

Project GAIA

Environmental and Social Management System
(ESMS)

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ABBREVIATIONS AND GLOSSARY

Accredited Entity (AE)

Approved Projects: Project which has been assessed by GAIA and will be financed

Biodiversity Action Plan (BAP)

Biodiversity Management Plan (BMP)

Emerging Markets (EM)

Environmental and Social (E&S)

Environmental and Social Due Diligence (ESDD)

Environmental and Social Safeguards (ESS)

Environmental and Social Policy (ESP)

Environmental, Social Impact Assessment (ESIA)

Environmental and Social Management Plan (ESMP)

Environmental and Social Management System (ESMS)

Foreign Exchange (FX)

Free, Prior and Informed Consent (FPIC)

Gaia investment platform (GAIA)

Gender Equality and Social Inclusion (GESI)

Gender Equality and Woman Empowerment (GEWE)

GESI Action Plan (GAP)

Green Climate Fund (GCF)

Human Rights (HuRis)

Indigenous Peoples (IPs)

Indigenous Peoples Plan (IPP)

Indigenous Peoples Planning Framework (IPPF)

Investment Manager (IM)

Least Development Countries (LDC)

Project Entities: Project Issuers which could be borrowers (countries) or intermediaries (e.g., financial institutions) or Executing Entities

Project Proponents: prospect Project Entities proposing a project to GAIA for approval

Proposed Projects: Project which will have to be approved by GAIA to be financed

Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH)

Sponsors: GAIA's main Sponsors, which are MUFG, FinDev Canada

Technical Assistance facility (TA)

The Environmental and Social Policy and Human Right Policy (the Policies)

Throughout the entire report, the term Environmental and Social (E&S) also implies Human Rights, Labour, SEAH, Gender and Indigenous Peoples' considerations.

INTRODUCTION

GAIA Platform

GAIA Platform (GAIA)'s fundamental objective is to deploy its public-private financing capacity into meaningful low-carbon, climate adaptation and mitigation assets, across a range of climate change vulnerable countries, at a scale and scope far beyond the conventional appetite of its constituent financing partners.

The main activity of GAIA consists in the creation of an innovative blended finance platform, including a de-risking mechanism through a junior concessional debt tranche, a second-loss tranche and foreign exchange (FX) hedging, allowing to scale climate finance from institutional investors in Emerging Markets (EM). A parallel **Technical Assistance (TA) facility** will also be developed as part of this platform. GAIA's flexible approach is designed to enable investments in multiple sectors to respond to context-specific development and climate priorities. A list of GAIA targeted sectors can be found in **Appendix 1 GAIA Proposed Sectors and Activities**.

The platform's framework ensures that **Environmental and Social (E&S)** considerations are systematically integrated for all projects, including the parallel TA facility's support. Furthermore, the FX facility will contribute to lower FX hedging costs for climate finance in EMs.

GAIA directly contributes to several UN SDGs, in particular Goals #5, #6, #7, #9, #11, #13, and #17.

Scope and Structure of this report

This report constitutes Annex 6 'Environmental and Social Management System (ESMS)' of GAIA's Funding Proposal.

Part I: The Environmental and Social Policy and Human Right Policy (the Policies) are the foundations of GAIA's ESMS and they represent GAIA's management commitment to conducting their activities in accordance with GCF's ESS and GCF Revised Environmental and Social Policy (2022).

Compliance with the Policies will be achieved with the implementation of the requirements stated in the ESMS (Part II).

Part II: Environmental and Social Management System (ESMS). The ESMS contains provisions for GAIA's operations as well as the Project Proponents and the Project Entities.

- GAIA's management establishes and maintains this ESMS to assess, oversee and support the management of E&S risks and impacts.
- Project Entities will establish and maintain their own ESMS to assess, address and monitor E&S risks and impacts of company operations in line with GAIA requirements.

Environmental and Social Standards

GAIA's overall approach to its Policies and ESMS is guided by the Green Climate Fund Revised Environmental and Social Policy and commitments that have been recognized as established good international practices by GCF, development finance institutions, and the private sector. Recognized good international practices include, but are not limited to:

- the IFC Policy and Performance Standards on Social and Environmental Sustainability 2012 and its Guidance Notes;
- Relevant World Bank Group Environmental, Health and Safety (EHS) Guidelines, as applicable;

- ❑ the United Nations Guiding Principles on Business and Human Rights (UNGPs) based on the 'Protect, Respect and Remedy' framework of the United Nations;
- ❑ International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;
- ❑ UN Convention on the Elimination of All Forms of Discrimination Against Women;
- ❑ GAIA Sponsors' E&S, Gender and other relevant standards (please refer to *Appendix 2 for details on the Sponsors' relevant Gender and Human Rights policy*).

PART I: GAIA POLICIES

Environmental and Social Policy

This Policy outlines the E&S principles and commitments that serve as guidelines for GAIA. Proposed Projects will be analysed and evaluated according to the potential contribution of the projects' activities.

GAIA is designed to enable investments in projects with specific development and climate priorities such as climate-resilient infrastructure, urban mobility projects, transportation options, renewable energy, reforestation, irrigation, and other agricultural processes (*please refer Appendix 1 GAIA Proposed Sectors and Activities*).

GAIA's E&S Policy is approved by GAIA's management.

Principles

GAIA's overall approach to this policy is underpinned by principles, which include, but are not limited to, the following, and both GAIA and the Project Entities must adhere to them:

1. **Legislation compliance.** GAIA, Project Entities and Approved Projects must comply with all host country laws, regulations and permits, including host country obligations derived from international law.
2. **Enhanced projects support (parallel Technical Assistance).** Based on available resources, GAIA will support Approved Projects in developing their governance and management system, through parallel TA, guidance, and collaboration with third parties. Where GAIA asks projects to adopt E&S Performance Benchmarks beyond those that are normally adopted in the host country market, it will assess the need to provide appropriate support to stimulate sector or geographic adoption of those standards.
3. **Transboundary risks and impacts.** In case of potential transboundary impacts¹ of GAIA-funded projects, all necessary consultations and due diligence processes, including prior notification and consultations with the relevant stakeholders and addressing their comments, must be carried out.
4. **Scaled risk-based approach.** E&S requirements will be implemented in a risk-based manner, rather than a generalized, one-size-fits-all approach. This approach will require that E&S requirements and processes are commensurate with the level of risk and meet the relevant E&S standards.
5. **Fit for purpose.** In line with the Paris Agreement principle of *'equity and common but differentiated responsibilities and respective capabilities in the light of different national circumstances'*²; and the GCF Fit for Purpose approach³, in implementing this policy GAIA acknowledges that projects seeking investments in different EMs may face different E&S challenges. This recognition does not change the applicable ESMS or the Performance Benchmarks, nor the accountabilities of GAIA, although a reasonable timeframe for compliance might be required and the parallel TA facility used to support those efforts.
6. **Mitigation hierarchy**, seeking to avoid, and where this is not possible, minimize adverse impacts and enhance positive effects on the environment and affected stakeholders.

¹ Impacts that cross national borders

² <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

³ <https://www.greenclimate.fund/sites/default/files/document/environment-social-policy.pdf>

7. To contribute to the **avoidance of any deterioration in the quality of human life**, the environment and any net loss of biodiversity and ecosystems.
8. Honesty, integrity, fairness, diligence and respect in all business dealings by adhering to and requiring financed projects to adhere to the **principles of good corporate governance and integrity standards**.
9. **Transparency, accountability, and disclosure of information**. GAIA will operate in a transparent and accountable manner, ensuring access to relevant information to stakeholders and the public at large.
10. **Vulnerable people or groups engagement**. Approved projects are requested to identify vulnerable people or groups who may be impacted by the project's activity and more attention is requested to meet the priorities and concerns of women and Indigenous Peoples throughout the engagement process. GAIA will use its influence to encourage the respective projects to engage with any affected stakeholder in accordance with the E&S Policy throughout the investment cycle and their activities.
11. **Zero Tolerance of Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH)**. GAIA does not tolerate any forms of SEAH throughout its management, operational and project activities. SEAH are unacceptable behaviour and violate human dignity generating a culture of discrimination and privilege. In line with GCF E&S Policy, GAIA will ensure that, for each project, measures are in place to prevent and respond effectively to any reported SEAH incidents in a survivor-centred and gender-responsive way, protecting especially those who are in vulnerable positions and situations, and survivors of SEAH.

GAIA is committed to tracking and continually learning from GCF and good international practices, collaborating with other development finance institutions and building and sharing knowledge.

Approved Projects are required to structure their E&S guidance to enhance GAIA's capacity to identify and mitigate potential negative impacts, improve stakeholder relationships, and achieve a higher potential for positive societal impact.

GAIA considers investments for those projects which comply with its Policies. E&S risks are completely integrated into the platform's due diligence and throughout the whole process of selection, support, monitoring, information disclosure, including SEAH, Indigenous Peoples (Ips), Human Rights and gender factors and policies. GAIA undertakes an overarching financing approach based on the assessment of all relevant project risks, together with considerations for positive development impact (*please refer to section **ESMS Operational Guidelines during GAIA investment cycle** for more details*).

GAIA has established a protocol to obtain feedback and redress grievances associated with the implementation of the projects' activities (*please refer to the **Grievance Mechanism** section of this report for more details*).

GAIA will make this Policy public (*please refer to the **Disclosure of Information** section of this report for more details*).

Human Rights Policies

GAIA's management promotes and adheres to universal respect for human rights as recognized by the United Nations Guiding Principles on Business and Human Rights (UNGPs).

GAIA's management commits to:

- a) Avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.

- b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their projects, operations, products or services by their business relationships, even if they have not contributed to those impacts.

GAIA has incorporated the protection of human rights within its due diligence process during the investment cycle to identify, prevent, mitigate, and account for how Proposed Projects address their impacts on human rights (*please refer to section **ESMS Operational Guidelines during GAIA investment cycle***).

GAIA's processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute are described in the section **Grievance Mechanism**.

GAIA's specific Human Rights references regarding labour, gender, Indigenous Peoples and SEAH are described in the next sections.

GAIA's Human Rights Policies are approved by GAIA's management.

Labour Policy

GAIA's reference for Labour Human Rights can be found in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Project Proponents must have Human Resources policies in place to communicate with workers and third parties to establish a consistent approach to managing workers across the company. Policies must be clearly written and posted in all places of work in the main language(s) spoken by the workforce.

Policies must include commitments to:

- Fair treatment, non-discrimination, and equal opportunity for candidate projects by complying with the International Labour Organisation Fundamental Convention.
- Respecting human rights, seeking to avoid infringement on the human rights of others, and addressing adverse human rights impacts that financed business operations may cause or contribute to.
- Zero tolerance of Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH).
- Preventing and addressing risks of Modern Slavery, Forced Labour, and Child Labour.

Policies should also include the requirements for:

- A fair and inclusive recruitment plan.
- Workers' terms and conditions of employment.
- Clear, objective and merit-based criteria for promotions.
- Worksite (and accommodation and travel where applicable) plans which consider health and safety, gender, and worker welfare.

Gender Equality and Social Inclusion Policy

GAIA's management recognise that climate change disproportionately affects women, Indigenous Peoples and other vulnerable populations, as set out in the mainstream gender considerations in climate finance of the GCF.

Gender and equality policy is a key component of the GAIA platform itself, and to discern Project Proponents who generate benefits regarding gender diversity and equality of access. GAIA's management commits to incorporate gender and equality policies throughout the platform itself, and to ensure its service providers, implementation partners and every project financed by GAIA will adopt and implement gender and equity-responsive approaches (please

refer to **Annex 8 of the Funding Proposal – Gender Equality and Social Inclusion Assessment and Plan** for more details).

Gender equality and women’s economic empowerment are broad issues that span multiple sectors of the economy and society. For the purposes of the GAIA Platform, high level objectives, to be addressed broadly during Gender Assessment reviews and in more depth through the construction of Gender Action Plans, will set realistic and feasible goals related to the specific country, project issuer and implementing entity’s context.

The high-level objectives of the Platform include:

- Encouraging women’s economic participation as leaders, employees, and suppliers by promoting the adoption of gender-inclusive practices in the workplace and in supply chains.
- Promoting access to gender-responsive products, services and approaches in clean energy, climate-smart agriculture and food systems, and nature-based solutions for women customers and end-users so that they can more equally access to and benefit from these resources.
- Advocating for gender-responsive safeguards to prevent and address unintended or negative impacts on women workers, users, and communities.
- Promoting principles of inclusion to gender-responsive products and safeguards such that the needs and rights of Indigenous Peoples, youth, persons with disabilities and other vulnerable populations are addressed in parallel to considerations related to gender.

Gender analysis and assessment, with social inclusion and diversity considerations, takes place throughout the investment life cycle: from the moment a project is identified for potential listing on the Platform, throughout due diligence and over the course of each investment’s active life span, the analysis and assessment are intended as follows:

- Enhancing gender equality within the process and operations of candidate projects (for more details on gender requirements during the investment cycle please refer to section *ESMS Operational Guidelines during GAIA investment cycle*);
- Ensuring that each component of the proposed project respects the dignity, identity, and integrity of the individuals involved;
- Minimising social, gender-related and climate risks in all processes of the projects by requesting a Gender and Equality and Social Inclusion (GESI) Assessment (for more details on GESI assessment please refer to **Annex 8 of the Funding Proposal** and section **ESMS Operational Guidelines during GAIA investment cycle**);
- Ensuring a GESI Assessment is conducted both during the selection process and over time with further assessments;
- Discerning projects which deliver accountability to both men and women to generate sustainable livelihood opportunities, health and well-being, and resilience against climate-induced risks.
- Projects will be encouraged to:
 - promote gender equality and women’s empowerment;
 - reduce the gender gap exacerbated by climate change;
 - economically empower women, as well as enhance gender inclusion and diversity practices;

- maintain a network of equity, diversity and inclusion workforce and ambassadors and/or commit to create a workforce composed of people from different backgrounds, will be recommended;
 - ensure the deployment of institutional equity, diversity, and inclusion action plans for people with disabilities, to encourage their full professional and social development; and
 - encourage the development of skills for women, minorities, and people with disabilities.
- Project Proponents are required to demonstrate that equitable opportunities are to be provided to both women and men, and that especially women are to be fully engaged in consultations and decision-making throughout the project processes and operations.

Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH) Policy

GAIA has a zero tolerance for any forms of SEAH, considered unacceptable behaviour that violates human dignity. Therefore, Project Entities will be required to develop and adopt SEAH policies. Adherence to these policies must be a requirement of all project contracts and procurement processes, specifically:

1. Any risks or potential adverse impacts on women, men, girls, and boys are identified as early as possible as part of GAIA financed activities screening and reflected in relevant safeguards instruments (including the ESIA and ESMP as appropriate), and differentiated by gender and age where relevant, including Sexual Exploitation, Sexual Abuse and Sexual Harassment and
 - a. The relevant safeguards instruments (including the ESIA and ESMP as appropriate) include measures to enhance gender equality, and to prevent, address and eliminate SEAH;
 - b. All measures to mitigate and manage the identified risks and impacts are implemented, monitored, and continuously improved; and
 - c. Progress and performance are monitored and reported to GAIA.
2. In case incidences of SEAH occur, Project Entities must demonstrate:
 - a. Established accessible and inclusive survivor-centred and gender-responsive grievance redress mechanisms in place, with specific procedures for SEAH, including confidential reporting with safe and ethical documenting of such cases, clear indications when and where to report incidents, and what follow-up actions will be undertaken;
 - b. Modalities to provide timely referral services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community-driven protection measures and reintegration.

Please refer to **Appendix 13** for more details on the application of this Policy throughout the GAIA investment cycle.

