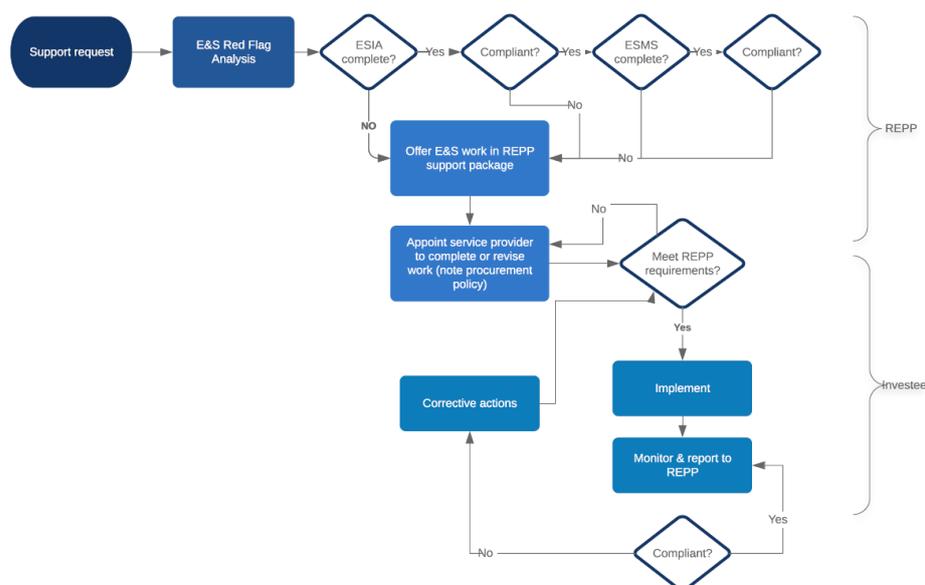


## REPP Environmental and Social Policy and Procedures

<b>Purpose</b>	To ensure that the environmental and social performance of the projects supported by REPP are sustainable and of a bankable standard.
<b>Standards</b>	All project supported by REPP shall meet: <ul style="list-style-type: none"><li>• Host Country Legislation;</li><li>• IFC Environmental and Social Performance Standards;</li><li>• European Investment Bank (EIB) E&amp;S Standard 10 – Stakeholder Engagement;</li><li>• EIB E&amp;S Standard 3 – Biodiversity and Ecosystems (para. 26-31);</li><li>• EIB Transparency Policy;</li><li>• Sustainability principles advocated by the UN Global Compact.</li></ul>
<b>Project/Developer Requirements</b>	<p>All projects and/or developers supported by REPP (“Investees”) should comply to the above-mentioned standards and implement following:</p> <ol style="list-style-type: none"><li>1. Complete Environmental &amp; Social Impact Assessments (ESIAs);</li><li>2. Implement and maintain an Environmental and Social Management System (ESMS);</li><li>3. Ensure that the requirements of the ESIA and ESMS are followed faithfully and transparently, and make any corrections required; and</li><li>4. Report ongoing compliance and activity transparently to REPP.</li></ol> <p>The ESIA, ESMS and ongoing reporting requirements should be appropriate to the nature and scale of the project and commensurate with the level of its environmental and social risks and impacts.</p>
<b>Process</b>	REPP will engage with Investees in accordance with the process outlined below.



### ESIA requirements

The ESIA should address, at a minimum, the risks and impacts on: (a) Labour and working conditions; (b) Resource efficiency and pollution prevention; (c) Community health, safety and security; (d) Land acquisition and involuntary resettlement; (e) Biodiversity conservation and sustainable management of natural living resources; (f) Indigenous peoples; and (g) Cultural heritage.

### Investee responsibilities

Investees are responsible for:

- Contracting and managing the environmental and social consultant in compliance with REPP policies (including procurement policy);
- Implementing and maintaining an ESMS;
- Complying with and monitoring project performance against the ESIA, ESMS and Key Performance Indicators (KPIs);
- Cooperate with the REPP Manager, including by providing project level data, monitoring records and supporting documents to REPP on a quarterly basis and as part of the REPP Manager's annual evaluation;
- Where the Investee has over 1 MW installed capacity in REPP supported project(s), providing an annual update on the implementation status of the ESMS including but not limited to (a) compliance with local environmental laws and regulations; (b) any health and safety related incident; (c) any grievances raised and how these were dealt with; and (d) any environmental parameters measured that were outside the target level/range; and (e) any training events that have taken place.

### Specific requirement – off-grid

Off-grid projects (broadly defined as minigrids and solar home systems) may include diesel (or other fossil fuel)-based generation for up to 25% of designed kWh generation across the Investee's portfolio except:

- For the first 6 months of operation of a minigrid, where temporary diesel generation of up to 50% of kWh may be permitted where required to acquire information on load levels and patterns for the purpose of sizing renewable energy and storage installation; and

- Where load increases require additional generation, diesel up to 50% kWh may be utilised for a temporary period of up to 6 months, following which renewable energy must be installed;
- Instances where the project is an isolated brownfield grid being retrofitted with renewable energy and thereby displacing fossil fuel based generation.

Diesel consumption shall be measured on average across each quarter of the calendar year for each site. The Investee is required to provide verifiable data on diesel generation (kWh generated, quantity of fuel used, and/or efficiency of the generator) on at least a quarterly basis for each site.

If an Investee is in breach of the off-grid diesel cap, they are required to inform the REPP Manager immediately and, for the duration of their breach, they will:

- Incur penalty interest of 5% per annum above the prevailing interest rate on any loan facilities that the Investee has with REPP; and/or
- If the REPP Support is in the form of equity in the Investee, REPP shall use its rights as a shareholder to procure remedy the non-compliance by the Investee.

Immediately following identification of breach, the REPP Manager shall investigate the cause of the breach and report any material breach to the Investment Committee and develop a remedial action plan with the Investee. If the breach persists for more than 24 months, REPP may terminate all support and require full repayment.

## Appendix 1: E&amp;S Checklists

Question	Outcome of assessment	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 and skill level)		
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?		

Question	Outcome of assessment	Supporting documentation
How will the project improve or protect the local, national and global environment?		
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>		

Question	Outcome of assessment	Supporting documentation
What is the distance to the nearest residential area? Does noise from the project activity negatively affect the local residential population?		
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?		