



RGIF Environmental and Social Management System
Covering activities under the 'Rwanda Green Investment Facility' program,
managed by FONERWA and Development Bank of Rwanda (BRD)

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Acronyms & Abbreviations

ARAP	Abbreviated Resettlement Action Plan
AfDB	African Development Bank
BoD	Board of Directors,
CF	Credit Facility
CoK	City of Kigali
CSOs	Civil Society Organisation
CCC	Community Coordination Committee members
CITES	The Convention on International Trade in Endangered Species of Wild Fauna and Flora)
DFI	Development Finance Institution
E&SS	Environmental and Social Safeguards
ESMF	Environmental and Social Management Framework
EU	European State
FP	Funding Proposal
FTE	Full Time Equivalent
FONERWA	Rwanda Green Fund
GRM	Grievance Redress Mechanism
IFC	International Finance Corporation
ISS	Integrated Safeguards System
ILO	International Labour Organization
JADF	Joint Action Development Forum
KPI	Key Performance Indicator
KYC-AML	Know Your Customer and Anti-Money Laundering
LAC.	Land Adjudication Committee
LPG	Liquefied Petroleum Gas
MINECOFIN	Ministry of Finance and Economic Planning
M&E	Monitoring and Evaluation
MoE:	Ministry of the Environment
MW:	Mega Watts
NDCs	Nationally Determined Contributions
NDF	Nordic Development Fund
NST1	National Strategy for Transformation

OS	Operational Safeguards
OHS	Occupational Health and Safety
PAPs	Project Affected Persons
PSC	Project Steering Committee
PPF	Project Preparation Facility
PF	Process Framework
PCBs	Polychlorinated Biphenyl
PCDP	Public Consultation and Disclosure Plan
PCDP	Public Consultation and Disclosure Plan
PD	Project Document
PIU	Project Investment Unit
RAP	Resettlement Action Plan
RDB	Rwanda Development Board
REMA	Rwanda Environmental Management Authority
RFP	Request for Proposal
SE	Stakeholder Engagement
SEMS	Social and Environmental Management System
TNC	Third National Communication
ToR	Terms of references
UNDP	United Nations Development Plan
UN	United Nations
WB	World Bank

Terms and Definitions

Disclosure: Information availability to all stakeholders at all stages of the development of projects.

E&S Screening: A first step in the E&S Procedure to identify E&S aspects in a transaction. It typically involves a check against an E&S Exclusion List and early identification of potential environmental and social E&S aspects.

E&S Procedure: A procedure detailing how the organization addresses E&S and sustainability issues as part of its investment operations. Procedures are normally step by step instructions focusing on what needs to be done and by whom at various stages of the investment cycle (including supervision). A procedure may be stand-alone or constitute part of the credit or other operational procedures of the financial institution.

E&S Monitoring: A step in an E&S Procedure that generally involves a periodic review of environmental and social performance of client. It focusses on the process of repeated observations and measurements of environmental and social quality parameters to assess and enable changes over a period of time

Environmental and Social Management Framework (ESMF): is an instrument that examines the E&S risks and impacts when a project consists of a series of subprojects, risks and impacts that cannot be determined until the subprojects' details are identified. The ESMF sets out the principles, rules, standards, and procedures to assess the environmental and social risks and impacts of a given project and this instrument is required for medium to high risks project where it is prepared before project appraisal.

Environmental and Social Management System (ESMS): A management system consisting of policy, procedures, delineation of roles and responsibilities and guidance that an Institution follows to review and manage the E&S issues and risks associated with its investments.

E&S Impact Assessment (ESIA): A study usually required under national law to identify potential environmental and social consequences and mitigation measures of a project. It is a study that would be undertaken by a client and submitted to the relevant regulatory authorities who then decide whether or not to approve a project.

