure that allegations are evaluated and investigated as soon as possible.

(ii) Risk Department: The Risk Department will handle type 2 complaints. The Department will conduct a preliminary review of the complaint in order to determine the necessary members of the GIIF Grievance Review Committee (GRC) that will be formed.

The Risk Department will serve as the GRC's secretariat, with the Head of the Department serving as the Committee's Chairman. Depending on the specific complaint and project scenario, the committee may include the following potential members:

- ❖ Risk and Investment Managers
- ❖ GIIF's significant Environment and Social Risk Manager
- ❖ Field staff or consultants from the Project Executing Entity
- ❖ Independent subject matter expert(s) to provide external perspectives on the technical case GIIF staff from procurement, finance, and recruitment services relevant to the complaint (if required).

The Grievance Review Committee will do the following:

- ❖ Disagreements about the appropriateness of technical design and perceived negative consequences of project implementation, such as those involving safeguards, should be evaluated.
- ❖ Examine relevant project documentation, such as ESS-related documents, procurement and contract terms of reference, and documentation and information provided by the complainant.

- Examine the technical project design in detail and (i) either confirm its appropriateness or (ii) propose corrective measures and activities for the auditor's consideration.

- Analyze the perceived negative impacts of GIIF project interventions by cross-referencing them with specific safeguard policy language and the project-level Environmental and Social Management Plan (ESMP) or Impact Assessment (ESIA). If the complaint is justified, the ESMP will be revised to include corrective measures and actions.

- If the GRC discovers during its work that there is reason to suspect a violation of GIIF regulations, rules, policies, or procedures (Type 1 complaint), the complaint will be referred back to CU.

6.5. The Grievance Mechanism Secretariat

If the GRC reaches a conclusion and the Head of Risk Department approves, the Secretariat will:

- Prepare a communication informing the complainant of GIIF's decision.
- Refer all GRC findings and decisions to CU for record-keeping.
- Follow-up with the GIIF Risk Department on any required corrective actions, such as an update of relevant project documentation, specifically work plans and budgets, to conclude the grievance case.

(iii) Complaints combining Type 1 and Type 2 are referred to both CU and the Risk Department. In such cases, CRO will clearly define the two bodies' respective scopes of work and ensure proper information flow and coordination.

The outcome of type 1 and type 2 complaints will be communicated to the complainant.

6.6. Non-compliance management

If the executing entity fails to take corrective action or remains in noncompliance, the following steps will be taken:

Warning the executing entity that significant corrective actions will be required, including:

- detailed analysis of the root causes of recommendation non-implementation, including fact-finding missions (with technical assistance from GIIF or external consultants) and stakeholder meetings
- production of a new action plan with a time frame, strengthened monitoring procedures, and specific reporting.
- action plan review and implementation monitoring.
- conditions imposed on financial transaction approval.
- delay in disbursement of funds
- information disclosure on the dedicated page on the GIIF website

6.7. Maintaining records

The Compliance Unit will ensure that:

- Complaints are filed in a database with detailed records of agreed-upon corrective actions (with due regard for information confidentiality and to protect the reputation and rights of parties involved).
- reports from the executing agency (ies) on progress toward implementing recommendations are

processed, and all necessary monitoring tasks are coordinated in collaboration with the Risk Department.

- ❖ Reports demonstrating compliance with GIIF's ESS procedures are posted on the website for partners and the general public to review, while maintaining confidentiality.

6.8. Informing stakeholders about the grievance system

The executing entity must inform all relevant project stakeholders of the GIIF's grievance mechanism and the relevant provisions of the ESS in order for the grievance mechanism to be effective and accessible. Ideally, this should be completed during the project design phase, but no later than the first quarter of project implementation. Stakeholders must be aware of the issues that are eligible for the grievance mechanism, the three-stage process, contact information, and the mechanism for filing complaints. The information should be delivered in a culturally appropriate manner to ensure that all relevant groups, including women, local communities, and vulnerable groups, are reached. It can be communicated verbally (at consultation meetings, through the media, or through radio or television) or in writing. Delineating the communication methods used in the project's ESMP is good practice.

7. ESS REVIW PROCEDURES ALONG THE GIIF INVESTMENT CYCLE

This chapter describes the procedures for reviewing Environmental and Social Safeguards (ESS) throughout the GIIF investment cycle. It is divided into seven sections, the first six of which explain: 1) the steps of screening the project to determine its risk level (Chapter 7.1); 2) the type of Environmental and Social Impact Assessment (ESIA) required (Chapter 7.2); 3) Environmental and Social Management Plan (Chapter 7.3); 4) Appraising the ESIA (Chapter 7.4); 5) Clearing the project of ESS issues (Chapter 7.5); and 6) Monitoring and evaluating and reporting the Environmental and Social Management Plan (ESMP) (Chapter 7.6). The seven sections summarize the disclosure and consultation requirements (chapter 7.7).

7.1. ESS Screening

Before a project is approved, it is screened for potential environmental and social impacts at the end of the concept stage.

7.1.1. Screening purpose

Screening is performed to determine whether a project may pose risks that could have negative environmental or social consequences, to establish the project's level of risk, and to determine the appropriate type and level of assessment required to determine the extent of the risks.

7.1.2. Methodology

The Environmental and Social Risk Manager (ESRM) conducts a desk assessment known as screening. (1) the project concept and its description of the project's physical, biological, economic, socio-cultural, and governance framework; (2) the ESS questionnaire completed by the client/borrower/project proponent; and, if possible, a stakeholder analysis also prepared by the clients.

The following criteria are used to assess the significance of impacts:

- ❖ The sensitivity of the affected groups.
- ❖ the degree of anticipated impact(s), taking into account expected severity, duration, scale, and reversibility.
- ❖ the likelihood of the impact(s) occurring.
- ❖ the risk of noncompliance with applicable environmental or social laws; and the

potential for GIIF's reputational risks.

If the significance of the identified potential impacts is questioned or the information is insufficient, the ESRM will conservatively assign a higher risk level and request an Environmental and Social Impact Assessment (ESIA). However, given the costs of such an assessment, the screening decision should be based on impacts that have a certain degree of probability based on available information rather than on hypothetical impacts.

7.1.3. ESS Questionnaire

The ESS questionnaire, which is divided into four sections (table 3), is intended to substantiate the screening decision, and flush out issues that may have negative consequences. The first section examines impact issues related to the ESS standards, while the second examines the social and environmental consequences that extend beyond the issues covered by the standard[58] and the risks triggered. The third section looks into the stakeholder engagement process to see how far the project proponent has gone to involve stakeholders, identify potentially affected groups, and discuss concerns about potential negative impacts. The level of stakeholder engagement[59] is investigated to determine the extent to which they were permitted to participate in project conceptualization.

Table 3: Sections of ESS Questionnaires

A. Potential impact related to ESS Standard
▪ Are they any conditions that trigger the application of Standards? What are concrete risks related to these conditions? ▪ Has the project concept already considered measures for mitigating adverse impacts? ▪ Aare there any data gaps that require more in-depth assessment?
B. Other social or environmental impact
▪ Social risks: such as human rights issues, mitigation dynamics, affecting social cohesion, health & safety, human wildlife conflict. ▪ Environmental risks: such as hazardous waste, pollution, GHG emission. ▪ Has the project concept already considered measures for mitigating adverse impacts?
C. Process of stakeholder engagement during project conceptualization
▪ Has a project stakeholder analysis been carried out to understand the interest, influence and risks of stakeholders being affected by the project? ▪ Degree and inclusiveness of consultations during project conceptualization
D. Climate change risks
▪ Does the project increase vulnerability of communities & ecosystems to climate change impacts? ▪ Is there a risk that climate change might challenge the technical feasibility of the project?

[58] *impacts on vulnerable groups, social cohesion, community health & safety or on public infrastructure critical for basic needs*
[59] *Detailed under chapter 1.2.8 & 4.1.1*

7.2. Environmental and Social Safeguards Assessment

If the screening results identify risks of negative environmental and/or social impacts and the project is classified as high risk, the project proponent is required to prepare an Environmental and Social Impac Assessment (ESIA). The ESIA is intended to identify and assess the potential environmental and socia impacts of a proposed project, as well as to evaluate alternatives and design appropriate mitigation management, and monitoring measures. Because these safeguard issues are cross-cutting, interrelated, and require appropriate coordination during project planning and implementation, the GIIF requires th client, borrower, or project proponent to take an integrated approach to assessing environmental an social risks and adverse impacts. The GIIF shall review the environmental and social documentation provided by the client, borrower, or project proponent to determine whether it adequately covers th assessment of environmental and social risks and adverse impacts, as well as whether mitigation and monitoring measures are envisaged.