Indigenous Peoples policy

GAIA's Indigenous Peoples policy complies with the GCF Indigenous Peoples Policy and its Operational guidelines and the International Finance Corporation (IFC) Performance Standard 7 Indigenous Peoples.

Projects will ensure that Indigenous Peoples do not suffer harm or adverse effects from the design and implementation of Project activities. The definitions in **Appendix 3 Indigenous Peoples Framework** apply. The application of this Policy will not be limited by the absence of

legal recognition or identification of Indigenous Peoples by a state. It will also not be limited by the legal status of titling of indigenous lands, resources, and territories.

Projects will be encouraged to:

- benefit Indigenous Peoples in a culturally appropriate manner;
- promote empowerment of Indigenous Peoples;
- economically empower indigenous populations and other vulnerable minorities;
- encourage the development of skills of Indigenous Peoples.

For more details on ***Indigenous Peoples' Framework*** and other relevant deliverables required at Project level, please refer to ***Appendix 3 Indigenous Peoples Framework***.

ESMS OPERATIONAL GUIDELINES DURING GAIA INVESTMENT CYCLE

Overview of GAIA investment cycle

GAIA directly finances climate-related projects or interventions, and it may also provide funding to a financial intermediary with a climate-related portfolio of products.

GAIA follows a specific process that will entail five different phases:

1. Generation of a pipeline of Projects (Origination);
2. Screening and Preliminary Approval;
3. Due Diligence and Development of Full Proposals;
4. Final approval for financing of the Full Proposals; and
5. Supervision and monitoring of financed projects under implementation.

E&S evaluation of the proposed projects is embedded in each of these phases, starting with a first Environmental and Social Due Diligence (ESDD) during project screening (Phase 2) and ending with E&S benchmarks monitoring during project implementation (Phase 5).

Identification of Environmental and Social Risk and Project Classification

All Proposed Projects will be categorized following their E&S categorisation, including SEAH risks and impacts, and potential risk profile, following the GCF guidelines⁴. GAIA requires that the Project Proponents assign the appropriate E&S risk categories. Categories are as follows:

- a) **Category A.** Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.
- b) **Category B.** Activities with potential limited adverse environmental and/or social risks and impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and
- c) **Category C.** Activities with minimal or no adverse environmental and/or social risks and/or impacts.

In screening activities for their E&S, including SEAH and transboundary risks and impacts associated with investments through financial intermediation, the screening considers the risks associated with the intended end use.

Categories of activities involving investments through financial intermediation functions, or delivery mechanisms involving financial intermediation, are divided into the following three levels of risk:

1. **High level of intermediation, I1.** When an intermediary's existing or proposed portfolio includes or is expected to include financial exposure to activities with potential significant adverse E&S risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.

⁴ Green Climate Fund (March 1, 2022). Revised Environmental and Social Policy Environmental and Social policy. <https://www.greenclimate.fund/document/revised-environmental-and-social-policy>

2. **Medium level of intermediation, I2.** When an intermediary's existing or proposed portfolio includes, or is expected to include substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse E&S risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented; and
3. **Low level of intermediation, I3.** When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse E&S impacts.

GAIA applies a scaled based risk approach where different categories of E&S risks have different E&S requirements for project approval and execution.

Screening (Phase 2)

GAIA will require that Project Proponents present a basic Project Concept, according to specific criteria (*detailed in **Annex 21 of the Funding Proposal, Operational Manual***), outlining relevant information related to eligibility for GAIA financing as well as pertinent information about the project proponent and its capacity.

Each Project Concept will be reviewed by the dedicated GAIA management team. For what concerns E&S requirements, the analysis is conducted in two steps:

1. Screening of Project Concepts against the **Eligibility Criteria including the Environmental and Social Criteria**, and
2. **Primary Environmental and Social Due Diligence (Primary ESDD)**, which will be conducted during the preliminary due diligence analysis of the Project Proponents in the Screening phase.

The Eligibility Criteria from an E&S point of view consist of the screening of proposed project activities to make sure they are not listed in the **GAIA Exclusion List** (*for the full list please refer to **Appendix 4 GAIA Exclusion List***).

The Primary Environmental and Social Due Diligence will focus on:

- appropriate Environmental and Social policies and capacity at the Project Proponent level;
- pre-classification of the proposed project activities based on GAIA Environmental and Social Risk categorization. An **E&S risk checklist** to be used as a guidance is presented in **Appendix 5**.

Gender, Human Rights and SEAH analysis and assessment and **Indigenous Peoples Planning Framework (IPPF) where relevant** of Project Proponents policies and procedures are included within the Primary ESDD.

Traffic Light System

Based on the preliminary due diligence analysis and the Primary ESDD results, projects can receive a Green, Yellow and Red Light, and they will follow a different process from then on:

1. **A Green Light** will offer the Project Proponent the opportunity to continue the investment cycle and enter the Assessment and Scoring of the Full Proposal (Phase 3), including a second ESDD.
2. **A Yellow Light** will trigger two potential outcomes:
 - a. Consideration of Technical Assistance to be allocated by GAIA for further project development if needed to cover any technical element of the proposal such as, but not limited to, the development of ESIA, SEAH and GESI assessment and IP related plans and framework. To be deployed, parallel TA

will need to be approved by the appropriate decision-making body of GAIA. Once implemented, project Proponent will undergo through the first screening phase again, to verify whether initial critical issues have been assessed and resolved;

- b. If the Primary ESDD results highlight a gap with respect to E&S requirements, but the Project proponent presents the capacity to address identified issues, parallel TA will not be necessary. Once E&S gaps are corrected, project Proponent will proceed to the Full Proposal stage.
3. **A Red Light** will mean the project concept has been declined. High-level feedback including E&S requirements if any, will be offered to the project Proponent.

Scoring

Each Full Proposal will be scored using the Selection Criteria, with minimum benchmarks where appropriate, to assess alignment with the GCF Investment Framework.

The Scoring of proposals will have three potential outcomes:

1. Projects screened for approval by the Climate and ESG Committee and the Credit Committee will be subject to E&S requirements according to their E&S classification and a more formal due diligence on Project Proponent and executing entities during the Assessment (Phase 3). Following these steps, the GAIA management team will present a final recommendation to the Credit Committee on the amount and terms of financing to provide, as well as on the amount and nature of Technical Assistance to go alongside the financing, if necessary.
2. Projects screened for approval with conditions by the Climate and ESG Committee and the Credit Committee, if the assessment phase presents any gaps within the Full Proposal and the Secondary ESDD.
3. Projects screened out will be notified of the decision and of the key reasons for the proposal not moving forward, should the Project Proponent seek to remedy them and re-apply.

Assessment of Full Proposal (Phase 3)

When presenting the Full Proposal, a Proposed Project will need to develop the following E&S requirements.

– For Category A (I-1) and B (I-2) projects:

- Develop an Environmental, Social Impact Assessment (ESIA) study in line with IFC PSs (2012) and GCF Revised Environmental and Social Policy Environmental and Social policy (2022) including transboundary and SEAH risks and impacts. **An Outline intended as a guide is proposed in Appendix 6.**
- Develop an Environmental and Social Management Plan (ESMP) to mitigate any residual impacts including transboundary and SEAH risks and impacts identified during the ESIA exercise. **An Outline intended as a guide is proposed in Appendix 9.**
- Develop and maintain an Environmental and Social Management System (ESMS) appropriate to the size and nature of the risks of the activities of the Proposed Project. Key areas of an ESMS are human resource management, emergency preparedness and response, environmental management, occupational health and safety management, gender and inclusion, Indigenous Peoples and community impacts and relations. The ESMS will identify individuals responsible for its implementation and the way the policy is communicated internally. Operational Procedures must be developed where needed in line with sector best practices

such as the IFC PSs (2012) and the World Bank ESH sector Guidelines (a non-exhaustive list is provided in **Appendix 7**).

- Projects ESMS should include an Environmental and Social Policy, which will have a declaration of a company's commitment to sustainable development and management of E&S issues that is shared internally and publicly disclosed.
- Any other relevant and applicable plans, such as **Land Acquisition and Resettlement Action Plan, Land Acquisition Plan, Livelihood Plan** (please refer to **Appendix 8** for more details), **Indigenous Peoples Plan (IPP)** (please refer to **Appendix 3** for more details), **Biodiversity Plan** (please refer to **Appendix 9** for more details), **Chance Find Procedure** (please refer to **Appendix 10** for more details), in line with the IFC PSs (2012) should be developed.
- **Gender Equality and Social Inclusion Assessment and Plan**: A detailed quantitative and qualitative assessment of gender and inclusion concerns relevant to the country and project sector should be developed. While GEWE and GESI scorecards may be used to ensure consistency and comparability of assessments across projects, full due diligence is expected to include also a substantive qualitative analysis that will inform the preparation of a Gender Action Plan. Collectively, this quantitative and qualitative analysis forms the basis of the pre-approval Gender/GESI Assessment (*for more details on methodology, please refer to **Annex 8 of the Funding Proposal, GAIA GESI Assessment and Plan***).

E&S documents and deliverables will need to be appropriate to the level of E&S risks identified by the Project Proponent.

– **For Category C/I-3 projects:**

- A high level **Environmental and Social Policy** appropriate to the size and nature of the risks of the activities of the Proposed Project. The *Environment and Social Policy* should have a declaration of a company's commitment to sustainable development and management of E&S issues, including Gender, SEAH and indigenous people, that is shared internally and publicly disclosed.
- **Gender Equality and Social Inclusion Assessment and Plan**: A detailed quantitative and qualitative assessment of gender and inclusion concerns relevant to the country and project sector should be developed. While GEWE and GESI scorecards may be used to ensure consistency and comparability of assessments across projects, full due diligence is expected to include also a substantive qualitative analysis that will inform the preparation of a Gender Action Plan. Collectively, this quantitative and qualitative analysis forms the basis of the pre-approval Gender/GESI Assessment (*for more details on methodology, please refer to **Annex 8 of the Funding Proposal, GAIA GESI Assessment and Action Plan***).

Once a project has been approved for financing, preparation and negotiation of documents will include not only legal documentation, but also preparing and finalizing the Gender/GESI Action Plan, as well as any other ESS and impact documentation required.

A secondary Environmental and Social Due Diligence (ESDD) will be performed by GAIA on these E&S requirements. *A guide on the ESDD is provide in **Appendix 12***.

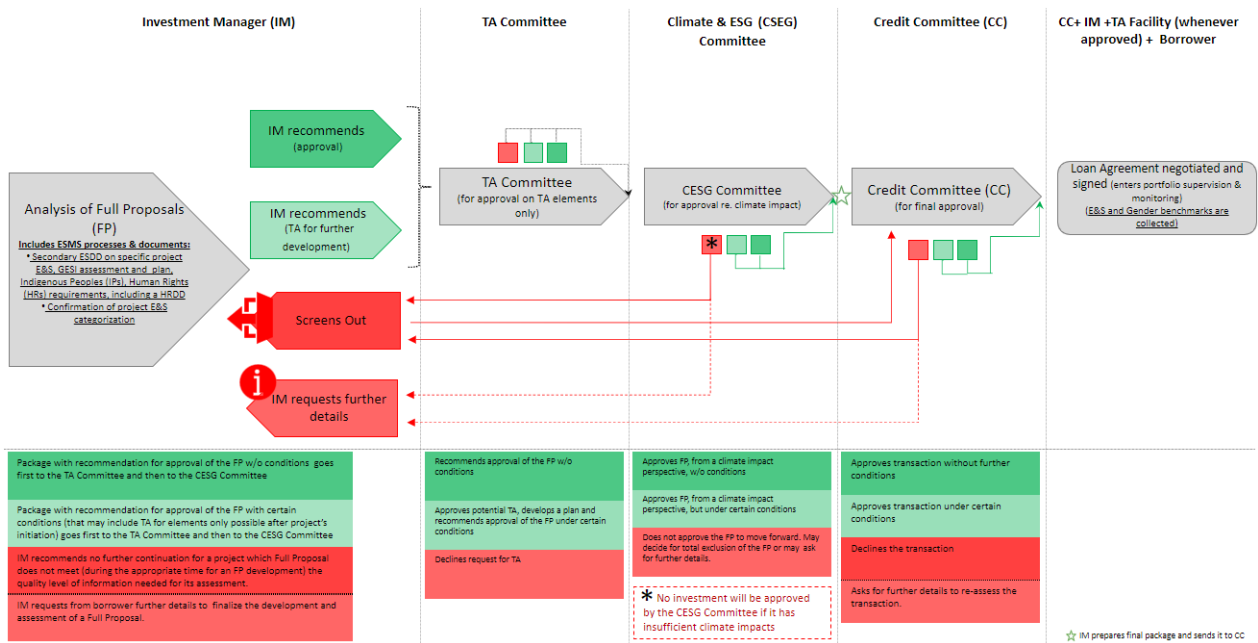
As described in **Annex 21 of the Funding Proposal, GAIA Operations Manual**, throughout its assessment process, the Investment Manager will work in close consultation with members of two sub-committees, requesting their guidance on topics which greater expertise lies mostly with their members:

- **Climate and ESG Committee**, which role is to approve a transaction based on the climate and ESG aspects (super-majority vote) before it can be presented to the Credit Committee (such recommendation having to be documented and integrated in the Full Proposal),

provide guidance/support to the IM throughout the life of the project, and review impact measurement.

- **TA Committee**, which role is to take parallel TA budget allocation decisions and provide guidance/support to the IM throughout the life of the project.

Figure 1. GAIA's two Decision-Making Process During Phases 3 and 4



ROLES AND RESPONSIBILITIES

GAIA Accredited Entity, Executing Entities, and Key Partners

Accredited Entity

MUFG is the GCF Accredited Entity (AE) for the GAIA Platform. As the program's AE, MUFG brings extensive expertise in climate finance and specifically with the GCF. MUFG has been accredited since 2017 and has three approved projects (FP115 FP128 and FP197) and one approved Project Preparation Funding project (PPF045).

Executing Entities

GAIA Climate Loan Fund Limited Partnership (GAIA LP, the Fund): a newly-created limited partnership registered in the Canadian province of Manitoba. This is the legal entity providing the financing to end borrowers/projects. The LP is registered, however, does not hold legal personality and it will act through the GP.

GAIA's General Partner (GP) will act on behalf of the LP (e.g., executing loans; contracting services); currently Ninety One (Investment Manager) is selected [but not awarded or contracted] to act as the GP. The GP role will be performed by an entity set up and managed by Ninety One, and the shares of the GP entity will be held by Ninety One's Guernsey platform.

Investment Manager: GAIA will be supported by the Investment Manager (Ninety One)⁵ that will act on project structuring, administration, implementation monitoring, and ensure project compliance with GAIA's relevant policies and Financing Agreements (including but not limited to Climate and ESG assessment and monitoring), playing an important active role within the Governance Structure and therefore an EE. Further details of GAIA's specific responsibilities over the Funded Activity and implementation are detailed in the Operations Manual annex (Annex 21A).

GCF GAIA Holdco SPV: A special purpose vehicle used for GCF's investment in GAIA to be established in Hong Kong.

GCF GAIA Holdco SPV Manager: Entity responsible for management of day to day administration of the SPV.

Key Partners

FinDev Canada brings expertise in working in EMs and LDCs, in integrating impact measurement and management in investments, and in providing parallel TA. As Canada's bilateral DFI, it was established in 2018 to complement Canada's range of international development assistance mechanisms and help bridge the financing gap to realize the UN SDGs and the Paris Agreement on Climate Change.

Further, GAIA benefits from an ecosystem of supporting entities with geographical reach and technical expertise (e.g., UNDP; GGGI; UN IFAD) in adaptation and resilience to support the meaningful deployment of GAIA's capital.

