

## **REPP Environmental and Social Policy and Procedures**

### **1. Introduction**

The REPP Manager will follow the REPP Environmental & Social Management System. Additionally, the REPP Manager will adopt the IFC Performance Standards on Environmental and Social Sustainability as amended from time to time by the IFC.<sup>1</sup>

### **2. REPP Environmental and Social Management System**

#### **2.1. Purpose**

This document sets out the relevant procedures for the establishment of an Environmental and Social Management System (ESMS) for the REPP and the individual REPP Projects. The procedures reflect REPP's commitment to the environmental and social sustainability of the projects supported by REPP. They serve to identify environmental and social risks and impacts in a comprehensive fashion and manage them in a sustainable way.

#### **2.2. Objectives and Basis for the REPP Environmental & Social Management System**

The ESMS for the REPP provides a framework for the environmental and social assessment and management process for each individual REPP project. The system is designed to ensure that projects supported by REPP meet the IFC Performance Standards for Environmental and Social Sustainability, in addition to ensuring that the REPP projects comply with all applicable laws and regulations in the host country. The REPP ESMS also incorporates certain elements of the EIB Environmental and Social Practices Handbook where these elements are deemed to complement and enhance the provisions in the IFC Standards and to support the application of the principles of EU environmental and social legislation.

#### **2.3. Scope and Applicability**

The ESMS is applicable to all projects supported by REPP, i.e. for which a REPP Support Agreement has been signed. The following principles apply:

- The ESMS shall be appropriate to the nature and scale of the project and commensurate with the level of its environmental and social risks and impacts.
- The ESMS covers the project cycle from the planning and construction stages up to the point when the REPP support agreement has been fulfilled or the REPP is no longer in operation.

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[http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes#2012](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes#2012)

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

## 2.4. Responsibilities of the Project Companies

The proper functioning of the ESMS critically depends on the co-operation of the project companies. In order to ensure such co-operation, the REPP Manager will ensure that project companies are informed about the requirements of the ESMS when the Engagement Letter is signed. Specific responsibilities will be included in any REPP Support Agreement, in particular

- Project companies are responsible for providing project level data and supporting documents to the third-party TA Provider for the Environmental and Social Impact Assessment (ESIA).
- Project companies are responsible for providing project level data and supporting documents to the REPP Manager to enable reporting on the REPP Key Performance Indicators (KPIs) as well as other indicators included in the Environmental & Social (E&S) Monitoring Plan.
- Project companies are required to comply with all REPP policies including the REPP Environmental and Social Policy and Procedures, as well as with this ESMS
- For projects awarded REPP support, if a project company does not comply with its responsibilities regarding the ESMS, the REPP Manager will inform the REPP Management Board and propose an action plan to the Assessment Committee. If the project company is considered to be in breach of the REPP Support Agreement, the REPP has the right to stop results-based payments and potentially to demand repayment of any RBF payments already made.

## 2.5. Environmental and Social Impact Assessment

The Environmental and Social Impact Assessment (ESIA) is embedded into the regular REPP project cycle. During the Eligibility Assessment, the REPP Manager conducts a first analysis of potential social and environmental impacts and risks. This analysis is deepened during the internal project assessment and the REPP Proposal contains a section on the environmental and social impacts and risks of the project.

Once the REPP Proposal is approved, the REPP Support Agreement which is signed with the Project Companies will contain a requirement for the Project Company to abide by the REPP Environmental and Social Policy and Procedures.

If the project doesn't already have an ESIA then:

1. Either an ESIA is part of the REPP Support Package offered to the Project Company.
2. Or the developer commits to have an ESIA performed by a 3<sup>rd</sup> party advisor, in line with the REPP E&S Policy and Procedures.

If an ESIA is part of the REPP Support Package, a TA provider is selected to assess the environmental and social risks and impacts of the project.

The type, scale, and location of the project guide the scope and level of effort devoted to the assessment process in line with good international industry practice. The REPP Manager has developed an assessment

check list for small-scale RE project types, which will inform the assessment by the third-party TA provider. The checklists are available in Appendix 1 of this document.

For each project, the third-party TA provider will be responsible for identifying any major additional risks and impacts caused by the project in the areas of

1. Labour and Working Conditions
2. Resource Efficiency and Pollution Prevention
3. Community Health, Safety and Security
4. Land Acquisition and Involuntary Resettlement
5. Biodiversity Conservation and Sustainable Management of Living Natural Resources
6. Indigenous Peoples
7. Cultural Heritage

For the identification of such additional risks, the TA provider will use the IFC Performance Standards 2 to 8 as guidance<sup>2</sup>. These will be supplemented by<sup>3</sup>:

- EIB Environmental and Social Standard No. 10 – Stakeholder Engagement (definition of vulnerable people and the assessments required, requirements for public consultation, establishment of grievance mechanisms)
- EIB Environmental and Social Standard No. 3 – Biodiversity and Ecosystems (paragraphs 26-31) (definition of critical habitats and the assessments required)
- EIB Transparency Policy

Project companies are responsible for providing project level data and supporting documents to the third-party TA Provider for the Environmental and Social Impact Assessment. The TA Provider will deliver an ESIA report on the Environmental and Social risks and impacts caused by the project along with a recommendation on how any significant risks and impacts can be mitigated or managed.

For each significant risk or impact, the report shall identify what indicators are to be monitored as part of an E&S monitoring plan to ensure compliance of the project with the REPP ESMS. For projects awarded RBF support by the REPP, the E&S monitoring plan will become part of the RBF Support Agreement between the REPP and the project company.