7.2.1. Difference between high-risk and moderate-risk project

The ESS employs a risk management approach in which the scope and quality of the ESIA process are proportionate to the project's complexity as well as the nature and scale of the risks. As a result, the level of effort and scrutiny of the analysis is greater for high-risk projects that go through the full ESIA process. A partial impact assessment—a more targeted impact study—is used to evaluate moderate-risk projects because the identified impacts are more limited in scope, fewer in number, and less complex. The two types of ESIAs are discussed further below.

- **Full ESIA:** is a comprehensive process for analyzing environmental and social impacts that includes a dedicated stakeholder consultation methodology. It includes an examination of the policy, legal, and administrative frameworks; identification and analysis of stakeholders; collection of environmental and social baseline data; impact prediction and assessment; alternative analysis; and development of an environmental and social management plan.
- **Partial ESIA:** In terms of depth of analysis, a partial ESIA is less comprehensive than a full ESIA because it does not provide as much background or baseline data and focuses on the few delineated environmental or social impacts issues identified by the ESS screening, which can be purely environmental issues requiring an environmental specialist study (e.g., on water flows or species translocation risks), purely social issues assessed through a specialist study on social impacts, or a mix of both.

The full ESIA is preceded by a scoping study in which relevant stakeholders are involved to confirm risks and set priorities for the ESIA. This study specifies the types of assessments and expertise required, as well as the terms of reference for the ESIA. An ESIA for a high-risk project must be conducted by an external party, such as a consultant or consulting firm independent of the executing entity, to ensure objectivity. A partial ESIA is also preferred, but this requirement is less stringent because risks are less severe in moderate-risk projects; the choice will depend on the context and topics to be assessed (e.g., sensitivities of impact issues).

7.2.2. Key elements and methodology of an ESIA

Figure 1 depicts and explains the eight key elements of an ESIA. A full ESIA conducted for a high-risk project thoroughly covers all the elements. A partial ESIA for moderate-risk projects does not require the elements marked with an asterisk in Figure 1.

Figure 3: Key elements of an ESIA and its purpose[60]

Project description	•To communicate the project and its area of influnce in a succinct and concise way, geopgrahic, ecological, social, and temporal context.
Analysis of policy, legal, and administrative framework*	•To clarify the framework within which the ESIA is caariedout and to be adhered to by the project to assure compliance.
Stakeholder identification and analysis	•To clarify who should be invloved in the ESIA process, in particular groups that might be affected.
Environmental and social baseline data*	• To understand what the starting point is including any changes anticipated without the project.
Environmental and social impact asessement	•To analyze the social and environmental risks and make rigorous predictions for all significant impacts.
Analyses of alternatives*	•To identify other options to achieve objectives and compare impacts, including the alternative of not implementing the project.
Environmental and social management plan	•A set of appropriate measures for avoiding and minimizing impacts and provisions to assure their effectiveness.
Results of stakeholder consultations	•To understand stakeholder concerns and what is needed to protect their rights and livelihoods.

7.3. Environmental and Social Management Plan

The ESIA process produces a strategy for risk management and impact mitigation. Identifying mitigation measures is done with the help of affected groups and is guided by the "mitigation hierarchy." To begin, all reasonable efforts must be made to avoid negative social or environmental impacts (for example, by selecting different siting options or adjusting the project's technical design). If avoidance is not possible without jeopardizing the conservation goal of the project, steps should be taken to reduce the impacts to acceptable levels; if this is not possible, remaining residual impacts should be addressed with adequate and fair compensation measures.

An Environmental and Social Management Plan is used to document the risk management strategy (ESMP). The ESMP describes the set of mitigation measures developed during the ESIA, as well as an implementation timeline, necessary resources, and responsibilities. It also contains provisions for training and capacity building, institutional arrangements for implementing the ESMP, and monitoring requirements

The Plan which should be prepared by the project proponent must ensure it:

- Describes the actions necessary to implement the various sets of mitigation measures or corrective actions to be undertaken;
- Prioritizes these actions;
- Include the time-line for their implementation;
- Discloses to affected communities; and
- Describes the schedule for reporting on progress made and outcomes associated with implementing the mitigation measures and corrective actions

[60] *Note: *=elements not covered in a partial ESIA. To avoid, reduce, or compensate for risks associated with projects and programs, project approval will be considered only after detailed impacts assessments and the resulting mitigation measures have been identified*.

The ESMP may also specify changes to the grievance mechanism to meet specific needs. The ESMP is incorporated into the project proposal. If GIIF is legally responsible for the project while another agency executes it (e.g., GEF or GCF projects), the ESMP becomes a contractual requirement between GIIF and the executing agency. Projects with minor impacts that only require sporadic mitigation measures can incorporate mitigation measures into their project's implementation plan.

Additional guidance is provided for projects that necessitate the use of ESS standards. The following standards necessitate the development of specific procedures or action plans to supplement or replace an ESMP:

- Standard on Involuntary Resettlement and Access Restrictions:
  - Resettlement Action Plan on Resettlement Policy Framework
  - Action Plan to Mitigate Impacts from Access Restrictions
  - Access Restriction Mitigation Process Framework.
  - Standard on Indigenous Peoples: Indigenous Peoples Plan;
- Standard on Biodiversity Conservation and Sustainable Use of Natural Resources: Pest Management Plan (for projects where the use of pesticides cannot be avoided);
- Standard on Cultural Heritage: Procedures for Accidental Discoveries of Cultural Resources (Chance Find).

An ESMP cannot be developed when a project component or exact location is unknown, but an Environmental and Social Management Framework (ESMF) is created to guide the identification, preparation, and appraisal of components and activities.

7.3.1. Focus on Gender

If the screening process determines that the project may have a negative impact on women or that key information is missing, a more detailed gender analysis must be performed as part of the ESIA process to identify key issues and factors that contribute to gender inequalities and address them with appropriate mitigating measures. The scope and depth of the gender analysis must be proportional to the project's complexity, and the risks identified by the screening must be addressed with appropriate mitigating measures.

7.3.2. Public disclosure and consultation in the ESIA process

The ESIA process must ensure that stakeholders have been engaged through meaningful consultation and have been provided with timely, relevant information as well as the opportunity to articulate their interests and needs in accordance with the ESS Principle on Stakeholder Consultation and Information. This process is designed to help stakeholders understand their perspectives and interests so that they can take ownership of the project (define who should be involved and how deeply they should be involved in relation to the level of anticipated impacts and risks). Based on the project's stakeholder analysis, define and plan engagement strategies for individual stakeholder groups.

7.4. Appraisal of the ESIA report

Before the project proponent incorporates the findings and finalizes the project proposal, the final ESIA report, including the ESMP, must be evaluated. The goal of this review is to assess the ESIA's quality and determine whether the information provided in the ESIA report is adequate for decision-making. As a result, the review should confirm that the ESIA report, proposed ESMP, and process:

- adhere to the terms of reference by conducting a thorough assessment of environmental and social impacts and proposing appropriate mitigation measures.
- present information of sufficient relevance and quality to allow an adequate understanding of the project's potential impacts and potential alternatives.
- Consider public comments and the concerns of potentially affected groups and document the process.

The evaluation concludes with a determination of whether the study is adequate, insufficient, or inadequate, as defined below.

- **Adequate:** The ESIA describes and predicts the significant impacts and suggests appropriate mitigation measures; the ESIA has been approved, and no additional analysis or data collection is required; some clarification or additional information may be required.
- **No sufficient:** More information, data, analyses, or discussion should be gathered and included in the final report.
- **Inadequate:** Serious deficiencies must be addressed immediately as a supplement to the ESIA report, or a new ESIA must be conducted.

7.5. ESS Clearance

The final step is ESS clearance after the project proposal has been finalized. The ESS clearance is used to determine whether the ESIA findings have been properly incorporated into the project proposal. More specifically, the evaluation will look into whether:

- The ESS principles and standards have been followed correctly.
- The consultation results were properly incorporated into the project proposal.
- Mitigation measures for all significant impacts that are feasible, adequate, and effective in avoiding or minimizing identified impacts have been identified and presented in an ESMP or an action plan (e.g., Indigenous Peoples Action Plan, Resettlement Action Plan, and so on)
- The ESMP includes an adequate monitoring plan; the costs for mitigation measures are reasonable and fully budgeted.