GAIA's Management

GAIA will be operated by an Investment Manager (IM). The IM, under the Credit Committee's oversight, will implement all relevant elements of the Environmental and Social Management System and the GESI Action Plan (*please refer to **Annex 8 of the Funding Proposal***).

⁵ Please see Annex 27 for further information on Ninety One.

The IM will allocate responsibilities and appropriate resources for the effective implementation of ESMS and GAIA Policies. They will nominate one responsible person and adequate staff resources to oversee the E&S appraisal and monitoring processes and to initiate and develop environmentally and socially beneficial projects.

GAIA will include a parallel TA facility, supported by FinDev Canada, to help structure transactions as well as bolster the capacity of sponsors and operators in the areas of project development, sustainability practices and impact management. FinDev Canada will share learnings from its E&S risk management procedure, aligned with the Operating Principles for Impact Management⁶ to ensure that this ESMS is implemented.

⁶ <https://www.impactprinciples.org/>

MONITORING AND REPORTING

All Project Entities are monitored and evaluated periodically by GAIA's IM. The main goal is to monitor and report functions related to the project's advancements in E&S performance, to check compliance with the agreed timeline and budget, and, in case of eventual and potential risks, to mitigate them.

The monitoring will be a continuous process that includes disclosure pursuant to the monitoring and accountability framework and the Information Disclosure Policy. The extent of monitoring will be based on the type and level of risks identified, including E&S risks.

The monitoring will be based on the ESS standards, and the Approved Projects will provide GAIA annually with a self-assessment of compliance to applicable E&S safeguard requirements.

The Approved Projects will define an entitled internal or external expert to be responsible for the internal monitoring and reporting according to the standards outlined within this document, in line with the GCF guidelines on E&S performances.

Reports about activities, results, and challenges to the Projects' operations in line with its vision and mission will be produced regularly and in a transparent manner.

The results of the annual self-assessments, mid-term reviews, and any ad hoc reviews will include annual performance reports, interim evaluations, and final evaluation reports. If needed, GAIA's IM may require more frequent or ad hoc monitoring and reporting or audits on specific E&S issues.

If within the project's organization the ones responsible for monitoring and reporting the E&S performance advancements are acting in an intermediary function, they will need to ensure that the Project Entities fulfil the activity-level monitoring and reporting requirements discussed in this section and will, in turn, provide the requisite monitoring and reporting information to GAIA's IM.

GAIA's IM shall require the project's responsible who is accountable for monitoring and reporting E&S performances to undertake all necessary measures to ensure participatory monitoring through the involvement of communities, local stakeholders, Indigenous Peoples, and civil society organizations in all the stages of the life cycle of activities. This participatory monitoring approach will also encourage the national designated authorities or focal points to outline which people and other stakeholders might be affected by the activities of the projects.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key component which the Approved Project will be required to integrate into business operations as an inclusive and continuous process. Meaningful and progressive consultations with stakeholders are essential to avoid and mitigate E&S risks, together with a considerable improvement in the well-being of vulnerable populations and minorities.

GAIA Approved Projects will follow the guidelines of the GCF Sustainability Guidance Note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects.

Based on the principles of transparency, accountability, inclusiveness, non-discrimination, and “do no harm”, successful stakeholder engagement by the Approved Project should follow the steps outlined below:

Step 1: Develop a strategy

Define why stakeholder engagement is important for the success of project proponents, project implementation and impacted communities. The strategy should take into consideration specific provisions for Indigenous Peoples and gender sensitive engagement. All approved projects will be required, in a manner appropriate to the sector and proposed intervention, to engage with relevant stakeholders affected by the activities, including women, Indigenous Peoples and other vulnerable groups, and to apply a gender lens during all stages of the project cycle, including design, formulation, implementation and monitoring and evaluation.

Step 2: Stakeholders and issues mapping and analysis

According to specific criteria related to the project, consider any interest group, such as national and sub-national entities, governments, civil society, women, minorities, and Indigenous Peoples. Analyze their position and interests, expectations, influence, emotional stake, financial or political position and their potential contributions. Depending on the main interests of the groups, define a prioritised engagement list, considering which stakeholder will be mostly affected and impacted.

At this step, it will also be important to reach out to the groups identified and “pre-consult” them, in order to share information about the project and collect feedback about the most appropriate way to communicate and refine the stakeholders’ list and engagement strategy.

Step 3: Engage with stakeholders

Depending on the prioritised engagement list in Step 2, engagement with stakeholders will differ based on the extent of the project impact.

High priority stakeholders, who are the most likely to be impacted by the activity, should be regularly involved in dialogue, negotiation processes and partnerships. Communication with stakeholders who have a high degree of interest but are not directly impacted should be considered via feedback tools, as through surveys or focus groups, or via newsletters, social media updates or invitations to specific meetings. Those who are less concerned or impacted should have access to and receive information and updates about the project. When engaging with stakeholders it is important to offer multiple opportunities for consultation, to keep records of meeting proceedings and of any agreement and timelines for accomplishing tasks.

Step 4: Monitor and follow-up

A key to understanding the gradual and correct evolution of the engagement activities is a monitoring process, which is also useful to respond to unexpected events. Monitoring consists of regular intervals aimed at identifying any changes in the project that may introduce new E&S risks, and to mitigate and correct possible issues. The monitoring process considers the number and diversity of stakeholders, feedback on the effectiveness of the plan, completion of agreements and commitment, and extent of involvement of women, Indigenous Peoples,

vulnerable populations or minority groups and other under-represented stakeholders.

The stakeholder engagement plan is required to describe the disclosure of information, key consultation among stakeholders in a manner that is gender-sensitive and considers any risks and impact of Approved Project's activities. Once stakeholders and their level of engagement have been mapped, a stakeholder engagement plan should be outlined according to the following elements:

- 1. Introduction:** Brief description of the initiative and potential E&S risks
- 2. Regulations and requirements:** Summary of any legal, regulatory or company requirements referring to stakeholder engagement
- 3. Summary of disclosed information:** If the entitled project has disclosed any information or consultation regarding previous stakeholder engagement activity, it should summarise the nature of the information, and add details about its form and how it was disseminated; the location and dates of any meetings undertaken; participants that have been consulted; issues discussed and follow-up activities
- 4. Stakeholder list:** List of the stakeholders who will be consulted and informed, depending on the level of impact produced by the project
- 5. Program:** Description of the purposes and goals of the program; what information will be disclosed and by which term; description of the women and minorities engagement.
- 6. Timetable:** Production of a timetable of outlined dates and location of the different engagement activities
- 7. Resources and Responsibilities:** For every entitled project, identify staff and resources dedicated to the implementation of the stakeholder engagement plan and/or if a qualified Stakeholders Liaison Officer(s) is hired
- 8. Grievance Mechanism:** Description of the process by which individuals and communities affected by the project can communicate grievances to the company, specifying how and by whom they will be resolved
- 9. Monitoring and Reporting:** Description of the monitoring process, which considers the number and diversity of stakeholders, feedback on the effectiveness of the plan, completion of agreements and commitment, and extent of involvement of the time and process schedule of the monitoring of the engagement plan
- 10. Management Functions:** Provide a detailed overview of how the stakeholder engagement plan will be integrated into the project ESMS, as well as the staff dedicated to managing and deploying the engagement plan, tools used to document, track and manage the process and how the interaction between entitled programs will ensure good relations with local stakeholders.

Please also refer to **Appendix 3 Indigenous Peoples Framework** for specific guidelines on their engagement and **GAIA GESI Assessment and Action Plan** for GAIA gender sensitive provisions.

GRIEVANCE MECHANISM

A Grievance Mechanism is the system which allows all stakeholders, and in particular individuals and communities which are affected by the project, to provide feedback, and thereby to access information and seek recourse and remedy when necessary.

Specific procedures will be implemented by GAIA management as needed. Every GAIA Approved Project will require a grievance mechanism and GAIA will ensure an effective feedback system informing the affected projects about outcomes, and reporting regularly to the public on its implementation, while protecting the privacy of individuals. It will also inform the affected projects of their right to independent judicial recourse in the event that grievances cannot satisfactorily be resolved using project-specific mechanisms.

It is a critical means to the identification and mitigation of undesirable E&S risks, and it enables access to remedy and facilitate the resolution of concerns and grievances linked to project E&S performance.

In the occurrence of SEAH incidents, GAIA management will ensure that accessible and inclusive survivor-centred and gender-responsive grievance redress mechanisms, with specific procedures for SEAH including confidential reporting with safe and ethical documenting of such cases that indicate when and where to report incidents, and what follow-up actions will be undertaken.

GAIA will ensure an effective grievance mechanism which should be structured as a mechanism that is:

- Legitimate, trusted and proportionate to the risks and potential adverse impacts of the project
- Accessible and appropriately tailored to all potentially affected projects and other interested parties – in a local language with the provision for interpretation/translation services to overcome language barriers/limitations– irrespectively of their literacy and administrative capacity.
- A log wherein grievances are registered in writing as a publicly available database, shared with the GCF independent Redress Mechanism. This will contain information regarding the complaint and resolution, the remediation taken and can be anonymous, if requested.
- Publicised in terms of advertising of the procedure, the means of submission, suggested waiting, response and resolution times, description of the procedures' transparency, and an overview of the governing and decision-making structures.
- Inclusive of an appeal process to which unsatisfied grievances can be referred when the resolution has not been achieved.
- Inclusive of other available grievance mechanisms, including the GCF independent Redress Mechanism and the accredited and implementing entities grievance mechanisms.
- Established with measures in place to protect complainants from retaliation.
- Gender sensitive.
- Provision of confidentiality and anonymity, guaranteeing confidential handling of requests, if so requested by the complainant and especially in instances where the complainants fear retaliation.
- Fair, transparent and inclusive, compatible with human rights.
- Guided by engagement and dialogue.
- Predictable in terms of process.

- Timely.
- Not impeding access to grievance and resolution on grounds of one's financial ability to seek judicial remedy.
- A source of continuous learning for all the stakeholders, including GAIA and the Approved Project Entities.
- Readily accessible and at no cost for to affected stakeholders and communities with technical and financial support available.
- Not likely to reduce access to the GCF independent Redress Mechanism or the grievance redress mechanism of the accredited or executive entities.
- Is informed by the "effectiveness criteria" for non-judicial grievance mechanisms as detailed in Article 31 of the United Nations Guiding Principles on Business and Human Rights.

In the event that indigenous peoples or communities are involved in the project and/or activities, the grievance mechanism will be structured as follows:

- Co-designed in consultation with the affected or potentially affected communities of indigenous peoples, to resolve grievances.
- Accounts for the different ways in which indigenous peoples can submit their grievances and the need for anonymity if a complainant fears retaliation or submission by an authorized representative or civil society organization.
- Incorporates existing formal or informal grievance mechanisms – including localised remedies, customary laws, applicable laws and state treaty, dispute resolutions mechanisms, the justice systems of indigenous people and independent indigenous experts – where appropriate or feasible and does not discriminate users from accessing and using these state-managed judicial and administrative systems.

Where GAIA or Approved Project Entities identify that they may have caused or contributed to adverse impacts, they should provide for, or cooperate in, remediation through legitimate processes. Resolution of a grievance should be confirmed by way of evidence of resolution to the satisfaction of the stakeholder/aggrieved party. It is required that the Approved Project Entities diligently document this process.

Where a complaint is not admissible or relevant, the Approved Project Entities will refer the aggrieved parties to the relevant authority or other grievance processes. The grievance mechanism should not impede access to independent judicial or administrative remedies outside any project specific context. On the contrary, it should complement and facilitate access to independent judicial or administrative bodies. Approved Project Entities are required to monitor the implementation of the stakeholder engagement plan and the performance of the grievance mechanism. Specific attention will be given to grievance mechanisms related to workforce, local affected communities and in particular in case of resettlement or Indigenous Peoples. Specific guidance on development of grievance mechanisms in projects involving Indigenous Peoples can be found in Appendix 3 of this document, as well as in the GCF Indigenous Peoples Policy⁷ and its Operational Guidelines⁸. Consistent with the GCF Indigenous Peoples Policy, Project Entities should ensure that Indigenous Peoples are aware that the GCF independent Redress Mechanism and the Secretariat's Indigenous Peoples focal point will be available for assistance at any stage, including before a claim has been made.

⁷ <https://www.greenclimate.fund/document/indigenous-peoples-policy>

⁸ <https://www.greenclimate.fund/document/operational-guidelines-indigenous-peoples-policy>

Specific provisions for reporting complaints and allegations of impropriety, wrong-doing or other related issues in the project and its activities 'whistle-blower program' would also need to be developed and available, in line with GCF zero-tolerance of fraud and corruption and to provide clear avenues for exposing fraud and integrity violations⁹.

⁹ <https://www.greenclimate.fund/document/policy-protection-whistleblowers-and-witnesses>

DISCLOSURE OF INFORMATION

GAIA recognizes the importance of transparency and accountability in all aspects of its operations in performing its duties in line with the GCF E&S Policy. Guided by the principles of efficiency and effectiveness, the GAIA Platform is committed to transparency in its operations and will seek to share and facilitate access to relevant information about its operations with stakeholders.

This section sets out GAIA Platform's policy regarding the information that it makes available to the public; this applies to all information produced by or in the possession of GAIA Platform, in line with the Accredited Entity, MUFG Bank Ltd., GCF Information Disclosure Policy and the GFC Revised Environmental and Social Policy (ESP).

As described in previous sections, GAIA will ensure effective stakeholder engagement in all the projects in which it is invested, included appropriate grievance mechanisms, and a complaint mechanism at the platform level. In addition to these, GAIA will disclose additional reports on environmental and social impact of its projects, in line with the information disclosure policies of the GCF.

Exceptions to disclosure will be permitted in case the potential harm to interests, entities or parties arising from the disclosure of information would outweigh the benefits of access, and if GAIA is legally obligated to non-disclosure or has received information from Sponsors and third parties indicated as confidential. The GAIA Platform will employ all practical means to facilitate access to information.

According to GCF E&S Policy, GAIA is required to disclose the Proposed Projects E&S documentation. These documents include resettlement action plans and policy frameworks, IPs plans and frameworks, gender assessments and gender action plans, ESDD and audit reports, which will be complementary to the required ESIA, ESMP and/or other operational frameworks.

In particular, GAIA will disclose the ESIA and ESMP at least 120 calendar days (for Category A subprojects) and the ESIA and ESMP at least 30 calendar days (for Category B subprojects) in advance of the approval of the subprojects, in English and the local language. The disclosure will be in locations convenient to affected peoples in English and in the involved people language, and the information will be provided to GCF.

The exception concerns:

- Personal information of any person, including directors, staff, consultants, experts, attorneys, agents, contractors and other persons connected with GAIA;
- Legal, disciplinary or investigative matter in dispute or under negotiation, information relating to any investigation of alleged fraud, corruption or misconduct or disciplinary proceedings, or any information that would be likely to materially prejudice an investigation or the administration or justice, or that would violate applicable law, contractual obligation or could subject the GAIA Platform to undue litigation risk;
- Internal documents and communication as those with its consultants, attorneys, agents or contractors;
- Information that would be likely to compromise the security, safety or health of the GAIA Platform or Sponsors staff and their families, consultants, experts and contractors, any other individual or their assets;
- Confidential information covered by a confidentiality obligation that the GAIA Platform had entered into with other parties;

- Financial, business or proprietary and non-public information in possession of GAIA and/or belonging to an external or internal party, without the express permission of such party;
- Deliberative information covered in internal processes or external processes with the GCF, the AEs and Sponsors as emails, notes, letters, memoranda, reports, or internal documents prepared by or on behalf of GAIA's platform staff, consultants, experts, attorneys, or agents; and
- Information requested not to be disclosed by the GCF, the AEs and Sponsors.