## 2.6. Monitoring and Reporting

According to the Monitoring and Reporting Procedures, the REPP Manager will report for all projects on the following DECC key performance indicators (KPIs), which capture important environmental and social impacts:

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<sup>2</sup> See

[http://www.ifc.org/wps/wcm/connect/115482804a0255db96fbfd1a5d13d27/PS\\_English\\_2012\\_Full-Documents.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/115482804a0255db96fbfd1a5d13d27/PS_English_2012_Full-Documents.pdf?MOD=AJPERES)

<sup>3</sup> See EIB Environmental and Social Handbook, version 9 (02/12/2013)



Renewable Energy Performance Platform

KPI 2: Number of people with improved access to clean energy

KPI 5: Direct jobs created (disaggregated by gender)

KPI 6: Greenhouse gas emissions avoided

KPI 7: Level of installed capacity of clean energy

In addition, the REPP Manager will regularly compile information and report on the indicators that have been identified in the E&S Monitoring Plan for each project in order to ensure compliance of the project with the REPP ESMS.

Project companies are responsible for providing project level data and supporting documents to the REPP Manager to enable the reporting on the KPI and the indicators identified in the E&S Monitoring Plan.

## **2.7. System and Data Management**

The REPP Manager will create a database for the ESIs and the E&S Monitoring Reports. There will be a separate folder for each of the REPP projects. The data and supporting documents for the E&S Monitoring Reports are provided by the project companies. The reports themselves are compiled by the REPP Manager and provided to the Assessment Committee and the REPP Management Board. In addition, summary information on the key performance indicators is included in the REPP Manager's regular reporting.

Appendix 1: E&S Checklists

Question	Outcome assessment	of	Supporting documentation
<b>Key Performance Indicators:</b>			
KPI 2: Number of people with improved access to clean energy			
KPI 5: Direct jobs created (disaggregated by gender)			
KPI 6: Greenhouse gas emissions avoided			
KPI 7: Level of installed capacity of clean energy			
<b>General Issues for all Renewable Energy Projects</b>			
Does the project pose any risks of violating the safeguarding principles of the UNDP:			
Does the project respect human rights, especially the rights of indigenous people?			
Is the project involved in involuntary resettlement?			
Does the project involve alteration, damage or removal of any critical cultural heritage site?			
Does the project respect the employees' freedom of association and their right to collective bargaining and is not complicit in restrictions of these freedoms and rights?			
Does the project employ any form of child labour?			
Does the project involve any form of discrimination based on gender, race, religion, sexual orientation or any other basis?			
Does the project provide workers with a safe and healthy work environment?			
Does the project take a precautionary approach in regard to environmental challenges? This principle can be defined as: "When an activity raises threats of harm to human health or the environment, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically."			
Does the project involve any significant conversion or degradation of critical natural habitats, including those that are (a) legally protected, (b) officially proposed for protection, (c) identified by authoritative sources for their high conservation value or (d) recognised as protected by traditional local communities?			
Does the project involve corruption?			
Does the project have any potential negative social effects (e.g. displaced people from land, loss of agricultural land)? How will these be mitigated?			
Is there support for the project at a local level? At a regional and national level? And from the utility?			
How will the project improve or protect the local, national and global environment?			

Question	Outcome assessment	of	Supporting documentation
Does the project have any potential negative environmental effects (e.g. impacts in air, water, flora, fauna and land use)? How will these be mitigated?			
Has an environmental impact assessment been carried out? If not, does one need to be done? If yes, what are the key impacts identified?			
What measures have been put in place to mitigate potential risks?			
Has a stakeholder analysis been carried out to identify all stakeholder groups potentially impacted by the project, including vulnerable groups?			
Has adequate stakeholder consultation and public consultation been carried out, including consultation at all key decision-making stages of the project?			
Is any grievance mechanism in place to identify and remedy unforeseen impacts on or concerns of stakeholders?			
<b>Additional Issues for Hydropower Projects</b>			
Is the project activity located in a High Conservation Value area (as defined by the High Conservation Value Resource Network)? For example, is the area listed in the World Database on protected planets (IUCN, UNEP), the Ramsar list of wetlands, or the United Nations list of protected areas.			
Does the project activity negatively impact competing uses of water resources at the project location? If so, are the other users in agreement with the shift of use?			
Does the project design ensure that a sufficient ecological water flow remains in the river bed at any point in time, accounting for the specificities of local ecosystems and for seasonality?			
Is the groundwater level seriously affected by the hydropower project?			
Is the design of the fish passages and screens (water intake structure) installed in line with internationally recognised guidance?			
Does the project activity include a sediment management plan? If yes, is the plan adequate?			
Does the project activity include plan to prevent soil erosion? If yes, is the plan adequate?			
<b>Issues for Wind Power Projects</b>			
What is the distance to the nearest residential area? Does noise from the project activity negatively affect the local residential population?			

Question	Outcome assessment	of Supporting documentation
Does the project activity negatively impact on competing uses of land at the project location, such as agricultural production? If so, are the other users in agreement with the shift of use?		
Is the project activity located close to major routes for migratory birds?		
<b>Issues for Biomass Projects</b>		
Is the biomass used as fuel in the project activity considered as renewable biomass?		
Does the project activity make use of GMOs? If so, have local stakeholders been informed in a transparent fashion and have their concerns been sufficiently addressed?		
Does the project activity use palm oil? If yes, does the project comply with the "Roundtable on Sustainable Palm Oil" guidance document on Principles and Criteria for Sustainable Palm Oil Production?		