The appraisal is documented on the ESS Clearance Form, which is a sign-off form that formally concludes the ESS procedures related to the design phase by selecting one of three options:

- **Cleared:** The conclusions are favorable, and the project proposal satisfies all requirements for avoiding or mitigating environmental and social risks; the proposal is approved.
- **Conditionally cleared:** The conclusions recommend that one or more ESS activities be improved and/or that some mitigation measures be significantly reformulated. As a result, the proposal will be conditionally cleared; the reviewer will provide guidance on the next steps.
- **Clearance denied:** essential ESS provisions have not been met; critical mitigation measures have not been incorporated or do not appear feasible or sufficient for avoiding or mitigating impacts; or significant data gaps continue to exist, necessitating additional field assessments.

The ESS clearance is accompanied by a checklist, which the ESRM completes in consultation with a consultant. Once a project proposal has been approved and financing has been confirmed, it is posted on the GIIF website to make this critical information available to the public in accordance with the Stakeholder Engagement and Information Disclosure Principle.

7.6. Monitoring and evaluating the Environmental and Social Management Plan

The goal of monitoring is to ensure that the mitigation measures outlined in the ESMP are carried out as planned, as well as to provide evidence that these mitigation measures are effective in avoiding or mitigating negative impacts. Monitoring also entails conducting regular audits of the project context to identify potential new environmental or social risks that may have emerged and necessitate risk management.

7.6.1. Methodology

Monitoring of ESMPs is an essential component of the overall GIIF project monitoring, reporting, and supervision cycle. Two tables are provided as templates to help with and document ESMP monitoring.

Table 4: Components of the ESMP Monitoring tables.

Monitoring tables	Content
The first table "ESMP Progress Monitoring"	Uses a three-point ranking scale to track progress in implementing mitigation measures (on track, slightly delayed, delayed, or constraints encountered). This table is typically prepared once a year, along with project monitoring reports. If standard-specific ESS action plans (e.g., the Indigenous Peoples Plan and the Resettlement Action Plan) were developed, their monitoring should be included in the same table
The second table, "Monitoring the Effectiveness of Mitigation"	aims to track the effectiveness of mitigation measures implemented. This monitoring task is carried out twice: once during the mid-term review and once during the final review

The ESMP monitoring tables are submitted to the ESRM as periodic reports, which are reviewed and kept as records. The level of supervision must be proportionate to the project's risks.

Moderate-risk projects – ESMP supervision is part of the periodic project supervision mission.

High-risk projects – usually necessitate additional ESMP supervision by qualified and experienced external experts to independently verify progress. If the ESMP implementation falls behind schedule, the mission must identify corrective actions in a corrective action plan. Monitoring reports for high-risk projects must be made public. If significant risks to communities are identified, those who will be affected must be included in the monitoring. This necessitates the use of participatory monitoring techniques, as well as the careful selection of women and men as representatives from affected communities, as well as providing culturally appropriate guidance and or capacity building, where applicable.

7.6.2. Evaluation

The indicators established for monitoring the effectiveness of the mitigation measures and the achieved status will be reviewed as part of the end-of-project evaluation, and conclusions drawn as to which adverse impacts have been successfully avoided or mitigated. This could include making recommendations for additional action as needed. The GIIF website contains evaluation reports.

7.6.3. Reporting

7.6.4. Accidents and Incidents

From the outset, GIIF will strive to develop good working relationships with clients based on mutual trust, to promote a two-way information flow. The Risk Manger and Investment Team will immediately follow up with sponsors when GIIF becomes aware of any accidents or incidents, or when clients report directly to GIIF on any such events. The Risk Manager will also inform the Management Risk and Investment Committee of such events, and depending on the severity, Board Committees on Risk and Investments will be notified. Executive Management will immediately report to external stakeholders if any project experiences a major accident or incident that has received media attention.

7.6.5. Annual Reporting on Social and Environmental Performance

GIIF will prepare annual reports on the social and environmental performance of its financial activities at the end of each fiscal year (December 31), as required in the legal agreements with external stakeholders

The report should include information on GIIF 's portfolio by industry, sector and by risk category, as well as information on social and environmental issues associated with projects, corrective actions taken, cases of non-compliance and how these were resolved.

The report should also provide information on challenges encountered with the SEMS implementation and any revisions that were made to the ESS to address short-comings in the process.

The ESRM will assist with compiling the necessary information provided in reports submitted by the Consultants as well as Investment Team. The Report will be reviewed by the Management Risk and Investment Committee prior to submitting it to Board for final approval before it is sent to external stakeholders.

7.7. Summary of disclosure and consultation requirements

Table 5: Minimum requirements for disclosure of information

GIIF Project Cycle	Documents to be disclosed	Applicable for	When and where disclosed
Project Concept	ESS Screening Report	High- and moderate risk projects	GIIF website
Development of Project Proposal	Non-technical summary of draft ESIA report and ESMP (or other ESS action plans)	High-risk projects	Prior to final stakeholder consultation, in local channels accessible by relevant stakeholders
	Final ESIA report including ESMP	High- and moderate risk projects	GIIF website and local channels, prior to project approval
	Project proposal once approved and financing confirmed	All projects > USD 500,000	GIIF website
Implementation & Monitoring	ESMP monitoring reports	High-risk projects	GIIF website
Evaluation	Findings of ESMP evaluation (as part of end-of-project evaluation)	High- and moderate risk projects	GIIF website

Table 6: Minimum requirements for consultation

GIIF Project Cycle	Consultation requirement	ESS verification of consultation requirement	Applicable for
Project Concept		ESS Screening Report: assessment of extent of stakeholder engagement in past design process	All projects
Development of Project Proposal	ESIA Scoping Study: Consultation with relevant stakeholders to determine most critical impacts for focusing the ESIA		High-risk projects
	ESIA: Consultation with relevant stakeholders and affected groups to understand concerns, assess significance of impacts and identify mitigation measures		High- and moderate- risk projects
	ESIA: Final stakeholder consultation meeting to present draft ESIA report and draft ESMP		High-risk projects

	and confirm assessment results and suitability of mitigation strategy		
	ESIA report: Description of consultation process, including summary of concerns raised and how these concerns have been addressed		High- and moderate- risk projects
		Appraisal of ESIA report: assessment of quality of stakeholder engagement in ESIA	High- and moderate- risk projects
		ESS clearance: assessment of whether consultation results were appropriately incorporated in the project proposal.	High- and moderate- risk projects
Implementation & Monitoring	Monitor progress of ESMP implementation and effectiveness of mitigation measures: consult with affected groups		High-risk projects
Evaluation	Evaluate effectiveness of mitigation measures: stakeholder consultations including affected groups		High- and moderate- risk projects

8. ENVIROMENTAL AND SOCIAL SAFEGUARDS TOOLS

The E&S Screening Template, which consists of an ESS screening checklist and an E&SS summary note, is designed to assist the GIIF proponent and GIIF in determining whether a proposed GIIF project's activities pose any specific risks covered by GIIF ESSP OSSs 2-10 and, based on this, determining the appropriate environmental and social risk category for such a project. The E&S screening checklist enables the user to choose the best category for the project. After completing the E&S screening checklist and assigning the appropriate category to a project, the project proponent and GIIF will be able to plan the resulting required environmental and social assessments (e.g., ESIAs, ESMPs, or ESMFs). The E&S summary note must be completed in this manner.

Annex 1: ESS Screening – Guiding Principle

This screening decision is made to determine the level of compliance with the selected GIIF guiding principles, which may have an impact on project execution. Selecting "yes" or "no" to any of the following questions does not necessarily preclude a project from receiving funding. The completed gender guide, stakeholder engagement guide, and climate change guide must be signed and attached to the ESS guide by relevant GIIF officials.