CONTINUAL REVIEW OF THE ESMS

GAIA recognizes E&S and HRs policies and processes are ongoing and dynamic in nature, and it seeks continual improvement in performance both in its own operations and at the Approved Projects level.

GAIA will use the information obtained through the Approved Projects reporting and compliance monitoring to inform strategic and operational decisions and ongoing investment activities.

A first revision of this ESMS will be carried out after approval of the Funding Proposal.

On an annual basis, the IM and its team will review this ESMS, incorporating stakeholder engagement and information received through grievance channels.

APPENDIX 1 - GAIA PROPOSED SECTORS AND ACTIVITIES

Table 1 presents a list of sectors and activities eligible for financing by GAIA. Such a list is based on the positive list from the [Joint MDB Climate-Finance Tracking Methodology](#). Additional activities could be added to this list, in the future, providing two conditions: i) a clear climate mitigation impact can be shown (i.e., is on the List of activities eligible for classification as climate mitigation finance, from the MDB's methodology previously mentioned, and ii) there is a GCF-recognized framework to measure the avoided/reduced GHG emissions (e.g., [UN CDM](#), [UNFCCC IFI TWG](#)).

Table 1. Positive list for mitigation activities eligible for financing from GAIA

SECTOR	ELIGIBLE ASSET / ACTIVITY
Renewable Energy	Wind Power
	Geothermal Power (only if net emission reductions can be demonstrated)
	Solar Power (concentrated solar power, photovoltaic power)
	Transmission lines for renewable energy
	Second and third-generation biofuels sourced from a sustainable feedstock
Energy Efficiency	Energy efficiency in industry in existing facilities (at least 20% improvement compared to relevant conservative baseline)
	Energy efficiency improvements in existing commercial, public and residential buildings (at least 20% improvement compared to relevant conservative baseline)
Waste and Wastewater	Treatment of wastewater, including wastewater collection networks (renewable energy based for greenfield projects, reduction of GHG emissions for brownfield projects)
	Solid waste management
Transport	Urban mass transit
	Electric and non-motorized transport (bicycles and pedestrian mobility)
	Efficient freight transport (replacement of high-emissions trucking, etc.)

Table 2 presents a list of climate adaptation sectors and activities eligible for financing by GAIA. Such a list is based on a selection of activities with a clear adaptation rationale from the European Climate Adaptation Platform Climate-ADAPT. Additional activities could be added to this list in the future, providing that a clear climate adaptation impact can be shown.

Table 2. Positive List for adaptation activities

GCF Results Area	Activities	Climate Impacts
Ecosystems & Ecosystem Services	Afforestation and reforestation as adaptation opportunity	Flooding, Droughts, Extreme Temperatures, Water Scarcity
Ecosystems & Ecosystem Services	Restoration and management of coastal wetlands	Sea Level Rise, Droughts, Storms, Flooding
Ecosystems & Ecosystem Services	Groynes and breakwaters	Sea Level Rise, Storms, Flooding

Ecosystems & Ecosystem Services	Beach and shoreface nourishment	Sea Level Rise, Storms, Flooding
Ecosystems & Ecosystem Services	Water sensitive forest management	Water Scarcity, Storms, Droughts, Flooding
Ecosystems & Ecosystem Services	Dune construction and strengthening	Sea Level Rise, Flooding
Health, Food & Water Security	Improvement of irrigation efficiency	Droughts, Water Scarcity
Health, Food & Water Security	Rehabilitation and restoration of rivers and floodplains	Droughts, Storms, Flooding, Sea Level Rise
Health, Food & Water Security	Adaptation of drought and water conservation plans	Water Scarcity, Droughts
Health, Food & Water Security	Water recycling	Water Scarcity, Droughts
Health, Food & Water Security	Establishment and restoration of riparian buffers	Droughts, Storms, Water Scarcity, Flooding, Sea Level Rise
Health, Food & Water Security	Improved water retention in agricultural areas	Droughts, Water Scarcity, Flooding
Health, Food & Water Security	Use of adapted crops and varieties	Extreme Temperatures, Water Scarcity, Droughts
Health, Food & Water Security	Conservation agriculture	Water Scarcity, Droughts
Health, Food & Water Security	Desalinisation	Droughts, Water Scarcity
Health, Food & Water Security	Adaptation of groundwater management	Droughts, Sea Level Rise, Water Scarcity
Infrastructure & Built Environment	Climate proofed road design, construction and maintenance	Ice and Snow, Storms, Extreme Temperatures, Flooding
Infrastructure & Built Environment	Adaptation options for hydropower plants	Droughts, Flooding, Water Scarcity
Infrastructure & Built Environment	Adaptation options for electricity transmission and distribution networks and infrastructure	Storms, Ice and Snow, Extreme Temperatures
Infrastructure & Built Environment	Climate proofing of buildings against excessive heat	Extreme Temperatures
Infrastructure & Built Environment	Storm surge gates / flood barriers	Sea Level Rise, Storms, Flooding
Infrastructure & Built Environment	Floating and amphibious housing	Flooding, Sea Level Rise, Storms
Infrastructure & Built Environment	Adaptation or improvement of dikes and dams	Sea Level Rise, Storms, Flooding
Multiple adaptation areas	Raising coastal land	Flooding, Sea Level Rise, Storms
Multiple adaptation areas	Cliff strengthening and stabilisation	Sea Level Rise, Storms
Multiple adaptation areas	Seawalls and jetties	Sea Level Rise, Storms, Flooding
Multiple adaptation areas	Green spaces and corridors in urban areas	Extreme Temperatures, Flooding, Water Scarcity
Multiple adaptation areas	Agro-forestry and crop diversification	Flooding, Extreme Temperatures, Droughts
Multiple adaptation areas	Water sensitive urban and building design	Flooding, Water Scarcity, Droughts

Multiple adaptation areas

Adaptation of integrated coastal management plans

Sea Level Rise, Storms, Flooding

Multiple adaptation areas

Adaptation of fire management plans

Droughts, Extreme Temperatures

Multiple adaptation areas

Establishment of early warning systems

Water Scarcity, Storms, Droughts, Flooding, Ice and Snow, Extreme Temperatures

APPENDIX 2 - SPONSOR RELEVANT HUMAN RIGHTS AND GENDER POLICIES

MUFG Accredited Entity

As the accredited executing agency, MUFG Limited has established a Gender Policy specifically applicable to GCF projects, linking GEWE principles, actions and activities specifically to climate change adaptation and resilience projects.

1. MUFG Ltd Gender Policy for GCF Projects¹⁰;
2. Modern Slavery Act 2015 and Commonwealth Modern Slavery Act 2018, 2020 Disclosure Statement¹¹;

MUFG has acted as Sponsor and Executing Agency for several important GCF-approved projects and funds in the climate adaptation space, each aligned objectives in respect to gender equality and women's empowerment, with a strong focus on developing countries.

FinDev Canada

FinDev Canada has developed a detailed Gender Equality Strategy, informed by the principles of the Canadian Feminist International Assistance Policy (FIAP) and the latest evidence on promoting women's economic empowerment through the private sector. Progress toward gender equality is monitored through FIAP and 2X Challenge indicators, while investments are scored on their current and potential impact on women's economic empowerment. FinDev Canada will work with the selected Independent Asset Manager (IM) to ensure that the GEWE is effectively integrated within the IM's operations and with respect to the due diligence process of projects seeking financing through the Platform. FinDev Canada's work with the private sector in EMs and LDCs, including via blended finance transactions, ensure that the IM itself and the activities to be conducted by the IM on behalf of the Platform integrate gender and inclusion targets and objectives that are ambitious, yet reasonable and feasible in the context of each project.

FinDev Canada

1. Gender Equality Strategy;
2. Gender Equality Policy;
3. Environmental and Social Policy;
4. Development Impact Framework.

¹⁰ MUFG (November 24, 2020). Gender Policy for the GCF Projects/Programmes

¹¹ MUFG (March 31, 2021). Modern Slavery Act 2015 and Commonwealth Modern Slavery Act 2018, 2020 Disclosure Statement.

APPENDIX 3 – GUIDANCE FOR PROJECTS INDIGENOUS PEOPLES ASSESSMENT, FRAMEWORK AND PLAN

Indigenous Peoples

GAIA adopts an understanding of Indigenous Peoples as informed by both the GCF and the IFC Performance Standard to mean a people or group of peoples comprising a distinct social and cultural group with common characteristics of self-identification to a particular cultural group and with this identity recognised by others, collective attachment to geographically distinct habitats, adherence to customary institutions, and/or practicing a distinct dialect or language.

GAIA recognizes that Indigenous Peoples comprise social groups distinct from mainstream society, who can include the most marginalized and economically, socially and legally vulnerable community segments in which they reside. Indigenous Peoples are particularly vulnerable in this regard when investment transforms, encroaches upon, or significantly degrades their lands and resources. Indigenous Peoples' vulnerable status can limit their capacity to defend their rights to, and interests in lands and natural and cultural resources, and restrict their ability to participate in and benefit from development and thereby place their languages, cultures, religions, spiritual beliefs and institutions under threat.

Indigenous Peoples are often closely attached to their lands on which they depend and related natural resources, which are traditionally owned or under customary use. While the affected Indigenous Peoples may not possess legal title to these lands as defined by applicable national laws, their use of these lands including seasonal or cyclical use for their livelihoods, ceremonial and spiritual purposes that define their identity and community can be substantiated and documented.

Guidelines and requirements to be adopted by GAIA Approved Projects

The following standards are to be adopted to any activities supported by GAIA that could affect Indigenous Peoples and provide insightful guidance for Project Entities to consider for Indigenous Peoples assessment, framework and plan:

- The IFC Performance Standard requirements for Indigenous Peoples (Performance Standard 7);
- GCF Indigenous Peoples Policy and Operational guidelines; and
- Other applicable provisions of GAIA's ESMS.

As described in **Appendix 4** of this document (**Exclusion List**), any activities involving the following are excluded from GAIA's investment activities:

- Activities that may involve contact with Indigenous Peoples "in voluntary isolation," "isolated peoples" or "in initial contact" or impact their lands and territories;
- Activities which would result in the involuntary resettlement of Indigenous Peoples. GAIA will avoid funding activities that may involve physical displacement of Indigenous Peoples (i.e., relocation, including relocation needed as a result of loss of shelter), whether full or partial and permanent or temporary, or economic and occupational displacement (i.e., loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of the activities.

Phases of integration of Indigenous Peoples consideration within GAIA Proposed and Approved Project life cycle

The Projects' Screening and Assessment Phases will determine the applicability of the safeguard standard. After Screening (Phase 2), where a project may have impacts on Indigenous Peoples, the Project will prepare a high-level Indigenous Peoples Planning

Framework (IPPF), which clarifies the principles, organizational arrangements, and design criteria to be applied to subprojects or project components.

Following the Assessment Phase (Phase 3) and the identification of activities or components of the project and confirmation that Indigenous Peoples are present in or have a collective attachment to the project area, a specific Indigenous Peoples Plan (IPP) proportionate to risks and impacts, should be prepared. Activities will not start until GAIA's Credit Committee reviews and approves such a plan.

Both documents would have appropriate monitoring and reporting, disclosure and other arrangements in compliance with IFC PS 7, GCF Indigenous People Policy and Operational guidelines and this ESMS as outlined in section below 'Indigenous Peoples Planning Framework (IPPF) and Indigenous Peoples Plan (IPP)'.

In order to warrant Projects will be able to ensure compliance with the relevant phase requirements, GAIA's parallel TA facility could be activated for Proposed Projects within the GAIA Traffic Light system framework (***please refer to ESMS OPERATIONAL GUIDELINES DURING GAIA INVESTMENT CYCLE section***).

Indigenous Peoples Planning Framework (IPPF) and initial ESS screening of projects

GAIA recognizes that Indigenous Peoples' context and circumstances vary from region to region and from country to country. The Indigenous Peoples' distinct historical and cultural backgrounds and national and regional contexts will need to be taken into consideration during both the Screening phase and in the Assessment phase of projects.

GAIA Proposed sectors and activities and their impacts on IP

The **indicative list of sectors and activities eligible for mitigation financing from GAIA** is presented in **Appendix 1** of this ESMS while GAIA **Exclusion list** is presented in **Appendix 4**.

Because of the nature and sectors of the proposed activities, GAIA does not expect approved projects to have considerable irreversible negative impacts on the environment, communities or Indigenous Peoples which could not be mitigated. However, all physical components, such as air, noise, dust and odour together with impacts to any water bodies, land use, ecosystem and social components will be thoroughly assessed and managed, as well as any impact to community health and livelihoods as part of the ESIA process. Temporary construction impacts-especially for transportation and infrastructures projects—would be identified and mitigated.

On the contrary, projects and associated activities are expected to create positive impacts on both the environment, local communities, and IP (if any), as they aim to adapt and mitigate greenhouse gases emissions and climate change impacts.

Project ESIA process will identify project-specific positive and negative impacts.

Indigenous Peoples Assessment during Project ESIA Process

Following this first Screening phase, during the Assessment phase (Phase 3), GAIA will ensure that - if any Indigenous Peoples have been identified in the project area - the Project ESIA process will:

- a. Better identify Indigenous Peoples' communities within the project area in detail, particularly those that may be directly or indirectly affected by the subprojects or investments. In certain circumstances, the Project may engage and solicit advice from competent professionals to ascertain whether a group is

considered or self-identifies as Indigenous Peoples within the context of the activities.

- b. Develop an understanding of the social and demographic context of the local population, including Indigenous Peoples, by analysing key community characteristics, the social and political environment, and local socio-economic factors that impact on the Indigenous Peoples.
- c. In collaboration with the potentially affected Indigenous Peoples and the host government(s), the accredited entities will identify the nature and assess the extent and magnitude of the potential direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts of the activities on the identified communities of Indigenous Peoples who are present in the area or have a collective attachment. These actors will, together, develop a consultation strategy and identify the means by which affected indigenous peoples will participate in the design and implementation of activities and assurance of an equitable share in benefits. This should include an analysis of any existing use by Indigenous Peoples' communities of the degraded landscapes where the activities are proposed, including use of non-tree components or non-timber forest products. This assessment should also identify how the Project could proactively promote the rights, well-being and knowledge of Indigenous Peoples.
- d. Undertake meaningful engagement of the affected or potentially affected Indigenous Peoples and communities – with the involvement of representative bodies, organizations (e.g. councils of elders, village councils or chieftains) and, where appropriate, other community members, including indigenous women and youth – to inform them of the activities, its risks and impacts and measures to manage and mitigate the risks and impacts and provide the Indigenous Peoples with the space to provide their views. This will be, where possible, conducted either in a local language understood by the indigenous people or provisions will be made for interpretation/translation to overcome language barriers/limitations. The interests of community groups that are particularly affected and marginalized, especially women, youth, Indigenous Peoples with disabilities and the elderly, being cognizant of traditional cultural approaches that may exclude segments of the community from the decision-making process. As such, spaces will be created to allow for their direct participation in consultations and in the decision-making process. The level of community engagement shall be designed following the principles of informed consultation and participation and/or good faith negotiation as required under relevant safeguard standards and policies. As such, the capacity of the Indigenous Peoples to engage and consider and implement effective communication and capacity-building programs will be assessed. If necessary, this will include the possibility and availability of resources to ensure adequate preparation and participation in the process.
- e. Depending on the nature and scope of the project and the implementation structure, engage consulting services, civil society organizations and/or relevant government agencies to assist in mobilizing the communities and to prepare them to participate in project planning where necessary.
- f. Undertake the process of obtaining free, prior and informed consent (FPIC) in accordance with the requirements of the IFC Performance Standards, the GCF Indigenous Peoples Policy, and the relevant national laws and policies in the following circumstances: i) impacts on lands and natural resources subject to traditional ownership or under customary use or occupation, ii) relocation of indigenous peoples from lands and natural resources subject to traditional

ownership or under customary use or occupation, or iii) impacts to cultural heritage including use of cultural heritage for cultural purposes. The process for undertaking FPIC, the agreement reached between the affected or likely affected Indigenous Peoples, and the evidence and outcomes of such process will be agreed upon with the Indigenous Peoples taking into consideration the preferred and traditional practices of the communities. The documentation of the FPIC shall be prepared as part of the due diligence on the subproject. Project Entities should recognize that the process of obtaining FPIC is iterative and are expected to allocate sufficient resources in their proposals, IPP and IPPF.