Stakeholder Engagement	Project proponent		GIIF ESS Reviewer
	Yes,no, maybe, n/a	*Answer question, provide further detail where relevant*	*Comments, additional considerations*
1. Has a **Stakeholder Analysis** been done and documented identifying a project's key stakeholder; assessing their interest in the project; ways in which they may influence the project's outcomes and how they might be impacted by project activities (positively and/or negatively)?			
2. Does the analysis differentiate by **gender**, and along other key axes of sociocultural differentiation, including consideration for **vulnerable groups** and individuals?			
3. Have **consultations** been held with relevant groups to discuss the project concept and risks? Were consultations conducted in a meaningful and culturally appropriate way? Provide details about the form of consultations and the groups involved. Explain how this has influenced project design.			
4. Have disadvantaged or **vulnerable groups** or individuals been **consulted** or other peoples that might be negatively affected? Please provide details about the groups, the consultations, and results of the consultations.			
5. Have **women and men** been provided **equal opportunities** in terms of participation and decision-making throughout the identification and design of the project? Have provisions been made to ensure the same for implementation (including staffing), monitoring and evaluation of the project? Please provide details.			
6. Has a **gender analysis**, socio-economic assessments or the equivalent been applied to inform gender-responsive design, implementation, monitoring and evaluation?			
7. While gender risks have been covered in section B, briefly describe how the project is likely to **improve gender equality** and **women's empowerment.**			
8. While risks of discrimination and in-equality have been covered in section B, briefly explain how the project is likely to provide **opportunities** for **persons with disabilities** to participate in and benefit from projects and programs on an equal basis with others;			

9. While risks of affecting human rights have been covered in section B, briefly explain how the project is likely to **further the realization of human rights** e.g., by supporting governments to adhere to their human rights obligations or by supporting the 'rights- holders' to claim their rights (where relevant and feasible within the context of the project).			
10. Is the project in **compliance with laws and regulations** of Ghana or the host country relevant for E&S matter e.g., provisions for impact assessment, disclosure, and consultation) and with those regulations implementing obligations under international laws? In case licenses or environmental permits are required for project activities, explain how this will be ensured.			
11. Does the project increase the vulnerability of communities and ecosystems to **climate change impact**?			
12. Is there a risk that **climate change** might challenge the technical feasibility of the project?			
Conclusion of ESS Reviewer			
Are ESS requirements on stakeholder engagement, disclosure and grievance fulfilled to satisfactory level? What additional actions need to be carried out and by when? What actions to be implemented during the project should be included in the ESMP or the Stakeholder Engagement Plan?			

Annex 2: ESS Questionnaire

To be completed project proponent as a preparation for the Formal ESS Screening or the ESS Self-Assessment

Annex 2A: General Information about Proponent/Project Summary

Project Title:			
Project proponent:			
Project ID:		Funding agency:	
Name of staff leading project development:		Executing entity:	
Expected start date and/or duration:		Contract value (in USD):	
Country:		Geography/landscape:	

Project Summary

To be completed by project proponent

- *Please summarise the project briefly using no more than one page.*
- *The summary can be in form of bullet points. Include goal/objectives, expected results/outcomes, outputs (project deliverables) and in particular the project's main* ***activities****.*
- *Please also describe* ***the project sites*** *and the* ***project area of influence.***[61]

Annex 2B: Assessment of social or environmental impacts

Please consider not only direct environmental and social impacts but also potential indirect impacts such as induced[62], cumulative[63] impacts as well as impacts of associated facilities[64]			
	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe, n/a	*Answer question and describe how the project will* ***assess, avoid or manage the identified risks***	*Comments, additional considerations*
B1: Adverse gender-related impacts (including gender-based violence)[65]			
1. Is there a risk that the project may **discriminate** against women or other groups **based on gender** with regards to access to resources, services, or benefits provided by the project?			
2. Is there a risk that project activities inadvertently **create, exacerbate or perpetuate gender- related inequalities** or have **adverse impacts** on the situation of women and girls?			

3. Is there a risk that project activities have **adverse impacts** on the situation of women and girls (e.g., livelihood or rights), including **restrictions** on women's ability to use, develop or protect **natural resources**, taking into account different roles and positions of women and men in accessing environmental goods and services?			
4. Is there a risk that the project might aggravate risks of **gender-based violence** (including sexual harassment, sexual exploitation or sexual abuse)? Is there a risk that persons employed or engaged by the project executing agency or through third parties to perform work related to core functions of the project might engage gender-based violence? Have any such incidents been reported in the past?			
Conclusion of ESS Reviewer on[66]		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B2: Risk of affecting vulnerable groups[67]			
5. Has the project site been assessed on the **presence** of vulnerable or disadvantaged groups or individuals (including persons with disabilities)? Are their livelihood conditions and needs sufficiently understood? Please name the groups; ensure that those referred to in the footnote were considered in the analysis.			
6. Is there a likelihood that project **risks** and negative impacts fall disproportionately on disadvantaged or **vulnerable individuals** or groups? Consider impacts on material and on non-material livelihood conditions. Also consider changes in **land use** and/or **tenure arrangements** with a risk of disproportionately affecting vulnerable groups, including people coming from outside the project area such as internally displaced people.			
7. Is there a risk that the project might **discriminate** against vulnerable groups with regards to access to resources, services, or benefits provided by the project? *Note that inclusiveness and non-discrimination in the process of designing the project is discussed only in section D.*			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):

[61] *The project area of influence is the area likely to be affected 1) by direct impacts from project activities, 2) by project partner's activities and facilities that are directly owned, operated or managed by the partner and that are a component of the project, 3) by indirect project impacts (unplanned but predictable activities enabled by the project) or 4) cumulative impacts (incremental impacts added to impacts from other developments).*

[62] ***Induced impacts** refer to impacts on areas and communities from unplanned but predictable activities or developments induced/enabled by the project (incl. impacts that might occur later or in different locations). Example: Equipment intended for species monitoring (camera traps) could be used for law enforcement actions.*

[63] ***Cumulative impact** means the collective impact of a project's impact added to the impacts of other relevant past, present and reasonably foreseeable future developments. Example: Investments in tourism development by the Government leads to substantial increase in number of tourists that frequent a site and turns a project-funded PA access road into a major cause for disturbance for wildlife.*

[64] ***Associated facility or activities** means a facility or activity not funded as part of the project but which is necessary for the financial and/or operational viability of the project and would not have been constructed or expanded if the project did not exist. Example: a visitor centre built by the project might require an access road as associated facility – the construction of which might trigger environmental impacts.*

[65] *ADB defines Gender-Based Violence (GBV) as any harm or potential of harm perpetrated against an individual or group based on gender. GBV has many expressions, including physical, sexual, psychological, and economic, which can be underpinned by legal, social and institutional norms and systems. Examples include but are not limited to physical assault; sexual violence including sexual exploitation / abuse, forced prostitution and rape; domestic violence; trafficking; early/ forced marriage; female genital mutilation; honour killings; property grabbing; and widow disinheritance***.**

[66] *Please see guidance given above for estimating the **likelihood** of the event to occur and its **impact** (consequence) on the receptor. It is understood that there might still be a considerable degree of uncertainty at this stage of project preparation.*

[67] *Depending on the context **vulnerable groups** could be landless or elderly people, children, ethnic minorities, displaced people, people living in poverty, marginalised or discriminated individuals or groups, among others. Particular emphasis should be given to risks for persons with disabilities which are often overlooked.*

B3: Risks of undermining human rights			
8. Could the project lead to **adverse impacts on the enjoyment of human rights** (civil, political, economic, social or cultural) of individuals or groups including through measures that reduce the level or effectiveness of the protection of rights by governments and agencies or that weaken the respect of the rights by other stakeholders (e.g. replacement of customary authorities and institutions by protected area officials, affecting the traditional systems of political representation, authority and decision-making and therefore the political rights of communities etc.)?		.	
9. Is there a risk that project activities affect individuals or groups in their ability to **fulfill economic and social rights**, i.e. the rights that guarantee the ability of people to meet their basic needs (e.g. health or education, drinking water, productive resources, sources of income, subsistence); consider restrictions in availability, quality of and/or access to services or resources essential to meet the basic needs, in particular for vulnerable groups or individuals, including persons with disabilities?			
10. Is there a risk that project activities lead to a deterioration of **procedural rights**; consider project activities that lead to exclusion of individuals or groups from **participating in decisions** that may affect them (e.g., on natural resource management, land use etc.) or that affect their ability to **access information** that is important for their informed participation?			
11. Is there a risk that activities lead to **unjustified preferential treatment** of individuals or groups in terms of access to resources or services provided by the project; also consider elite capture that might lead to discrimination of vulnerable people, or formal			

or de facto restriction or exclusion of groups from access to such resources or services[68]?			
12. Is there a risk that project activities contribute to the **discrimination** on the grounds of ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographic origin, property, birth or other status including as an indigenous person or as a member of a minority?			
13. Is there any history of **human rights conflict or injustice** in the project area/s, including evictions and failure to compensate people for their land and/or assets when the protected area was established[69] and is there a risk that the project might perpetuate or aggravate such situations?			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B4: Community health, safety and security			
14. Is there a risk of increasing exposure of communities to security and safety risks, in particular for vulnerable groups, through direct and indirect impacts when operating in **areas of conflict or post-conflict** (civil war, inter-ethnic conflict etc.) or areas affected by organized poaching, drug cultivation or trafficking, organized crime or trafficking in persons or illegal migration?			
15. Is there a potential risk that the project could inadvertently exacerbate **existing conflicts** or **generate conflicts** within or between communities including through weakening community institutions, disrupting social interactions or the risk of inadvertently escalating personal or communal conflicts and violence?			
16. Will the project support PA management and/or provide support for **law enforcement activities**? If yes, please briefly describe relevant project activities			

[68] *Examples for de facto restriction or exclusion are: information is not made available in appropriate languages, individuals with no/low income or without tenure rights (or registered titles) can't access services (e.g. agricultural extension services, persons with disabilities are confronted with physical barriers that block their access; certain groups are stigmatized by society and thus have no access services.*

[69] *In cases of past resettlement processes in the project area/s, the proponent should seek evidence that demonstrate that international good practice was adhered to and appropriate compensation provided.*

and answer questions a-d. Otherwise, skip to question 17			
a. Which agencies are responsible for law enforcement in the project area? Do they include any community organizations or private companies?			
b. Do park rangers or other law enforcement personnel carry firearms in the course of their duty?			
c. Has there been any conflict between the management of the protected area/s and local people in the last 5 years? If so, what were the causes of the conflict (e.g., poaching, logging, disputes over access rights, artisanal mining)?			
d. Have there been any formal complaints, investigations or press reports relating to law enforcement activities in the project area? in addition to own knowledge of the site, please also conduct a web search and check sites of the OHCHR regional or national office.			
17.Is there a risk of injury or loss of life among people triggered by an increase of **human wildlife conflicts** that may be elicited directly or indirectly from project activities, with particular attention to vulnerable and/or forest-dependent groups? Also consider loss of assets (e.g., crops, livestock) which might escalate conflicts (e.g., retaliatory killing)?			
18.Is there a risk that activities inadvertently affect provisioning and regulating **ecosystem services** including risks of increasing communities' **exposure to natural hazards or disasters** (e.g., by exacerbating floods due to cleared vegetation for project construction or by changing flows into water infrastructure etc.) giving particular attention to current or projected impacts from climate change?			
19.Is there a likelihood that project activities lead to **accidents** and exposure of communities to **hazardous substances**, including accidents involving vehicles and equipment and risks related to infrastructure built by the project, in particular in			

areas subject to natural hazards (floods, hurricanes, earthquakes, etc.)?			
20. Could the project cause or exacerbate community exposure to **health and safety** risks including by triggering **water-**born or -based **diseases** (e.g. through creation of stagnant water bodies, livestock affecting quality of portable water), increasing the spread of other vector-borne diseases or **communicable infections** (e.g. by failure to provide precautionary measures during epidemics or seasonal diseases) or through reduction in **local air quality** (e.g. through generation of dusts, burning of wastes, or burning fossil fuels and other materials in improperly ventilated areas)?			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B5: Labour and working conditions affecting project workers – please see definition for project workers in footnote[70]			
21. Is there a risk that the project would potentially involve or lead to working conditions that do **not meet national labor laws** and regulations and/or are not consistent with International Labor Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work (e.g., discriminatory working conditions, lack of equal opportunity, lack of clear employment terms, failure to prevent harassment or exploitation, failure to ensure freedom of association etc.)?			
22. Will the project work with local **volunteer** (community patrols etc.) or engage individuals in public or **community work programs**? If so, for what kind of activities?			
23. Are project workers (including **rangers** and community patrols) exposed to the **risk of violence** in the course of their duties (e.g., exposure to armed poachers or to criminal groups involved in drug trafficking)?			
24. Is there a risk that project workers might be exposed			

[70] *Project workers refer to (i) people employed or engaged **directly by the project executing entity** to work specifically in relation to the project, (ii) people employed or engaged through **third parties** to perform work related to core functions of the project, (iii) individuals engaged by the project in public or **community work programs or as volunteers**.*

to **occupational health and safety** (OHS) risks including risks related to vehicles, equipment or heavy machinery, chemical or biological hazards, exposure to infectious and vector borne diseases? Including rangers or community patrols being exposed to human wildlife conflict or at higher risk to malaria due to long period of exposure. Also consider specific threats to women.			
25. Are there any circumstances in which the project may be involved or implicated in **forced labor** (e.g., any work or service which someone has not volunteered for and is forced to do) or **harmful child labor**[71]? Child labor would be considered harmful if it interferes with a child's education or could be detrimental to a child's health or mental, spiritual, moral, or social development. Please consider direct and indirect work relationships established by the project as well as work relationships of project stakeholders, including farmers and other enterprises that receive benefits or services from the project.			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B6: Resource efficiency, pollution, wastes, chemicals and GHG emissions			
26. Is there a risk that project activities might lead to releasing **pollutants** (chemicals and other hazardous materials) to the environment due to **routine** or **non-routine circumstances** (e.g., accidental releases) with the potential for adverse local, regional, and/or transboundary impacts?			
27. Is there a probability that project activities cause significant amounts of **waste or waste water** or generate **hazardous waste**? Is there a risk of inappropriate disposal of waste?			
28. Might the project involve the use of **chemicals or other hazardous materials**? If yes, explain how risks are managed. Is there any probability that among them are substances, chemicals or hazardous materials subject to international bans, restrictions or			

[71] *ADB follows ILO Convention 138 on Minimum Age that sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed. For more information on the prevention of harmful Child Labour*,

phase-outs due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer?[72] Please note that the use of pesticides is covered in the Biodiversity Standard (Section C4).			
29. Will project activities involve or lead to a significant consumption of **energy, water or other resources**? If yes, explain how it will be ensured			
30. Will the project lead to significant increases of **greenhouse gas** emissions or to a substantial reduction of carbon pools (e.g., through loss in vegetation cover or below and above ground carbon stocks)?			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B7: Climate Change (risks of project design failing to take climate change into account)			
31. Have the historical, current, and future trends in climate variability and change including **climate sensitivity**[73] been analysed in the project area?			
32. Are changes in biophysical conditions in the project area triggered by climate change expected to impact people's livelihoods? Are some groups more **vulnerable** than others (e.g., women or marginalized/ vulnerable groups)?			
33. Is there a risk that climate variability and changes might affect the **effectiveness of project** activities or the sustainability of intended changes? If yes, explain how the project intends to lower such risk.			
34. Is there a risk that project activities potentially increase the vulnerability of **local communities** or the **local ecosystem** to climate variability, temperature increases or climate hazards (e.g., floods, droughts, wildfires, landslides, cyclones, storm surges, etc)?			
35. Explain whether the project seeks opportunities to enhance the adaptive capacity of communities and			

[72] *For instance, substances listed under the Stockholm Convention on Persistent Organic Pollutants.*
[73] *Sensitivity is the degree to which a system can be affected, negatively or positively, by climate-related stimuli. IPCC, 2001*

ecosystem to climate change?			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
B8: Other environmental or social risks			
36.Please list in the row(s) below any other identified direct, indirect (induced or cumulative), and transboundary environmental and social risks, and the risks and impacts of associated facilities:			
Conclusion of ESS Reviewer on		Estimated likelihood of risks (1-5):	Estimated impact (1-5):
Overall conclusion of ESS Reviewer on negative Social and/or Environmental Impacts			

Annex 2C: Potential impacts related to ESS standards.

C1: Standard on Involuntary Resettlement and Access Restrictions[74]

	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe, n/a	*Answer question and describe how the project will **assess**, **avoid or manage the identified risks***	*Comments, additional considerations*
1. Will the project involve resettling people or communities involuntarily and/or acquiring their land (e.g., for the creation of a strict nature reserve or reducing the threat of wildlife related incidents for communities living in reserves)? **if yes, answer a-b below**		*Shaded cells do not need to be filled out*	*Shaded cells do not need to be filled out*
a. Describe the project activities that require resettlement.			
b. Have alternative project design options for avoiding resettlement been rigorously considered?			
2. Is there a risk that the project will involve forced eviction[75]?			

[74] *The term "**involuntary resettlement**" refers to project-related land acquisition and restrictions on land use which have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement (World Bank ESS5)*

[75] *It is important to understand that Involuntary resettlement is different from "**forced eviction**"; the latter being defined as the permanent or temporary removal **against the will** of individuals, families, and/or communities from the homes and/or land which they occupy without the*

3. Does the project include activities that might cause economic displacement by **restricting peoples' access** to land or natural resources where they have recognized rights (legally or customarily defined)? Please consider the following activities: establishing new protected areas (PA) or extending the area of an existing PA, improving enforcement of PA regulations (e.g. training guards, providing monitoring and/or enforcement equipment, providing training/tools for improving management effectiveness), constructing physical barriers that prevent people accessing certain places; changing how specific natural resources are managed to a management system that is more restrictive[76]; **if yes, answer a-h below, if no justify your answer in this row**			
Answer only if you answered yes to item 3			
a. Indicate the project **activities** that (might) involve restrictions <u>and</u> the **respective land or resources** to be restricted including communal property and natural resources (e.g., marine and aquatic resources, timber and non- timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.			
b. Based on a thorough analysis of the legal framework regulating land tenure and access to natural resources, can it be confirmed that restrictions implemented by the project might affect **groups or individuals who have recognized rights** to the respective land or natural resources? Or would the restrictions potentially affect individuals who do **not have recognized** rights but who are			

provision of, and access to, appropriate forms of legal and other protection (WB ESS5). Forced evictions is an extreme form of involuntary resettlement and "constitutes a gross violation of human rights, in particular the right to adequate housing" (Commission on Human Rights, Resolution 1993/77).