- g. Consult with Indigenous Peoples present in, or having collective attachment to, the project area regarding the proposed activities, the project design and implementation arrangements. The consultation process shall also provide space for Indigenous Peoples to inform the proposed project/project proponent of their views, either in support of or opposing such activities, and recommendations for how they can participate in the subproject design, decision-making and implementation.
- h. Where possible, traditional knowledge should be used as input for the project's assessment processes, including the baselines for the adaptation and mitigation activities and ESIA studies.
- i. The stakeholder consultation should occur prior to commencement of activities that may affect their rights and interests and carry on throughout the life of the project. It shall be guided by a consultation strategy outlining how affected Indigenous Peoples will be consulted and participate throughout the subproject cycle. This consultation strategy shall be integrated into a time-bound plan such as an Indigenous Peoples Plan (or a broader plan containing separate Indigenous Peoples components). The scope and scale of this plan will be commensurate with the potential project risks and impacts. Where the Indigenous Peoples form the majority of the affected communities, the Indigenous Peoples Plan may be integrated into the project ESMP. To facilitate this process, Project Entities may, where relevant, consider the use of local language(s) in the engagement, as well as the adoption of gender- and inter-generational approaches in accordance with the customs, norms, and values of the affected people and through their chosen representatives.

Indigenous Peoples Plan (IPP)

As an output of the Assessment phase outlined above, following identification of activities or components and confirmation that Indigenous Peoples are present in or have a collective attachment to the project area a specific and detailed Indigenous Peoples Plan (IPP) proportionate to risks and impacts, will be prepared. Activities will not start until GAIA reviews and approves such a plan.

The IPP will include:

- a. The types of subprojects likely to be proposed for financing under the project;
- b. Baseline information (from independent and participatory environmental and social risks and impacts assessment processes);
- c. The potential positive and adverse impacts of such programmes or subprojects on Indigenous Peoples as per the ESIA process described above;
- d. Measures to avoid, minimize and mitigate negative impacts, and enhance positive impacts and opportunities;
- e. Benefit sharing plans;

- f. Tenure arrangements;
- g. Community-based natural resource management;
- h. Gender assessment and action plans;
- i. Costs, budgets, timetables, organizational responsibilities;
- j. Framework for ensuring the meaningful consultation tailored to Indigenous Peoples and a framework for ensuring of free, prior and informed consent (FPIC) in line with GAIA **Stakeholder engagement** provisions and the standards listed in this framework;
- k. Results of consultations already held (during environmental and social risks and impacts assessment processes), including a list of people and organizations that participated, a timetable, who was responsible for each activity, FPIC, and future engagement plans;
- l. Institutional arrangements, including capacity-building for screening project-supported activities, evaluating their effects on Indigenous Peoples, preparing IPPS and addressing any grievances in line with GAIA **Grievance Mechanism** procedures and the standards listed in this framework;
- m. Monitoring, evaluation and reporting arrangements, that both encourage and develop the meaningful and effective participation of indigenous peoples, including mechanisms and benchmarks appropriate to the project in line with GAIA **Monitoring and Reporting** requirements and the standards listed in this framework; and
- n. Disclosure arrangements for IPP to be prepared as specified in the IPPF in line with GAIA **Disclosure of Information** and the standards listed in this framework.

The development of any other ad hoc management plans will also be assessed case by case.

Where the Project Proponent locates **a project on lands traditionally owned by, or under customary use of Indigenous Peoples** and adverse impacts can be expected, GAIA management will make sure that the Project Proponent will ensure free, prior and informed consent and take the following steps, which will be further detailed within the project's IPP:

- a. Identify and review all property interests and traditional resource uses before purchasing or leasing land.
- b. Describe how the activities proposed for financing will be consistent with applicable law and obligations of the state directly applicable to the activities under relevant international treaties and agreements, particularly with regard to a transparent and inclusive and iterative process seeking to obtain the free, prior and informed consent and meaningful consultation of affected or possibly affected Indigenous Peoples through culturally appropriate, transparent and inclusive consultations and procedures during the project and programme design, implementation, and expected outcomes related to the risks and impacts affecting the communities of Indigenous Peoples;
- c. Describe the involvement of Indigenous Peoples, including women, girls, and youth, in the design and implementation of the proposed activities, and provide detailed outcomes of the free, prior and informed consent process of the Indigenous Peoples; and
- d. Provide documented evidence of the mutually accepted process within the GCF-financed activities between the implementing entities and the affected communities, and evidence of an agreement between the parties that was the outcome of the negotiations;

- e. Document all efforts undertaken to consider alternative project land areas and affected natural resources and minimize land and natural resources impacts;
- f. Consider feasible alternative project designs to avoid relocating Indigenous Peoples from communally held lands and natural resources subject to traditional ownership or under customary use;
- g. Avoid undertaking project activities which may impact significantly on critical cultural heritage essential to Indigenous Peoples' identity and/or cultural, ceremonial or spiritual lives. If this is unavoidable obtain affected Indigenous Peoples' communities free, prior and informed consent;
- h. Ensure that affected communities are informed of their land rights under national law including any national law recognizing customary use rights and in a culturally appropriate manner;
- i. In line with and subject to the outcomes of the free, prior and informed consent process, provide the affected Indigenous Peoples' communities compensation, and/or offer culturally appropriate and sustainable development opportunities and benefits sharing and follow due process where their land and natural resources may be commercially developed.

APPENDIX 4 - EXCLUSION LIST

The GAIA platform will not invest in climate adaptation and mitigation projects related to the following activities:

- Exploration, extraction, prospecting (including royalties), refining, production, distribution (including pipelines and other facilities projects), processing, storage, transportation, promotion of fossil fuels (including oil, sand oil, natural gas, shale gas), including also:
 - Power generation assets using fossil fuels;
 - Investments in grid that will be used for evacuation of power from fossil fuel plant;
 - Grid expansion for power grids with high emission factor without addition of new renewable energy generation capacity;
 - Investments that extend the lifetime of fossil fuel assets (such as energy efficiency measures in fossil fuel industry);
 - Energy efficiency investments that extend the lifetime of fossil fuel assets;
 - Coal and thermal coal prospecting, exploration, processing or mining, transportation, distribution and use;
 - Construction of new or refurbishment of any existing coal-fired power plant (including dual). Cancellation of projects related to these activities in the pre-construction phase, unless work is already underway; and
 - Construction of new or refurbishment of any existing heavy fuel oil (HFO)-only or diesel-only power plant producing energy for the public grid and leading to an increase of absolute CO₂ emissions.
- Activities or material deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances, PCBs (polychlorinated biphenyls), and other specific or hazardous substances, wildlife or wildlife products regulated under the Convention on International Trade and Endangered Species of Wild Fauna and Flora and transboundary trade in waste or waste products;
- Activities violating the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES);
- Activities which could be associated with the destruction or significant impairment of areas worthy of protection, that meet the classification criteria of the High Conservation Value area and of the World Heritage Sites;
- Activities which negatively impact wetlands designated under the Ramsar Convention;
- Activities that may involve contact with Indigenous Peoples “in voluntary isolation,” “isolated peoples” or “in initial contact” or impact their lands and territories;
- Activities which would result in the involuntary resettlement of Indigenous Peoples, and avoid funding activities that may involve physical displacement of Indigenous Peoples (i.e., relocation, including relocation needed as a result of loss of shelter), whether full or partial and permanent or temporary, or economic and occupational displacement (i.e., loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of the activities;
- Brownfield projects (with exception for projects that GAIA refinances after the construction period);

- Cannabis, if is the main activity (primary sector of activity or activity generating more than 50% of revenues). Openness to other companies operating in the sector after reputation and ESG analysis;
- Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations;
- Gambling, casinos and equivalent enterprises;
- Guarding prisoners and ownership or operation of prisons or immigration and refugee detention centres including exclusion of any business providing services to inmates if the prison-related activity represents more than 15% of revenues;
- Nuclear plants;
- Pornography and/or prostitution;
- Production and distribution of racist, anti-democratic and/or neo-Nazi media;
- Production in handguns, weapons, including assault weapons and ammunitions for civilian, nuclear weapons, biological and chemical weapons, anti-personnel mines and cluster bomb;
- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour;
- Production or trade in alcoholic beverages (excluding beer and wine) if it forms a substantial part of a project's primary financed business activities;
- Radioactive materials and unbounded asbestos fibers;
- Reprocessing and storage of nuclear waste;
- Retailers for whom the sale of handguns and assault weapons represents more than 15% of revenues;
- Tobacco products and vaping products; and
- Unsustainable fishing methods, e.g., blast fishing or drift net fishing in the marine environment using nets in excess of 2.5 km in length.

APPENDIX 5 - ESS SCREENING CHECKLIST

Part A: Risk Factors related to the menu of eligible activities

General information on the potential Project			
Company Name			
First year of activities			
Location of projects areas (with geographical coordinates)			
Risk Factors	YES	NO	
Will the activities involve associated facilities and require further due diligence of such associated facilities?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities involve transboundary impacts including those that would require further due diligence and notification to affected states?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities potentially expose local communities and workers to a higher risk of SEAH?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities adversely affect working conditions and health and safety of workers or potentially employ vulnerable categories of workers including women and children?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities potentially generate hazardous waste and pollutants including pesticides and contaminate lands that would require further studies on management, minimization and control and compliance to the country and applicable international environmental quality standards?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities involve the construction, maintenance, and rehabilitation of critical infrastructure (like dams, water impoundments, coastal and riverbank infrastructure) that would require further technical assessment and safety studies?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the proposed activities potentially involve resettlement and dispossession, land acquisition, and economic displacement of persons and communities?	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Please provide a justification of your answer:</i>			
Will the activities be located in or in the vicinity of protected areas and areas of ecological significance including critical	<input type="checkbox"/>	<input type="checkbox"/>	

habitats, key biodiversity areas and internationally recognized conservation sites?		
<i>Please provide a justification of your answer:</i>		
Will the activities affect Indigenous Peoples that would require further due diligence, free, prior and informed consent (FPIC) and documentation of development plans?	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>		
Will the activities be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>		

Part B: Specific environmental and social risks and impacts

Assessment and Management of Environmental and Social Risks and Impacts	YES	NO	TBD
Has the E&S risk category of the project been provided at project concept stage including SEAH consideration?	<input type="checkbox"/>	<input type="checkbox"/>	
Has the rationale for the categorization of the project been provided in the relevant sections of the concept note?	<input type="checkbox"/>	<input type="checkbox"/>	
Are there any additional environmental, health and safety requirements under the national laws and regulations and relevant international treaties and agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Are the identification of risks and impacts based on recent or up-to-date information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Labour and Working Conditions	YES	NO	TBD
Will the activities potentially have impacts on the working conditions, particularly the terms of employment, worker's organization, non-discrimination, equal opportunity, child labour, and forced labour of direct, contracted and third-party workers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will the activities pose occupational health and safety risks to workers including supply chain workers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			

Aspect	Observation/Comment		Reference
Number of workers and origin: local or non-local			
% of the workforce that is direct and contracted			
Awareness / information available regarding contractor's labour practices			
Is there any evidence or reasonable doubt of child labour or forced labour?			
Do workers live in the working place?			
Are forest operations mostly manual or mechanized? Do workers have adequate training and equipment?			
Did any serious accident happen in the last 5 years? Is there evidence of serious accident records			
Do working conditions comply with the ILO Fundamental Conventions?			
Resource Efficiency and Pollution Prevention	YES	NO	TBD
Will the activities generate (1) emissions to air; (2) discharges to water; (3) activity-related greenhouse gas (GHG) emissions, (4) noise and vibration; and (5) wastes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will the activities utilize significant amounts of natural resources including water and energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will there be a need to develop detailed measures to reduce pollution and promote sustainable use of resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Community Health, Safety, and Security	YES	NO	TBD
Will the activities potentially generate risks and impacts to the health and safety of the affected communities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will there be a need for an emergency preparedness and response plan that also outlines how the affected communities will be assisted in times of emergency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will there be risks posed by the security arrangements and potential conflicts at the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

project site to the workers and affected community?			
<i>Please provide a justification of your answer:</i>			
Aspect	Observation/Comment	Reference	
Local and indigenous communities / stakeholders: How far away and how many? Are these identified by the company?			
Main livelihoods of local and indigenous communities			
Are communities dependent on the resources and land managed by the company?			
Status of community customary rights over resources			
Company-community relationships			
Does the company implement a Stakeholder Engagement Plan?			
Does the company employ participatory, fair and transparent decision-making processes? Is there evidence of FPIC from Indigenous Peoples? How is this recorded / documented?			
Are there any resettlements or (unresolvable) conflicts with communities, particularly in the last 5 years?			
Do operations create noise, dust, vibration, shadow, etc. to an extent that could affect local communities?			
Do project activities significantly increase transport and heavy vehicles in the area? Could this affect local infrastructure? Schools, hospitals, relocation of bridges, etc.			
Are there cultural sites on the project area or surroundings? Are these considered in the HCV process? Cultural sites could be cemeteries, places of worship, holy sites or trees, etc.			
Are social impacts of company operations monitored over time? Do communities have an opportunity to discuss E&S performance with the company?			
Are grievance mechanisms operational and policy / processes developed to handle grievances?			
Are security guards employed? Are they trained in the Voluntary Principles on Security and Human Rights?			

Land Acquisition and Involuntary Resettlement	YES	NO	TBD
Will the activities likely involve land acquisition and/or physical or economic displacement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Aspect	Observation/Comment		Reference
Land use strategy foreseen by the company: Purchase / lease land from communities / large private owners Land concentrated in one property / distributed among more properties			
Share of the target production area already secured			
Tenure status of the area currently controlled by the company			
Are there any easements on the land? By whom?			
Information on conflicts over land tenure in current and target areas			
Company follows UN FAO VGGT if applicable?			
Biodiversity Conservation and Sustainable Management of Living Natural Resources	YES	NO	TBD
Will the activities potentially introduce invasive alien species of flora and fauna affecting the biodiversity of the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will the activities have potential impacts on or be dependent on ecosystem services including production of living natural resources (e.g. agriculture, livestock, fisheries, forestry)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Aspect	Observation/Comment		Reference
Is there a land use planning process? Is there a target conservation area? Does it cover at least 5% of the area?			
Natural biophysical conditions and baseline			
Conditions / studies conducted incl. status prior to activities			
Forest conversion after 1994?			
Degradation of peatlands?			
Land with conservation / protected areas status (IUCN PA categories) in the vicinity (distance)?			

HCVA assessment completed? If no: Likelihood and size of HCVs in the management units or the vicinity			
Information on flora and fauna, particularly endangered species			
Critical habitat within management unit identified?			
Other conditions that pose significant environmental risk (natural or other conditions)			
Indigenous Peoples	YES	NO	TBD
Will the activities potentially have any indirect impacts on Indigenous Peoples, ethnic minorities, or vulnerable and marginalized groups?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Cultural Heritage	Yes	NO	TBD
Will the activities restrict access to the cultural heritage sites and properties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Will there be a need to prepare a chance-find procedure in case of the discovery of cultural heritage assets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			
Stakeholder engagement and grievance	Yes	NO	TBD
Will the activities include a continuing stakeholder engagement process and a grievance redress mechanism and integrated into the management/implementation plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer:</i>			

APPENDIX 6 - OUTLINE OF ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

Each project will be required to conduct an ESIA in line with the relevant legislation GAIA ESMS. While the scope and level of detail of the ESIA should be commensurate with the potential impacts of the foreseeable project operations, a comprehensive ESIA report should include the following items:

- a) **Executive summary.** Concisely discusses significant findings and recommended actions.
- b) **Policy, Human Rights, legal and administrative framework.** Presents the policy, legal and administrative framework within which the assessment is carried out.
- c) **Project description.** Describes the proposed project and its geographic, ecological, social and temporal context, including any associated facilities and third-party activities. It also indicates need for additional considerations due to land requirements and in meeting the needs of Indigenous Peoples. A map of the project site and the projected area of influence is included.
- d) **Baseline data.** Assesses the dimensions of the study area and describes relevant physical, biological and socioeconomic conditions based on up-to-date information, including any changes anticipated before the project commences. It also takes into account current and proposed development activities within the project area that may not be directly connected to the project.
- e) **E&S impacts.** Identifies, predicts and assesses the likely positive and negative impacts of environmental and social risks, human rights, SEAH, gender and Indigenous Peoples' factors, in qualitative and quantitative terms as may be feasible. Identifies indirect, cumulative and transboundary impacts, as well as impacts due to associated facilities and third-party activities. Identifies mitigation measures and any residual negative impacts that cannot be mitigated. Explores opportunities for environmental enhancement and improvement of the welfare and livelihoods of affected people. Identifies and estimates the extent and quality of available data, key data gaps and uncertainties associated with predictions, and specifies topics that may require further studies and attention.
- f) **SEAH assessment.** To improve environmental and social outcomes and to generate inclusive benefits to the communities, assess any risks or potential SEAH related impacts on women, men, girls and boys as early as possible.
- g) **Analysis of alternatives.** Systematically compares feasible alternatives to the proposed activities, site, technology, design and operation – including the "do nothing" situation – in terms of their potential E&S impacts; the feasibility of mitigating these impacts; their suitability under local conditions; and their institutional, training and monitoring requirements.
- h) **Environmental and social management plan (ESMP).** Covers mitigation measures, monitoring and institutional strengthening. It also includes description of the stakeholder engagement plan, grievance redress mechanism and disclosure of safeguards documents and relevant updates and further due diligence that may need to be undertaken.
- i) **Conclusion and recommendation.** Describes the conclusions drawn from the assessment and provides recommendations (e.g., additional specialized studies that need to be undertaken).
- j) **Relevant appendices**, which could include for example:
 - a. List of report preparers, individuals and organizations;

- b. References, sources and written materials, both published and unpublished, used in study preparation;
- c. Record of stakeholder consultations, interagency consultation meetings, including consultations for obtaining the informed views of the affected people and local non-governmental organizations (NGOs). The record specifies any means other than consultations (e.g., surveys) that were used to obtain the views of affected groups and local NGOs; and
- d. Photo documentation, modelling outputs and assumptions, computations, tables presenting the relevant data referred to or summarized in the main text.

List of associated reports (e.g., audit reports, strategic environmental assessment study, cumulative impact assessment study, resettlement plan or Indigenous Peoples development plan, etc.).

APPENDIX 7 ESS SPECIFIC BY SECTOR

World Bank EHS by Sector¹² (where not differently stated)

Renewable Energy

Wind Energy

Geothermal Power Generation

Electric Power Transmission and Distribution

Thermal Power

Energy Efficiency

Cement and Lime Manufacturing

Ceramic Tile and Sanitary Ware Manufacturing

Glass Manufacturing

Construction Materials Extraction Textiles Manufacturing

Tanning and Leather Finishing

Semiconductors and Electronics Manufacturing

Printing

Foundries

Integrated Steel Mills

Base Metal Smelting and Refining

Metal, Plastic, Rubber Products Manufacturing

Waste and Wastewater

Waste Management Facilities

Water and Sanitation

Resource Efficiency and Pollution Prevention and Management¹³

Transport

Railways

Ports, Harbours and Terminals

Airports

Airlines

Shipping

Toll Roads

Telecommunications

¹² https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines

¹³ World Bank (June 2018). Environmental & Social Framework for IPF Operations – ESS3: Resource Efficiency and Pollution Prevention and Management.

Agriculture, Aquaculture, Forestry, and Land-Use

Perennial Crop Production

Annual Crop Production

Aquaculture

Sugar Manufacturing

Vegetable Oil Processing

Food and Beverage Processing

Board and Particle-based Products

Sawmilling and Wood-based Products

Biodiversity Conservation and Sustainable Management of Living Natural Resources¹⁴

[United Nations Environment Programme \(UNEP\)](#)

[Guidelines For Social Life Cycle Assessment of Products¹⁵](#)

¹⁴ World Bank (June 2018). Environmental & Social Framework for IPF Operations - ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

¹⁵ UNEP (2009). Guidelines For Social Life Cycle Assessment Of Products.

APPENDIX 8 GUIDANCE FOR LAND ACQUISITION AND RESETTLEMENT

A Land Acquisition and Resettlement Framework (LARF) defines the process for screening, assessing, compensating and managing potential risks and impacts from land acquisition and resettlement due to operations supported by an Approved Project. As soon as the specific sites and the beneficiary communities of the operations have been defined clearly and in detail, the LARF should be expanded into a specific Land Acquisition and Resettlement Plan (LARP) in line with applicable safeguard requirements.

A LARF provides the necessary background to ensure that any operations that might involve land acquisition and/or resettlement and loss of livelihoods of affected people will comply with the national laws and GAIA's ESG requirements. Particular care will be taken when Indigenous Peoples and communities are affected or could possibly be affected, as such the LARF will make provisions for customary or traditional land ownership and use of natural resources in respect of the possible impacts of activities on indigenous peoples' language use, cultural practices, institutional arrangements, and religious or spiritual beliefs.

For each project that would have activities likely to generate resettlement impacts, a LARP will be prepared. The LARF describes the design criteria for the resettlement of affected persons in the course of implementation of the project, the legal context, the process for the preparation of a LARP, its contents and the process for its execution and communication, and finally the required institutional organization.

Purpose of a LARF

Land acquisition and involuntary resettlement involve the displacement of people arising from operations that encroach on their productive assets, cultural sites and income sources such as land, grazing fields, other assets, etc. What distinguishes involuntary from voluntary resettlement is that the former involves people who may be displaced against their wishes, as they are often not the initiators of their movement.

The implementation of the various operations of a Portfolio Company may trigger the E&S safeguards on involuntary resettlement as the land may be acquired for operations purposes and affected persons will need to be compensated for loss of land, crops, dwellings and other structures, and livelihoods.

The purpose of a LARF is to appropriately deal with matters such as the necessity for land acquisition, compensation and resettlement of people affected by the implementation of the operations of the Portfolio Company.

Objectives of a LARF

The overall objective of a LARF is to provide guidance on how to deal with risks and impacts related to land acquisition, compensation and resettlement during the implementation of the project. A LARF ensures that displacement is avoided, and if not avoided, the displaced and resettled persons are compensated for their loss at replacement cost, given opportunities to share in project created benefits, and assisted with the move and during the transition period at the resettlement site.

The specific objectives of a LARF are as follows:

1. To minimize, as much as possible, acquisition of land for implementation of project operations, where such acquisition or project related activities will result in adverse social impacts;
2. To ensure that where land acquisition is necessary, this is executed as sustainable programs to enable people to share in the project benefits;
3. To ensure meaningful consultation with people to be affected or displaced;

4. To provide assistance that will mitigate or restore the negative impacts of the project implementation on the livelihoods of people affected in order to improve their livelihoods or at least restore to pre-project levels;
5. Outline roles and responsibilities by various stakeholders in the planning, implementation, monitoring and evaluation of resettlement activities;
6. Allow redress among communities affected by project activities; and
7. Reduce stress on project-affected communities/households.

The operational objective of a LARF is to provide guidance to stakeholders participating in the mitigation of adverse social impacts of the project, including rehabilitation/resettlement operations, in order to ensure that project affected persons will not be impoverished by the adverse social impacts of the project. The target groups for a LARF are all the stakeholders relevant to the implementation of the project operations. This includes project affected persons, communities and NGOs as applicable.

Legal and administrative framework governing land acquisition and resettlement

The legal and administrative framework relating to land acquisition and resettlement risks and issues consist of the various pieces of legislation of the countries where the project operations will be undertaken. It is important that at the operation level and as part of the formulation of a LARP, a gap assessment is undertaken to determine the alignment of the various legal and policy requirements, with a view of adopting the most stringent requirements applicable to the activities and for addressing risks related to land acquisition and resettlement. Key areas of comparison of the legal and administrative framework include compensation of lost assets, eligibility, level of assistance to affected people for improving standards of living and livelihoods, consultation and grievance redress, census and asset inventory, cut-off dates, the timing of compensation, vulnerable communities, and monitoring and completion.

An important consideration in identifying legal and administrative framework at the country level is the specific context related to processes for acquisition and land take, processes for resettlement of affected peoples, land tenure system, customary rights and traditional ownership of lands.

In addition to the national requirements, the Approved Projects will also need to align with IFC Performance Standard 5 specific to land acquisition and involuntary resettlement recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. The standard thus has the following objectives:

1. To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs;
2. To avoid forced eviction;
3. To anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
4. To improve, or restore, the livelihoods and standards of living of displaced persons; and
5. To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

Involuntary resettlement in IFC PS 5 refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition.

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition, which results in displacement. Where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities must be carefully planned and implemented.

Compensation framework

The LARP that will be prepared for specific Project operations assessed to likely generate land acquisition and resettlement risks and impacts will need to define a framework that would provide the satisfactory compensation for loss of lands or assets including access to land and resources. The compensation framework will be guided by the following principles:

1. Provide transparent, fair and timely compensation (prior to land clearance or taking land) for displacement, including compensation for assets in accordance with national regulations and applicable standards;
2. Compensate for lost assets at full replacement value; and
3. Restore the livelihoods and welfare of project affected persons and local communities such that their well-being is at the least, equal to their pre-resettlement conditions, or that they are better off.

The LARP will present the types of affected persons (such as landowners, tenants, forest occupants without formal tenure, owners of permanent and non-permanent infrastructures, people potentially losing livelihood and access to resources, etc.) and their compensation entitlements. The LARP will also provide the eligibility of affected people for compensation, for example providing consideration to formal legal rights, with leased rights, without legal rights, those arriving after the cut-off dates, etc.

Entitlement Planning

The LARP will also present the entitlement planning process and which would clearly define applicable compensation rates at replacement value and establishing measures to mitigate further impacts of land take including livelihood restoration initiatives, and vulnerable person assistance measures. In establishing the applicable compensation rates, an independent valuation expert may be engaged to advise on the market values of affected land, crops and other economic assets in the subproject area.

Method of Compensation

Individual and household compensation will be made in cash, in kind and/or through assistance in the knowledge and presence of both man and wife and adult children or other relevant stakeholders where applicable. The type of compensation will be an individual choice although every effort will be made to instil the importance and preference of accepting in-kind compensation especially when the loss amounts to more than 20% of the total loss of productive assets. It should be noted that when land holdings necessary for the livelihood of affected persons are taken away or reduced in size by the project works, the preferred form of compensation is to offer an equivalent parcel of land elsewhere, i.e. land for land. Where such land is not available, cash payment can be an option even though cash compensation is not the preferred form of compensation in such cases. It should be noted that cash compensation is only appropriate where there is a market for land or other lost assets in the area of the impact. It is unacceptable to offer cash compensation to, say, a farmer, when he/she has no possibility of acquiring new land in the same area.

Other key elements of the LARP preparation are the process for consulting and engaging affected people, census and documentation of assets, agreements on compensation and integration in contracts, and the mechanism for delivering compensations to affected people.

Livelihood Restoration

The Approved Projects may also affect access of local communities and Indigenous Peoples to resources resulting in losses of livelihoods. The LARF should also include a livelihood restoration strategy to prevent and mitigate the potential adverse impacts on the vulnerable project affected persons as a direct result of the resettlement process.

Key principles guiding livelihood restoration planning

The sustainable approach to livelihood restoration is based on the following principles:

1. Livelihoods are multi-faceted strategies, and a combination of approaches is therefore required to support the restoration of income and the reestablishment of community support networks;
2. Active participation of intended beneficiaries in planning and decision making to ensure proposed support reflects local realities and priorities;
3. Affected people should be provided with choices so that they can self-determine how their household will best benefit from the livelihood restoration options;
4. Transition allowances are necessary, but require clear eligibility and end points;
5. Capacity building should be incorporated into livelihood restoration activities to develop skills, including in agricultural practices. Capacity building acknowledges the different needs of women, men, youth, and vulnerable groups with respect to skills development.

Integration of livelihood restoration in plans

To recognize the potential and magnitude of adverse impacts and develop livelihood restoration options, the following approach may be considered:

1. Livelihood restoration for vulnerable affected peoples should refer to the ecological conditions, livelihoods and socio-cultural characteristics possessed by affected people;
2. Livelihood restoration should be able to support project affected people to gain a similar or even better livelihood, independently. It is important that the land acquisition and resettlement process will not cause dependency to the project which eventually would make more problems in the future;
3. The livelihood restoration should be focused on the characteristics of the vulnerability and potential sources of livelihood assets owned by each household;
4. Involving representatives of both communities, the project-affected people and host populations, in the consultation process to build familiarity and to resolve disputes that are expected to arise during and after the resettlement process.

Land Acquisition and Resettlement Action Plan

Should the Project Entity operations require a specific LARP, an outline of the contents that a comprehensive LARP should include, based on the IFC Performance Standards Guidance Notes, is provided below:

1. **Description of the project:** General description of the project and identification of the project area
2. **Potential impacts:** Identification of
 - the project component or activities that give rise to resettlement;
 - the zone of impact of such component or activities;
 - the alternatives considered to avoid or minimize resettlement; and
 - the mechanisms established to minimise resettlement, to the extent possible, during project implementation.

3. **Objectives and studies undertaken:** The main objectives of the resettlement program and a summary of studies undertaken in support of resettlement planning/implementation, e.g. census surveys, socio-economic studies, meetings, site selection studies, etc.
4. **Regulatory framework:** Relevant laws of the host country, other policies and procedures, performance standards.
5. **Institutional framework:** Political structure of the project area, NGOs.
6. **Stakeholder engagement:** Summary of public consultation and disclosure associated with resettlement planning, including engagement with affected households, local and/or national authorities, relevant CBOs and NGOs and other identified stakeholders, including host communities and Indigenous Peoples. This should include, at a minimum, a list of identified key stakeholders, the process followed (meetings, focus groups, etc.), issues raised, responses provided, significant grievances (if any) and a plan for ongoing engagement throughout the resettlement implementation process.
7. **Socioeconomic characteristics:** The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including results of household and census surveys, information on vulnerable groups, gender dynamics, information on livelihoods and standards of living, land tenure and transfer systems, use of natural resources, patterns of social interaction, social services and public infrastructure.
8. **Eligibility:** Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
9. **Valuation of and compensation for losses:** The methodology used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.
10. **Magnitude of displacement:** Summary of the numbers of persons, households, structures, public buildings, businesses, croplands, churches, etc. impacted
11. **Entitlement framework:** Categorizations of persons impacted and options offered, preferably summarized in tabular form.
12. **Livelihood restoration measures:** The various measures to improve or restore the livelihoods of displaced people.
13. **Resettlement sites:** Including site selection, site preparation, and relocation, alternative relocation sites considered and explanation of those selected, impacts on host communities.
14. **Housing, infrastructure, and social services:** Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering and architectural designs for these facilities.
15. **Grievance procedures:** Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
16. **Organizational responsibilities:** The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any

measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

17. **Implementation schedule:** An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts, and implementation of the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
18. **Costs and budget:** Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
19. **Monitoring, evaluation and reporting:** Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

APPENDIX 9 GUIDANCE FOR BIODIVERSITY PLANS

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

As a matter of priority, the Project Proponent should seek to avoid impacts on biodiversity and ecosystem services. When avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented.