[76] Note that the Standard "does not apply to restrictions of access to natural resources under community-based natural resource management projects, i.e., where the community using the resources collectively decides to restrict access to these resources" (e.g. introduction of restrictions to ensure continued access to these resources) "provided that an assessment establishes that the community decision-making process is adequate and reflects voluntary, informed consensus, and that appropriate measures have been agreed and put in place to mitigate adverse impacts, if any, on the vulnerable members of the community" (WB ESS5).

highly dependent on the land/resource? **If both questions are answered with no, skip to question 4; otherwise continue answering c-h below**			
c. Is there a risk that project induced access restrictions will negatively affect people's livelihoods? Consider impacts due to; • Loss of access to natural resources in a particular area, • Loss of access to social services such as schools, health care etc., • Change of quality/quantity of resources a household can access, • Change in seasonal access to a resource, • Change in types of assets needed to access resources; If yes, please elaborate on the different livelihood elements that are affected, explain who might be affected and describe impacts. Distinguish between social groups (incl. vulnerable groups, indigenous peoples), men and women; also consider impacts of restrictions on people coming from outside of the project area. **If yes, answer d-h below; otherwise skip to question 4**			
d. Have strategies been considered to **avoid restrictions** by making changes to project design? If yes, explain.			
e. If it is not possible to avoid restrictions, will the project include **measures** to minimize or compensate for impacts from loss or restrictions of access? Please describe the measures.			
f. Are **eligibility criteria** established that define who is entitled to benefit from these measures? Are they transparent and fair (e.g., in proportion to their losses and to their needs if they are poor and vulnerable)?			
g. Are these measures culturally **appropriate** and gender inclusive? Does			

the geographical scale of the measures match the scale of the restrictions (e.g., will measures be **accessible to all groups affected** by the restrictions)?			
h. Has a process been implemented or started to obtain **consent** from groups that are likely to be negatively affected by restrictions? Please describe the process (who has been consulted and how).			
4. Will/might the project require the **acquisition of land** for purposes other than the conservation objectives described above? E.g., for building (communal) infrastructure (development of water tanks, irrigation canals, access roads etc.). If yes, describe the legal status/ownership of the land that might be subject to land acquisition. If voluntary donations are considered, explain how it will be ensured that no pressure or coercion is involved.			
Conclusion of ESS Reviewer on the Standard on Involuntary Resettlement and Access Restrictions			
What are the main gaps with regards to the provisions of the Standard? *What are the main risks and who are the main groups potentially affected?* *Are assessments required to better understand the impacts and identify mitigation measures? What specific topics are to be assessed?* *Have measures for avoiding impacts already been*			
Standard triggered? (Yes / No / TBD)		Estimated likelihood of risks (1-5):	Estimated impact (1-5):

C2: Standard on Indigenous Peoples and Local Communities[77]

	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe,	*Answer question and describe how*	*Comments, additional considerations*

[77] *The coverage of indigenous peoples includes: (i) peoples who identify themselves as "indigenous" in strict sense; (ii) tribal peoples whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; and (iii) traditional peoples not necessarily called indigenous or tribal but who share the same characteristics of social, cultural, and economic conditions that distinguish them from other sections of the national community, whose status is regulated wholly or partially by their own customs or traditions, and whose livelihoods are closely connected to ecosystems and their goods and services*

	n/a	*the project will* ***assess, avoid or manage the identified risks***	
1. Does the project site[78] overlap with lands or territories claimed by indigenous peoples, tribal peoples or other traditional peoples? **If yes, answer questions a-i**			
2. Even if indigenous groups are not found at the project sites, is there still a risk that the project could affect the rights and livelihood of indigenous peoples? **If yes, answer questions a-i**			
Answer only if you answered yes to 1 or 2 above.			
a. Name the groups; distinguish, if applicable, the geographical areas of their presence (including the areas of resource use) and how these relate to the project's area of influence.			
b. What are the key characteristics that qualify the identified groups as indigenous groups? Do these groups identify themselves as indigenous? And how does the host country's Government refer to these groups?			
c. Explain whether communities have traditionally lived in the project site or whether there are groups or some households who have moved from their traditional area to the project site to be in or near a protected area for economic reasons.[79]			
d. Is there a risk that the project affects their livelihood through **physical or economic displacement**? While this is covered in section C2, if yes, please specify the indigenous groups affected. For projects promoting protected areas, distinguish between communities whose traditional resource use areas overlap with the PA, even before it was created, from those			

[78] The project site is defined as the project's area of influence. This is often larger than the site where actual project activities are located as it considers the area impacted by the activities. For example, a project that intervenes in a PA through strengthening law enforcement will also impact groups that live just outside a PA but have historically hunted inside the PA, even before it was created.

79 It is important to bear in mind that the Standard is seen to generally apply to the community and not to an individual that may have left the community.

who have a recent history and presence there.			
e. Is there a risk that the project affects indigenous peoples' **rights or livelihood** by using or commercially developing natural resources on lands and territories claimed by them, by affecting their traditional livelihood, their self-determination, cultural identity, values and practices, or their development priorities?			
f. Is there a risk of affecting the cultural heritage of indigenous peoples by using or contributing to the **commercialisation** of indigenous peoples' **traditional knowledge** (including ecological) or practices?			
g. Are any indigenous groups living in **voluntary isolation**? If yes, how does the project respect their rights (paying attention to national laws on the matter) and avoid any negative impacts?			
h. Explain whether and how legitimate representatives of indigenous groups have been **consulted** to discuss the project and better understand potential impacts upon them? Has a process been started or implemented to achieve their free, prior and informed consent (**FPIC**) to activities that might affect them (positively or negatively)?			
i. Explain whether opportunities are considered to provide **benefits** for indigenous peoples? If yes, is it ensured that this is done in a way agreed with them and is culturally appropriate and gender inclusive?			
Conclusion of ESS Reviewer on the Standard on Indigenous Peoples			

What are the main gaps with regards to the provisions of the Standard? *What are the main risks and who are the main groups potentially affected?* *Are assessments required to better understand the impacts and identify mitigation measures? What specific topics are to be assessed?* *Have measures for avoiding impacts already been considered? Are they sufficient? What safeguard tools are to be prepared (e.g.Indigenous Peoples Plan)? When*				
Standard triggered? (Yes / No / TBD)		Estimated likelihood of risks (1-5):	Estimated impact (1-5):	

C3: Standard on Cultural Heritage[80]

	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe, n/a	*Answer question and describe how the project will* ***assess, avoid or manage the identified risks***	*Comments, additional considerations*
1. Is the project located in or near a site officially designated or proposed as a cultural heritage site (e.g., UNESCO World Cultural or Mixed Heritage Sites, or Cultural Landscapes) or a nationally designated site for cultural heritage protection? **if yes, answer a-c below**			
2. Does the project site include important cultural resources such as burial sites, buildings or monuments of archaeological, historical, artistic, religious, spiritual or symbolic value? **if yes, answer a-c below**			
3. Does the project area site include any natural features or resources that are of cultural, spiritual, or symbolic significance (such as sacred natural sites, ceremonial areas, or sacred species)? **if yes, answer**			

80 Cultural heritage is defined as tangible or intangible, movable or immovable cultural resource or site with paleontological, archaeological, historical, cultural, artistic, religious, spiritual or symbolic value for a nation, people or community, or natural feature or resource with cultural, religious, spiritual or symbolic significance for a nation, people or community associated with that feature.

a-c below			
a. Will the project involve development of **infrastructure** (e.g., roads, building, dams) or construction of buildings (e.g., visitor centre, watch tower)?			
b. Will the project involve **excavation** or movement of earth (e.g., for slope restoration, landslides stabilisation), flooding or physical environmental changes (e.g., as part of ecosystem restoration)?			
c. Is there a risk that physical interventions described in items a. and b. might affect known or unknown (buried) cultural resources?			
4. Will the project restrict local users' **access** to cultural resources or natural features/sites with cultural, spiritual or symbolic significance?			
5. Is there a risk that project activities might affect **in-tangible cultural resources** such as values, norms or practices of local communities?			
6. Will the project promote the use of or the development of economic **benefits from cultural heritage** resources or natural features/sites with cultural significance to which local communities have recognised rights (legally or customarily defined)?			
Conclusion of ESS Reviewer on the Standard on Cultural Heritage			