For all Proposed Projects that have the potential to significantly convert or degrade natural habitats and for projects in critical habitats, these biodiversity actions should be captured in a single dedicated Biodiversity Management Plan (BMP) in line with 'IFC PS 6 : Biodiversity Conservation and Sustainable Management of Living Natural Resources' and its Guidance or integrated into one or more topic-specific management plans (for example, Invasive Species Management Plan, Induced Access Management Plan, or Water Management Plan).

Performance Standard 6 is guided by and supports the implementation of applicable international law and conventions, including the following:

- The Convention on Biological Diversity, 1992;
- The Convention on the Conservation of Migratory Species of Wild Animals, 1979 (Bonn Convention);
- The Convention on International Trade in Endangered Species of Wild Flora and Fauna, 1975;
- The Convention on Wetlands of International Importance especially as Waterfowl Habitat, 1971 (Ramsar Convention);
- The Convention Concerning the Protection of World Cultural and Natural Heritage, 1972; and
- (UNESCO World Heritage Convention).

The BMP or equivalent should be auditable management plans and integrated into the Approved Project's ESMS, which defines parties responsible for an action, monitoring and/or verification requirements of an action, and an implementation schedule or frequency for an action.

The BMP or equivalent are operational tools for site managers and contractors with a focus on on-site mitigation measures. If biodiversity-related mitigation and management measures appear in other management plans, cross-references to the BMP or to the biodiversity-relevant section in the ESMS should be included.

The corresponding monitoring/verification of requirements should reflect the principal of *adaptive management* where relevant. The term adaptive management is used to mean a practical approach to managing uncertainty in biodiversity mitigation and management planning¹⁶.

Given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, the Project Proponent should adopt a practice of adaptive management in which

¹⁶ [International Finance Corporation's Guidance Note 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources](#)

the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project's lifecycle.

As is often the case in determining the risks to and impacts on biodiversity and ecosystem services, data gaps may exist even after lengthy data collection and completion of the ESIA or additional studies. The Approved Project's mitigation strategy should be commensurate with the project's risks and impacts to ensure that the requirements of Performance Standard 6 are met and should take a risk-averse approach that explicitly identifies and accommodates uncertainty about outcomes of mitigation measures.

Flexibility should be built into the Approved Project ESMS so that the mitigation and management approach can be adapted according to its performance over time. Adaptive management is not a trial-and-error process but rather a structured "*learning by doing*" approach.

Monitoring plans should define performance thresholds or triggers for adapting mitigation and management so that they achieve the requirements of Performance Standard 6. It is recommended that adaptive responses to such triggers be predefined in the Approved Project ESMS, while acknowledging that those mitigation and management options may change over time due to knowledge gained through experience or changing conditions. New findings may arise from the monitoring program or from independent sources. In either case, the Project Proponent has the responsibility to update its approach to integrate these findings and to continually improve on the existing management of biodiversity, ecosystem services, and living natural resources.

Large-scale and complex projects that involve significant risks and impacts across multiple biodiversity values and ecosystem services would benefit from applying an ecosystem approach to understanding the environment in which the project is located. As described by the Convention on Biological Diversity (CBD)¹⁷, the ecosystem approach is "a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way." The CBD defines "ecosystem" as a "dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit." This definition does not specify any particular spatial unit or scale. Instead, the CBD advises that scale of analysis and action should be determined by the problem being addressed.

Some projects in natural habitats may be required to develop a Biodiversity Action Plan (BAP) if the project is in critical habitat and is recommended for high-risk projects in natural habitats.

The BAP will describe:

- (i) the composite of actions and a rationale for how the project's mitigation strategy will achieve net gain (or no net loss),
- (ii) the approach for how the mitigation hierarchy will be followed, and
- (iii) the roles and responsibilities for internal staff and external partners.

BAPs will be reviewed and updated regularly as new information arises, project implementation progresses, and conservation context changes over time.

Where project mitigation measures are included in the project ESMS/BMP, this should be referenced in the BAP.

A BAP differs from a BMP in that the latter is an operational document developed largely for site managers and contractors; whereas the BAP will almost always include actions for off-site areas (for example, offsets and additional actions) and involve external partners (for

¹⁷ <https://www.cbd.int/>

example, implementing partners, reviewers, or advisors). The BAP may also be accompanied by documents that would be developed at a later timeframe, such as an Offset Management Plan or a biodiversity monitoring and evaluation program (BMEP).

In these cases, the BAP would be updated to reference these critical documents when they are developed. Depending on the nature and scale of the project, an initial BAP may describe a strategy and timeline for identifying actions to deliver net gain (or no net loss).

Project Proponents are encouraged to develop partnerships with recognized and credible conservation organizations and/or academic institutes. This is especially relevant with respect to potential developments in natural or critical habitat. Partnering organizations may bring regional experience in biodiversity conservation that clients lack. Partnering organizations may be helpful in identifying species specialists, undertaking field surveys, advising on management plans, conducting biodiversity monitoring programs, advising on Biodiversity Action Plans and managing relations with civil society groups and other local stakeholders.

For more information and guidance on how to manage Biodiversity, please refer to 'IFC PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources' and its Guidance

APPENDIX 10 GUIDANCE FOR CHANCE FIND PROCEDURE

Scope and objective of a Chance Find procedure

Cultural heritage is defined as resources with which people identify as a reflection and expression of their constantly evolving values, beliefs, knowledge, and traditions. Cultural heritage encompasses tangible and intangible heritage, which may be recognised and valued at a local, regional, national or global level, as follows:

- Tangible cultural heritage, which includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Tangible cultural heritage may be located in urban or rural settings, and may be above or below land or under the water; and
- Intangible cultural heritage, which includes practices, representations, expressions, knowledge, skills—as well as the instruments, objects, artifacts and cultural spaces associated therewith— that communities and groups, including Indigenous Peoples, recognise as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.

A Chance Find Procedure outlines the procedures that the Project Entity will follow should potential cultural heritage discoveries occur during the small-scale construction and/or renovation activities associated with the Approved Project.

Tangible cultural heritage is the focus of a Chance Find Procedure and in particular, chance finds which are when archaeological, historical, cultural and/or remain material is unexpectedly encountered during project construction or operation.

General requirements

GAIA require projects to have established a provisional Chance Find Procedure, in compliance with IFC PS 8 Cultural Heritage, upon submission of a full proposal.

The scope and scale of the Chance Find Procedure will be proportionate to the nature, scale and type of potential risks and impacts to cultural heritage that may arise from the Projects' activities. In addition, the Chance Find Procedure will be commensurate with the type and scale of the planned activities. As such, activities deemed at screening to have a negligible potential negative impact on cultural heritage (Category C) or with a small/ negligible footprint will not require a Chance Find Procedure. This will need to be identified and justified in the Proposed Project Proposal.

This Appendix does not aim to be prescriptive but rather serves as a guide for a Chance Find Procedure. Requirements can be changed and adapted to project type and context as needed and in line with the IFC PSs compliant ESIA study of the Approved Project. The guidance provided below is focused on what to include in the Chance Find Procedure and is not intended as 'how to' guidance.

If there is a legally established procedure for accidental discoveries (e.g., of archaeological objects or remains) in the host country, that procedure must be followed. However, if no such procedure exists, then this Chance Find Procedure can be used.

A Chance Find Procedure should:

- Be proportionate to the nature, scale and type of potential risks and impacts to cultural heritage as well as the type and scale of the construction/renovation activities.

- Be developed in alignment with international best practices, including the World Bank Environmental and Social Standards (notably ESS8¹⁸), and also complies with Host Country requirements as well as Sponsors policies and procedures.
- Set out how Chance Finds associated with the project will be managed. The procedure should include a requirement to notify relevant authorities of found objects or sites by cultural heritage experts; to fence off the area of finds or sites to avoid further disturbance; to enable an assessment of found objects or sites by cultural heritage experts; to identify and implement actions consistent with the requirements of WB ESS8 and national law; and to train project personnel and project workers on Chance Find procedures¹⁹.
- Aim to:
 - Protect physical cultural resources from the adverse impacts of physical investment activities and support their preservation.
 - Promote the equitable sharing of benefits from the use of Physical Cultural Resources; and
 - Raise awareness of all construction workers and management on site regarding the potential for accidental discovery of cultural heritage resources.

In order for the Chance Find Procedure to be effective, all personnel on the proposed development site understand the Chance Find Procedure and the importance of adhering to it if cultural heritage resources are encountered. In addition, training or induction on cultural heritage resources that might potentially be found on site should be provided by the Project Proponent.

Procedures for accidental discovery of cultural resources (Chance Finds)

The procedure that should be followed if cultural resources are discovered when undertaking small-scale construction activities, civil works and/or renovation or other project activities are briefly described below.

Prior to project implementation, the Project Proponent is responsible for siting and designing project activities to avoid significant adverse impacts to cultural heritage. The environmental and social risks and impacts identification process at the screening stage should help determine whether the proposed location of a project is in areas where cultural heritage is expected to be found, either during construction or operations.

The Project Proponent will develop provisions for managing Chance Finds through a Chance Find Procedure, which will be applied if cultural heritage is subsequently discovered.

Project Proponent and any contractors will make sure not to disturb any chance find further until an assessment by appropriate professionals is made. Where necessary, this will include qualified experts, including the relevant government authorities and civil society organisations, as well as traditional knowledge holders and other people from the area who should be consulted on whether disclosure of information is desirable, since there are situations in which disclosure may compromise the safety or integrity of the cultural heritage in question and/or endanger the sources of information.

¹⁸<https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>

¹⁹ [31](#) World Bank Environmental and Social Framework, 2017.

The Chance Finds Procedure should cover the actions to be taken from the discovering of a heritage site or item to its investigation and assessment by a professional archaeologist or other appropriately qualified person to its rescue or salvage.

If cultural resources (e.g., archaeological sites, historical sites, remains, objects, graveyards or individual graves) are discovered when undertaking small-scale construction activities, civil works and/or renovation or other project activities, a procedure similar to the below should be executed:

1. Halt the construction activities around the Chance Find to avoid any (or further) damage;
2. Report the discovery to the designated supervisor immediately;
2. Delineate and fence the discovered site or area and provide a 25-meter buffer zone around all sides of the find;
3. Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard will be arranged until the responsible local authorities or the District/ Provincial Department of Culture, or the local Institute of Archaeology, if available, can take over;
4. Forbid any removal of the objects by the workers or other parties;
5. Note the type of archaeological materials encountered, their location (GPS) and, if possible, the depth below the surface the find occurred;
6. Photograph the exposed materials, preferably with a scale (e.g., a file binder, coin, rules etc.);
7. Notify the responsible local authorities and the relevant Institute of Archaeology immediately (within 24 hours or less);
8. Responsible local authorities would oversee protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the local Institute of Archaeology. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; these include the aesthetic, historic, scientific or research, social, and economic values;
9. Decisions on how to handle the finding shall be taken by the responsible authorities. This could include changes in the physical investment layout (such as when finding an irremovable remain of cultural or archaeological importance) conservation, preservation, restoration, and/or salvage;
10. Implementation for the authority's decision concerning the management of the finding shall be communicated in writing by relevant local authorities;
11. The mitigation measures could include the change of Proposed Project design/layout, protection, conservation, restoration, and/or preservation of the sites and/or objects;
12. Construction work at the site could resume only after permission is given from the responsible local authorities concerning safeguard of the heritage; and
13. The Project Proponent is responsible for cooperating with the relevant local authorities to monitor all construction activities and ensure that the adequate preservation actions are taken and hence the heritage sites protected.

In addition, Project Proponent is obliged to declare the chance find discovery at the earliest possible date to GAIA.

APPENDIX 11 - OUTLINE OF ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

An environmental and social management plan (ESMP) consists of the mitigation, monitoring and institutional measures and the actions to be taken during implementation and operation to eliminate adverse E&S impacts, including SEAH impacts, or reduce them to acceptable levels. The ESMP is informed by the ESIA by identifying the risks and impacts of the project and must be integrated into the overall planning, design, budget and implementation of the Project Entity operations.

The ESMP may be part of a broader plan and will address the following aspects:

- a) **Mitigation.** Identifies feasible and effective measures that when implemented may reduce potentially significant adverse E&S impacts to acceptable levels. Specifically, the ESMP: (i) identifies and summarizes (if ESMP is prepared as a separate document from the ESIA) all anticipated adverse and positive E&S impacts (including those involving Indigenous Peoples or involuntary resettlement); (ii) describes in detail the mitigation measures for each, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; (iii) estimates any potential E&S impacts of these measures; and (iv) provides linkage with any other mitigation plans (e.g., for involuntary resettlement, Indigenous Peoples, or cultural property) required for the project.
- b) **Monitoring.** Includes details of the E&S monitoring during project implementation. Provides information on the expected E&S outcomes, risks and impacts of the project and how the effectiveness of the mitigation measures is assessed. Such information enables the evaluation of the success of mitigation and allows corrective action to be taken when needed.
- c) **Capacity development and training.** If necessary, the ESMP recommends the establishment or further development of responsible units or institutions and the training of personnel to allow implementation of ESIA and ESMP recommendations. Specifically, the ESMP provides a specific description of institutional arrangements for activities designed to build the capacity of the implementing institutions.
- d) **Implementation arrangements.** Describes how the ESMP will be implemented including the roles and responsibilities related to the measures identified in the ESMP.
- e) **Implementation schedule and cost estimates.** The ESMP provides an implementation schedule for measures that must be carried out as part of the project and the capital and recurrent cost estimates and sources of funds for implementing and monitoring the ESMP.
- f) **Stakeholder engagement plan.** The ESMP will include a plan for engaging the communities, Indigenous Peoples, and stakeholders throughout the life of the project. This will also include strategies and mechanisms for external communication, information disclosure, reporting and collecting continuous feedback from the communities.
- g) **Grievance redress mechanism.** The ESMP will also describe the project level grievance redress mechanism, its processes for receiving and resolving grievances, and reporting to the communities, Indigenous Peoples, and stakeholders.

APPENDIX 12 – E&S DUE DILIGENCE

1. Introduction

- List of reviewed documents (attachment)
- List of interviewed persons (attachment)
- Mention any limitations to the DD process
- Relevant standards that were assessed or are applicable

Standards / requirements	Applicable	Assessed
Green Climate Fund (March 1, 2012). Revised Environmental and Social Policy.		
IFC Policy and Performance Standards on Social and Environmental Sustainability 2012 and its Guidance Notes.		
The United Nations Guiding Principles on Business and Human Rights (UNGPs)		
International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work		
UN Convention on the Elimination of All Forms of Discrimination Against Women		
Sponsors' E&S ²⁰ , Gender and other relevant standards (please refer to <i>Appendix 2 for details on the Sponsors' relevant Gender and Human Rights policy</i>).		
Green Climate Fund (May 2021) Revised policy on the prevention and protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment.		
Relevant World Bank Group Environmental, Health and Safety (EHS) Guidelines, as applicable.		

²⁰ Please note that the term Environmental and Social (E&S) also implies Human Rights, Labour, SEAH, Gender and Indigenous Peoples' considerations

2. Risk categorization

- Short information on the E&S risk profile, including SEAH²¹, of the project at hand when considering project type, size and location.
- Project categorization according to GCF and GAIA guidelines: A, B, or C with short justification.

Risk category

- Category A: Potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented
- Category B: Potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures
- Category C: Minimal or no adverse environmental or social risks and/or impacts

Justification / Main risks identified

3. Compliance with applicable local and international law

Assessment of local laws and international treaties and their requirements, necessary approvals from environmental agencies that exist or have been requested. and requirements to be met.

Legislation	Issuing authority	Approval entitlement (content)	Issuing date	Expiring date	Comments

4. Compliance with E&S requirements

4.1 PS1: Assessment and Management of Environmental and Social Risks and Impacts

Assessment of E&S risks, including SEAH, following the structure of the IFC Performance Standards, and compliance to additional E&S requirements of GAIA.

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
E&S Policy ²²				

²¹ Please note that the term Environmental and Social (E&S) also implies Human Rights, Labour, SEAH, Gender and Indigenous Peoples' considerations

²² Please note that the term Environmental and Social (E&S) also implies Human Rights, Labour, SEAH, Gender and Indigenous Peoples' considerations

Identification of E&S risks and impacts				
Baseline data collection				
Alternative analysis				
Evaluation methodology / significance criteria				
Mitigation measures				
Climate change				
Transboundary impacts				
SEAH impacts				
Cumulative impacts				
Business and human rights				
Disadvantages or vulnerable groups				
Gender				
Third party impacts				
Supply chains				
Regional, sectoral or strategic assessment				
Management program / ESMS				
Organizational capacity and competencies				
Emergency preparedness and response				
Monitoring system				
Stakeholder engagement				
Stakeholder analysis and engagement planning				
Disclosure of information				
Consultation / Informed consultation and participation				
Indigenous Peoples				

Private sector responsibilities under government-led stakeholder engagement				
External communication				
Grievances mechanism for affected communities				
Reporting and disclosure				
Periodic reporting to affected communities				

ESMS

- Describe which mechanisms are already in place and which are in process to be implemented.
- Documentation available: E&S²³ Policy, ES risk and impact assessment, management programs and monitoring system.
- Endorsement by senior management and communication to staff.

Organizational capacity to implement the ESMS

- Senior and staff roles and responsibilities, with emphasis on the thematic areas of coordination, environmental management, health and safety and community relations.

Stakeholder engagement

- Describe the procedures for identification of and engagement with affected communities, with a focus on gender, Indigenous Peoples and other vulnerable groups.

External communication and grievance mechanisms

- Describe the system in place to communicate with relevant stakeholders, particularly with affected communities and Indigenous Peoples.
- Describe and assess grievance mechanisms in place.

Reporting and disclosure

- Describe the reporting system, frequency and kind of information reported.

4.2 PS2: Labour and Working Conditions

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Human Resources Policies				
Working conditions and terms of employment				

²³ Please note that the term Environmental and Social (E&S) also implies Human Rights, Labour, SEAH, Gender and Indigenous Peoples' considerations

Workers' accommodation				
Workers organizations				
Non-discrimination and equal opportunity				
Mitigation measures				
Retrenchment				
Labour grievance mechanism				
Child labour				
Forced Labour				
Occupational health & safety				
Management of contractors				
Control over primary supply chain				

Human resources policies and working relations

- Do workers have legal contracts and benefits according to the law: social security, minimum age, working hours, collective bargains?
- Where no local laws are in place, does the company prevent collective bargaining or hire workers under the age of 18 in exploitative forms?
- In the case of contracted personnel, is there a reasonable management and oversight over these aspects? Are E&S aspects introduced into the contract with service providers?
- Are equal opportunities granted to women and minorities?
- Do working conditions comply with the ILO Fundamental Conventions?

Occupational health and safety

- Characteristics of working conditions: harvest operations, use of heavy machinery, use, management and disposal of pesticides/contaminants/waste
- Which necessary precautions are in place: training, individual protection equipment (EPI), signalisation, emergency plans, incident reporting? Which are not considered?
- Is there a health and safety plan in place?
- What kind of accidents and incidents have been registered and given due follow up?

4.3 PS3: Resource Efficiency and Pollution Prevention

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Resource efficiency				
Water usage and treatment				
Pollution prevention				
Pollutant emissions				

Contaminated land				
Waste management				
Hazardous materials management				
Pesticide use and management				
To be filled individually for each pesticide used				

Environmental impacts

- Which potential impacts have been identified and included in the ESMS? Have any potential impacts not been considered?
- Is there an appropriate management system in place for waste, water and emissions?

Use of chemicals

- Is there a plan for the safe use of chemicals, including application, storage and disposition?
- Are any pesticides and chemicals being used that are subject to international ban?
- Are any pesticides being used that are included in the list of highly hazardous pesticides of the Forest Stewardship Council (FSC)?

4.4 PS4: Community Health, Safety and Security

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Community health and safety general requirements				
Dust/air quality				
Noise				
Vibration				
Shadow/visual impacts				
Infrastructure and equipment design and safety				
Traffic and transportation				
Ecosystem services/natural resources issues				
Exposure to hazardous materials				
Exposure to disease (water)				
Emergency preparedness and response				
Site security and security personnel				

Community health and safety

- Which main health and safety aspects have been identified (noise, dust, accidents, hazardous materials, water pollution) that could affect communities and Indigenous Peoples? Are any aspects not been considered?
- Are adequate mitigation measures in place and included in the ESMS?
- Are adequate grievance mechanisms in place?

Security personnel

- In case the company hired security personnel, are safeguards in place to minimize potential risk towards people outside the project area?
- Are they trained in the Voluntary Principles on Security and Human Rights?

4.5 PS5: Land Acquisition and Involuntary Resettlement Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Project design				
Compensations and benefits for displaced persons				
Community engagement				
Grievance mechanism				
Resettlement/livelihood restoration planning and implementation				
Physical displacement				
Economic displacement				
Private sector responsibilities under government-managed resettlement				

Conflicts over land tenure and displacement

- Are there any conflicts over land tenure?
- Is the project designed to avoid or minimize physical and/or economic displacement?
- If displacement is unavoidable, are resettlement or livelihood restoration plans in place? Is the process participative and does the company offer appropriate compensation?

4.6 PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Habitat				
Natural habitat				
Critical habitat				

Legally protected and internationally recognized areas				
Invasive alien species				
Land use design and planning respecting biodiversity				
Identification of risks and impacts on biodiversity				
Application of the mitigation hierarchy				

Land use plan, conversion of natural forests and HCV assessment

- Describe land use of the project.
- Project is located on:
 - Modified habitat: XX ha
 - Natural habitat: XX ha
 - Critical habitat: XX ha
 - Legally protected area: XX ha
- Is there evidence that the project did conversion of natural forests since 1994 or do foresee project activities involve conversion of natural forests?
- Is there a target conservation area?
- Have HCV areas been identified in the project area? Has the assessment been approved by local stakeholders? Are there mitigation measures in place and are these monitored?

Risk assessment and mitigation hierarchy

- Are these risks included in the ESMS according to the scope and scale of the project and the biological value of the area in which it is located?
- Are mitigation measures in place according to the mitigation hierarchy principle, particularly regarding impacts on biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation and invasive species?
- Are differing values attached to biodiversity and ecosystem services by affected communities taken into account?

4.7 PS7: Indigenous Peoples

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Avoidance of adverse impacts				
Risks and impact assessment				
Impacts on traditional or customary lands				
Relocation from traditional or customary lands				
Design and implementation of mitigation measures				

Principles of FPIC				
Compensation and benefit-sharing mechanisms				

Indigenous Peoples

- How were Indigenous Peoples included in the risk assessment analysis?
- What traditional and customary rights were identified in the process? Were cultural sites considered in the assessment?
- Are the principles of FPIC met?
- Are appropriate mitigation measures in place? Are they compensated?

4.8 PS8: Cultural Heritage

Main aspect	Assessment			Comments
	Weak	Medium	Strong	
Project design to avoid impacts on cultural heritage				
Chance find procedures				
Consultation of Indigenous Peoples and community access Appropriate mitigation				
Appropriate mitigation measures are in place if applicable				

Cultural heritage identification

- Which cultural heritage sites did the company identify?
- Are chance find procedures in place, when applicable? Is this aspect considered in the ESMS?
- Are appropriate mitigation measures related to cultural heritage in place?

4.9 GESI requirements

- Does the project have a GESI assessment and plan in line with the requirements outlined in GAIA's GESI assessment and plan?

4.10 SEAH

- Does the project have a SEAH risk related policies, plans and adequate grievance mechanism in place in line with Appendix 13 SEAH Risk in the Investment cycle?

5. Summary of main findings and gap analysis

Summarize the most important and relevant aspects of the assessment, combining main risks with an assessment of the management set in place to respond to these risks. Then describe the main gaps and the current capacity and willingness of the company to address them.

Main risks identified	Management capacities in place ²⁴	Gaps and weaknesses	Capacity to address gaps and weaknesses

6. Vote and suggested ESAP measures

- Statement of decision if this project can be supported from an E&S point of view. In case deficiencies have been detected, decisions can be linked to actions to be taken.
- Define necessary actions to be taken by the company to address risks and gaps identified. To the extent possible, these should include clear timelines, responsibilities, completion indicators and, to the extent possible, estimated costs.

²⁴ Weak: The aspect has not been implemented by the company and/or presents major flaws and inconsistencies and/or the company does not have the knowledge / capacities to implement it. Medium: The aspect is partially implemented with weaknesses which can be addressed. Strong: The aspect is largely implemented with minor weaknesses that are relatively easy to address and/or with a good plan regarding how to address weaknesses.

APPENDIX 13 – SEAH RISKS IN THE INVESTMENT CYCLE

1. Introduction

This appendix details how SEAH risks will be assessed, managed, and mitigated throughout GAIA projects' lifecycle. It is meant to serve as a complement to other sections of this document, especially the **ESMS Operational Guidelines**, the **Grievance Mechanism** and the **SEAH Policy**, as well as Appendices **5 ESS Screening Checklist**, **6 Outline of Environmental and Social Impact Assessment**, **11 Outline of Environmental and Social Management Plan** and **12 E&S Due Diligence**. Finally, more information on the management of gender risks and impacts more broadly is also available in **Annex 8 of the Funding Proposal (Gender and Social Inclusion Action Plan)**.

2. Guiding principles

When reporting and responding to SEAH allegations or incidents, GAIA and its project entities shall uphold the following principles²⁵:

Safety	The safety of the survivor(s), witnesses and informants must always be a priority. Individuals who disclose an incident of SEAH, and those who support them, are often at risk of further violence from the perpetrator(s) or from others around them.
Confidentiality	Maintaining confidentiality means not disclosing any information at any time to any party without the informed consent of the person concerned. Information should be shared on a need-to-know basis, any names should be removed from SEAH incident notifications, updates, and investigation reports. Confidentiality protects the safety of the survivor(s), witnesses and informants and enables them to maintain their dignity.
Wishes of survivor	All actions taken in response to a SEAH incident should be guided out of respect for the choices, wishes, rights and dignity of the survivor. Survivors should be enabled to make informed decisions about what they want, providing them with information about support options available.
Non discrimination	All survivors of SEAH should receive equal and fair treatment regardless of their age, gender identity or gender representation, race, religion, nationality, ethnicity, socioeconomic status, sexual orientation, or any other characteristic.
Survivor centred approach	All responses to SEAH should take a survivor centred approach. This means being guided by the SEAH guiding principles related to safety, confidentiality, non- discrimination and respecting the choices, wishes rights and dignity of the survivor.

3. SEAH risks in the GAIA investment cycle

Given the highly contextual nature of SEAH issues and the inevitable variations between projects in terms of likelihood, severity, and scale of SEAH risks across GAIA projects and countries, the information contained in this section should be interpreted as a blueprint which will need to be adapted on a project-by-project basis.

Table 3 - SEAH RISKS IN THE GAIA INVESTMENT CYCLE

Phase	Standard ESMS actions	Examples of possible additional actions, where relevant
Screening (Phase 2)	<ul style="list-style-type: none"> Primary ESDD, including SEAH analysis and 	<ul style="list-style-type: none"> For yellow-lighted projects, the provision of parallel Technical

²⁵ Adapted from Private Infrastructure Development Group (PIDG), *PIDG Serious Incident Reporting Procedure*, 2021.

Phase	Standard ESMS actions	Examples of possible additional actions, where relevant
	assessment of Project Proponents policies and procedures (see Appendix 5 ESS Screening Checklist)	Assistance to complete or enhance SEAH assessment (if needed) may be considered.
Assessment (Phase 3)	<ul style="list-style-type: none"> • SEAH incorporated as part of the standard ESDD checklist (see Appendix 12 E&S Due Diligence) • ESIA methodology to include assessment SEAH risks and impacts (see Appendix 6 Outline of Environmental and Social Impact Assessment for more details); the development of the ESMP will also include SEAH-related actions as relevant (see Appendix 11 Outline of Environmental and Social Management Plan for more details) • Assessment of Project Proponent's compliance with GAIA policies, including SEAH policy 	<ul style="list-style-type: none"> • Provision of parallel Technical Assistance to complete or enhance the project entity's SEAH policies or SEAH-related portions of the ESIA and/or the ESMP (if needed) may be considered.
Final approval (Phase 4)	<ul style="list-style-type: none"> • SEAH-related actions and commitments to be captured in final ESMP and/or GESI Action Plan, as appropriate (please refer to Annex 8 of the funding proposal for more on GESI Action Plans) 	
Monitoring/supervision (Phase 5)	<ul style="list-style-type: none"> • All projects will implement a grievance mechanism able to adequately receive and treat SEAH-related complaints, in accordance with the Grievance Mechanism and SEAH Policy sections of this ESMS • All SEAH-related grievances and incidents must be reported to GAIA by project entities; where applicable, project entities should also provide regular updates on any investigations and/or mitigation measures undertaken. 	<ul style="list-style-type: none"> • Depending on the saliency or severity of the SEAH risks and impact identified at screening and assessment stage, or where serious SEAH incidents should occur, GAIA may require project entities to set up a separate grievance mechanism and incident reporting procedure for SEAH-related incidents and complaints. The management of a dedicated grievance mechanism could be outsourced to a third-party expert provider. • Should a SEAH incident occur, GAIA may recommend or require project entities to undertake additional actions, such as:

Phase	Standard ESMS actions	Examples of possible additional actions, where relevant
	<ul style="list-style-type: none"> Monitoring of SEAH-related actions and commitments as part of standard project E&S monitoring. 	<ul style="list-style-type: none"> Formal investigation into SEAH incident(s) Establishment of referral pathways towards local health and psychosocial services for survivors Partnerships with local SEAH specialists and survivor support organisations Training and capacity-building on SEAH for key project managers, workers, and other relevant project stakeholders Provision of parallel Technical Assistance to support the response and mitigation of SEAH incidents may be considered.
Evaluation		<ul style="list-style-type: none"> Ex-post evaluation of response to severe SEAH incidents, if relevant

4. Additional resources and Good Practice Notes

In the assessment, management, and mitigation of SEAH risks and impacts, GAIA and its project entities shall be guided by international good practice available in resources such as:

- Criterion Institute, *Roadmap for Development Finance Institutions: Strategies to Address Gender-Based Violence*, 2022.
- IFC, EBRD and CDC Group, *Addressing Gender-Based Violence and Harassment: Emerging Good Practice for the Private Sector*, 2020.
- World Bank, *Good Practice Note – Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works*, 2020.

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- Green Climate Fund (March 1, 2022). Revised Environmental and Social Policy.
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- UNEP (2009). Guidelines For Social Life Cycle Assessment Of Products.
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- World Bank (June 2018). Environmental & Social Framework for IPF Operations - ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
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