What are the main gaps with regards to the provisions of the Standard? What are the main risks and what are the main receptors (groups, resources) potentially affected? Are assessments required to better understand the impacts and identify mitigation measures? What specific topics are to be assessed? Have measures for avoiding impacts already been considered? Are they sufficient? What are the safeguard tools to be prepared (e.g. Chance Find procedures)? When would these need to be available			
Standard triggered? (Yes / No / TBD)		Estimated likelihood of risks (1-5):	Estimated impact (1-5):

C4: Standard on Biodiversity Conservation and Sustainable Use of Natural Resources

	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe, n/a	*Answer question and describe how the project will* ***assess****,* ***avoid or manage the identified risks***	*Comments, additional considerations*
1. Is the project located in or near areas? • legally protected or officially proposed for protection including reserves UNESCO Natural World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Convention on Wetlands • recognized for their high biodiversity value and protected as such by indigenous peoples or other local users • which are not covered in existing protection systems but identified by authoritative sources for their high biodiversity value[81]			
2. If there are any project activities proposed within or adjacent to areas			

81 Areas important to threatened species according to IUCN Red List of Threatened Species, important to endemic or restricted-range species or to migratory and congregator species; areas representing key evolutionary processes, providing connectivity with other critical habitats or key ecosystem services; highly threatened and/or unique ecosystems (e.g. to be determined in future by the evolving IUCN Red List of Ecosystems); areas identified as Key Biodiversity Areas (KBA) and subsets such as important Bird and Biodiversity Areas (IBAs), important Plant Areas (IPAs), important Sites for Freshwater Biodiversity or Alliance for Zero Extinction (AZE) sites.

high of biodiversity value or critical habitats **described above**, is there a risk of causing **adverse impacts** to biodiversity and the integrity of the ecosystems? Consider activities such as infrastructure works (e.g., watch tower, facilities, access roads, small scale water infrastructure) or ecotourism activities and impacts from inadequate waste disposal, disturbance of nesting sites, slope erosion through hiking trails etc. Consider both construction and use phases.			
3. Is there a risk of **significant adverse impacts** on biodiversity **outside areas of high biodiversity value**, through infrastructure development, plantation development (even small scale) or other activities e.g., through the removal of vegetation cover, creation of soil erosion and/or debris deposition downslope, or other disturbances? Consider both construction and use phases.			
4. Is there a risk that the project affects areas of high biodiversity value **outside the project area**, e.g., by procuring natural resource commodities from other geographies (e.g., timber used for watch towers etc.)? If yes, explain whether appropriate industry-specific sustainability verification practices be used.			
5. Will the project introduce or use **non-native species** (flora and fauna), whether accidental or intentional? Consider activities such as reforestation, erosion control or dune stabilisation or livelihood activities (e.g., aquaculture, farming, horticulture etc.). If yes, explain how the risk of the species developing invasive characteristics is managed?			
6. Is there a risk that the project might create other pathways for spreading			

invasive species (e.g., through creation of corridors, import of commodities, tourism or movement of boats)?			
7. Is there a risk that the project negatively affects **water dynamics** or **water flows** through extraction, diversion or containment of surface or ground water (e.g., through dams, reservoirs, canals, levees, river basin developments, groundwater extraction) or through other activities and as such affects the hydrological cycle, alters existing stream flow and/or reduces seasonal availability of water resources?			
8. Is there a risk that the project affects **water quality** of surface or groundwater (e.g., contamination, increase of salinity) through irrigation/ agricultural run-off, water extraction practices, influence of livestock or other activities?			
9. Will the project involve or promote the application of pesticides, fungicides or herbicides (**biocides**)? Also consider the use of integrated pest management.			
10. Will the project involve handling or utilization of **genetically modified organisms**/living modified organisms?			
11. Does the project promote the use of **genetic resources** from natural habitats (e.g., harvesting, market development)? If yes, explain how the project will avoid **unsustainable harvest rates**? Also explain what are the measures for **access and benefit- sharing** relating to these?			
12. Is there a risk that the project could give rise to an increase of incoming **migration** and population increase, which could put a strain on the existing			

natural resource base?			
13. Could the project result in **noise and vibration** from construction and maintenance equipment, traffic and activities, which may disturb sensitive fauna receptors, including underwater noise impacts on fish and marine mammals?			
Conclusion of ESS Reviewer on the Standard on Biodiversity Conservation and Sustainable Use of Natural Resources			
What are the main gaps with regards to the provisions of the Standard? *What are the main risks and what are the main receptors (areas, species etc.) potentially affected?* *Are assessments required to better understand the impacts and identify mitigation measures? What specific topics are to be assessed?* *Have measures for avoiding impacts already been considered? Are they sufficient? What are the safeguard tools to be prepared (e.g. Pest Management Plan, Protocol for Species Selection)? When would these tools need to be available*			
Standard triggered? (Yes / No / TBD)		Estimated likelihood of risks (1-5):	Estimated impact (1-5):

C5: Safety of Dams

	Project proponent		**GIIF ESS Reviewer**
	Yes, no, maybe, n/a	*Answer question and describe how the project will* ***assess, avoid or manage the identified risks***	*Comments, additional considerations*
1. Will the project involve development of infrastructure, such as **building of new or rehabilitating of existing dams? if yes, answer a-c below**			
a. Will the project involve **excavation** or movement of earth (e.g., for slope restoration, landslides stabilisation), flooding or physical environmental changes (e.g., as part of ecosystem			

restoration)?			
b. Is the dam new and exceeds the height of 15 meters? Is it a new dam of 15 meters or below			
c. Is it an existing dam, which exceeds the height of 15 meters to be rehabilitated?			
Conclusion of ESS Reviewer on the Standard on Cultural Heritage			
What are the main gaps with regards to the provisions of the Standard? *What are the main risks and what are the main receptors (groups, resources) potentially affected?* *Are assessments required to better understand the impacts and identify mitigation measures? What specific topics are to be assessed?* *Have measures for avoiding impacts already been considered? Are they sufficient? What are the safeguard tools to be prepared? (eg. ESIA, OR ESMP) When would these need to be available (complete and accepted)?*			
Standard triggered? (Yes / No / TBD)		Estimated likelihood of risks (1-5):	Estimated impact (1-5):

Annex 3: Formal ESS Screening and Screening Report

To be completed by the GIIF ESS reviewer(s) after proponent has completed the ESS questionnaire

	Name	GIIF unit and function	Date
GIIF ESS Reviewer:			
	Title		Date
Documents submitted at Screening stage:			

Screening Report Template

The Screening Report is completed by the GIIF ESS reviewer(s) after having gone through the ESS Questionnaire. It summarizes the main findings of the ESS Screening and represents a consensus between ESS reviewers.

ESS Screening Report	**Required assessment topics or management measures/plans**	**Rating of environmental and social risks**[82]		
Environmental and Social Risks (potential negative impacts) *(see section B of the questionnaire for details)*		Likelihood (1-5)	Impact (1-5)	Significance (L, M, S, H)
Adverse gender-related impacts (including gender-based violence)				
Risks of affecting vulnerable groups				
Risk of undermining human rights				
Community health, safety and security risks				
Labour and working conditions				
Resource efficiency, pollution, wastes, chemicals and GHG emissions				
Risk of project design failing to take climate change into account				
Other environmental or social risks *(add new rows below for each risk)*:				

Project Risk Category:	The project risk category rates the overall project; it is based on the significance rating established for each E&S risk area and for the ESS Standards. The overall rating is usually that of the highest risk.	☐ **Low Risk**	☐ moderate Risk	☐ **High Risk Project**
Required assessments and management measures/plans:	☐ Full Environmental and Social Impact Assessment (Full ESIA) ☐ Partial ESIA ☐ Targeted assessment (social assessment, targeted environmental studies etc.)	☐ Environmental and Social Management Plan (ESMP) ☐ Environmental and Social Management Framework (ESMF) ☐ Abbreviated ESMF ☐ Environmental and Social Management System (ESMS) ☐ Other:		
Brief summary of the main findings: main risk issues, their significance and justification of the overall project risk categorization; assessments and measures / plans to address risks and to meet provisions of the ESMS Standards and timing of each				

ESS Standards	**Trigger**[83]	**Required management measures/plans**	Likelihood (1-5)	Impact (1-5)	Significance (L, M, S, H)
Involuntary Resettlement & Access Restrictions *(see section C1 of the questionnaire for details)*	☐yes ☐ no ☐TBD	☐Resettlement Action Plan ☐Resettlement Policy Framework ☐Action Plan to Mitigate Impacts Access Restriction ☐Access Restrictions Mitigation Process Framework ☐ Other:			
Indigenous Peoples/Local Communities *(see section C2 of the questionnaire for details)*	☐yes ☐ no ☐ TBD	☐ Indigenous Peoples Plan ☐ Indigenous Peoples Planning Framework ☐ Other:			

Cultural Heritage *(see section C3 of the questionnaire for details)*	☐ yes ☐ no ☐ TBD	☐ Chance Find Procedures ☐ Other:			
Biodiversity & Sustainable Use Natural Resources *(see section C4 of the questionnaire for details)*	☐ yes ☐ no ☐ TBD	☐ Pest Management Plan ☐ Other:			
Safety of Dams *(see section C5 of the questionnaire for details)*	☐ yes ☐ no ☐ TBD	☐ Environment and Social Impact Assessment ☐ Environment and Social Management Plan ☐ Other:			
Quality of stakeholder consultation during project design so far *(see section D4 for details)*	☐ good ☐ adequate ☐ not sufficient	Required action:			

[82] *The entries for likelihood and impact are taken from the ratings established at the end of each section in the questionnaire. Guidance for rating the likelihood, impact and significance is provided below (see heading in purple).*

[83] *The decision of triggering a standard does not mean that safeguard instruments or plans have to be prepared right away. The ESS Reviewer will specify the consequences of triggering the standard in the respective ESS reviewer section of the questionnaire in C1-C5. Often plans might be required immediately (prior to project approval), in other cases only at a certain point in time (e.g., plans might need to be complete and accepted before the relevant activity can begin). In cases where the risk issues are less substantive, a plan might not be needed at all and mitigation measures are incorporated into the ESMP.*

Guidance for rating environmental and social risks

The rating of risks is based on the assumptions that, the management measures and plans specified in the respective column are implemented and effective in mitigating the risk. It is good practice that the plans are available before ESS Clearance. Risk rating is based on the two elements: likelihood and the expected impacts (consequence).

Likelihood represents the possibility that a given risk event is expected to occur. The likelihood should be established using the following five ratings:

- *Very unlikely to occur (1)*
- *Not expected to occur (2)*
- *Likely – could occur (3)*
- *Known to occur - almost certain (4)*
- *Common occurrence (5)*

Impact (or consequence) refers to the extent to which a risk event might negatively affect environmental or social receptors – see below criteria distinguishing five levels of impacts:

Significance of a risk area is established by combining likelihood and expected impact (consequence) of a risk event. The significance rating signals how much attention the risk area will require during project development and implementation and the extent of control actions to be put in place.

Table 7: Rating impact of a risk area.

Severe (5)	Adverse impacts on people and/or environment of **very high magnitude**, including **very large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), cumulative, **long-term (permanent and irreversible**); **receptors** are considered **highly sensitive**; examples are severe adverse impacts on areas with high biodiversity value; severe adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or resettlement with long-term consequences on peoples' livelihood; impacts give rise to severe and cumulative social conflicts with long-term consequences.
Major (4)	Adverse impacts on people and/or environment of **high magnitude**, including **large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), of certain duration **but still reversible** if sufficient effort is provided for mitigation; receptors are considered sensitive; examples are adverse impacts on areas with high biodiversity value; adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or resettlement with temporary consequences on peoples' livelihood; impacts give rise to social conflicts which are expected to be of limited duration.
Medium (3)	Adverse impacts of **medium magnitude**, **limited in scale** (small area and low number of people affected), **limited in duration** (temporary), impacts are relatively predictable and can be avoided, managed and/or mitigated with known solutions and straight forward measures.
Minor (2)	Adverse impacts of **minor magnitude, very small scale** (e.g., very small affected area, very low number of people affected) and only short duration, may be easily avoided, managed, mitigated.
Negligible (1	Negligible or no adverse impacts on communities, individuals, and/or on the environment.

GHANA INFRASTRUCTURE
INVESTMENT FUND (GIIF)

Step 3: ESS Clearance of Project Proposal

The ESS clearance stage's purpose is to confirm the risk classification established by the formal ESS screening, as well as to review and approve the risk assessments and safeguard tools developed. It is completed at the end of project development, prior to project approval. The GIIF reviewer fills out the fields below.

	Name	GIIF unit and function	Date
GIIF ESS Reviewer Clearance Stage:			
	Title		Date
Documents submitted at Clearance Stage:			
Have findings from the risk assessment or other final steps of project development triggered any **changes to the risk classification** of the project? If yes, explain and indicate the risk areas where modifications were made.			
Have the **ESS actions** requested by the ESS Screening been completed (assessments or management measures/plans)? Has this been done in a satisfactory manner? Has the implementation of the tools been budgeted for?			
Are there **ESS actions** requested by the ESS Screening that still need to be completed during the project? If yes, specify the actions and respective deadlines?			
Has the quality of **stakeholder consultation** during project design been adequate? Have results of the consultations been documented (disaggregated by gender, where relevant)? Does this demonstrate how the consultations were used to inform project design?			
Has a **Stakeholder Engagement Plan** (SEP) been developed that describes how the identified stakeholder will be further engaged during project implementation?			
Is the SEP inclusive and provides for active participation of a wide range of stakeholders – particularly women, civil society organizations, indigenous peoples, representatives of the local communities and local groups?			
Are provisions made for monitoring the SEP during project implementation?			
Has a **project-level grievance redress mechanism** (GRM) been established that explains the processes for			

<table>
<tr><td colspan="2">submitting, resolving and escalating grievances? Is the GRM culturally appropriate, readily accessible for local stakeholders and provide appropriate confidentiality protection?</td><td colspan="2"></td></tr>
<tr><td colspan="2">Have stakeholders been informed about the GRM?</td><td colspan="2"></td></tr>
<tr><td colspan="4">CLEARANCE DECISION</td></tr>
<tr><td>☐ Cleared</td><td colspan="3">The conclusions are positive and the project proposal meets all requirements with regards to avoiding or reducing environmental and social risks: the proposal is accepted.</td></tr>
<tr><td>☐ Conditionally cleared</td><td colspan="3">The conclusions above call for improving one or more ESS action (e.g., assessments) and/or for important re-formulation of management measures/plans. This will lead to the proposal being conditionally cleared; the reviewer will provide guidance on the way forward.</td></tr>
<tr><td>☐ Clearance rejected</td><td colspan="3">Essential ESS provisions have not been complied with, ESS actions (assessments or management measures/plans) have not been completed, critical management measures have not been incorporated into the project and/or don’t seem feasible or sufficient for avoiding or minimizing impacts; or significant data gaps still prevail and additional field assessments are required.</td></tr>
<tr><td>Rationale – Explain clearance decision (why cleared, conditionally cleared or clearance rejected):</td><td colspan="3"></td></tr>
<tr><td>Clearance conditions (when conditionally cleared) - Explain tasks to be completed during the project:</td><td colspan="3"></td></tr>
<tr><td colspan="4">Approval ESS Clearance (level or above)</td></tr>
<tr><td>Name</td><td>GIIF Unit and Function</td><td>Date</td><td>Signature</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
</table>

Ghana Infrastructure Fund's Exclusion List For Investments

GIIF will not invest in any activity, production, use, distribution or business involving:

1. Forced labor[1] or child labor[2]
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
    a. Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
    b. Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
    c. Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length)
3. Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
4. Destruction of High Conservation Value areas
5. Radioactive materials and unbounded asbestos fibres
6. Pornography and/or prostitution.
7. Racist and/or anti-democratic media
8. In the event that any of these following products form a substantial part of a project's primary financed business activities:
    a. Alcohol beverages (except beer and wine)
    b. Tobacco
    c. Weapons and munitions; or
    d. Gambling, casinos and equivalent enterprises

Policy Control

Authority to approve	Board
Authority to recommend to Board	Risk and Compliance Committee
Policy owner	Chief Risk Officer
Authority for exemptions	Chief Risk Office (depend on the exemption) Exemption to RAS is Board
Prepared By	Risk Manager
Current version	2.0
Created date	April 2023
Approval date	25th July, 2024
Due for review	31st October, 2026

Version Control

Version	Revision Date	Author	Description
1.0	April 2023	Risk Manager	Revised ESSD Policy
2.0	25th June 2024	Risk Manager	Revised ESSD Policy

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For: Chief Risk Officer (Policy Owner)