E&S Categorization: A step in a Bank's ESMF procedures where, based on basic information about a project such as sector and scale, the level of E&S risk of a client's business activities/project is determined. It ensures that the extent of the subsequent E&S due diligence work is commensurate with the nature of risk. Examples of categorization are Category A (high), B (medium) and C (low).

Grievance: An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants a company or contractor to address or resolve.

Involuntary resettlement: The forceful loss of land resources that requires individuals, families and/or groups to move and resettle elsewhere.

Impact: A positive or negative effect that a project has on an aspect of the environment.

Indirect impact: A positive or negative effect that a project indirectly has on an aspect of the environment.

Mitigation measures: The actions identified in an EIA to negate or minimize the negative environmental impact that a project may have on the environment.

Project Affected Persons (PAPs): This means persons who, for reasons of the involuntary taking or voluntary contribution of their land and other assets under the project, result in direct economic and or social adverse impacts, regardless of whether or not the said Project affected persons physically relocate

Resettlement and Compensation Plan", also known as a "Resettlement Action Plan (RAP)" or "Resettlement Plan" - is a resettlement instrument (document) to be prepared when subproject locations are identified. In such cases, land acquisition leads to physical displacement of persons, and/or loss of shelter, and /or loss of livelihoods and/or loss, denial or restriction of access to economic resources. RAPs are prepared by the party impacting on the people and their livelihoods. RAPs contain specific and legally binding requirements to be abided by to resettle and compensate the affected party before implementation of the project activities causing adverse impacts.

Screening: An initial step when a project is being considered for environmental assessment. The screening is the determination of the level of assessment that will be conducted

Stakeholder: Those who have an interest in project development and who will be involved in the consultative process, and includes any individual or group affected by, or that believes it is affected by the project; and any individual or group that can plan a significant role in shaping or affecting the project, either positively or negatively, including the host community/population.

EXECUTIVE SUMMARY

The Rwanda Green Fund (FONERWA) is working with the Rwanda Development Bank (BRD) to set up a facility to spur the country's ability to meet the growing opportunities for climate finance in the private sector. The facility dubbed Rwanda Green Investment Facility (RGIF) is modelled on the "green bank" idea. It will use a blended finance approach to leverage private investment where the blended finance approach includes debt, credit enhancements such as sub-debt, tenor extension and collateral support to commercially viable projects in the green sector.

In order to assess the Environmental and Social viability of the proposed investments, this ESMS manual has been developed with the purpose of setting out management requirements and guidelines for environmental, occupational health and safety, as well as social issues present throughout the project's life cycle. This manual provides practical guidance on environmental and social policies to support RGIF investment decisions. RGIF commitment to the environment is set out and is intertwined with the Environmental Policy of BRD and FONERWA.

The RGIF is a strategic initiative of the Government of Rwanda (GoR) created to address financial market gaps of the green sector, and it is in line with Rwanda's national development plans and commitments under the Paris Agreement. Rwanda's Nationally Determined Contributions (NDCs) 2020 have identified climate adaptation and mitigation measures presented in the Green Rwanda Action Plan and these measures include electricity generation, buildings and agriculture, manufacturing industries, clean transportation, water conservation, waste management, wetlands and soil management. RGIF is designed to fund projects and catalyse additional commercial investment falling in the mentioned priority sectors.

The RGIF program offers both grants and loans to projects that meet RGIF's eligibility criteria and that fall within the eligible green sectors identified in the RGIF Operations Manual, the Green Climate Fund Funding Proposal (FP), and in the Green Climate Fund Funded Activity Agreement (FAA). The RGIF program is structured with an initial capitalization of 50 million USD and the RGIF program is specifically designed to help projects access investment from commercial banks, the Development Bank of Rwanda and other financial institutions. This will be achieved through a two-pronged approach of the RGIF: (i) A Project Preparation facility (PPF) to be implemented by FONERWA offering grants, and (ii) a Credit Facility (CF) to be implemented by BRD offering loans.

Key partners supporting the RGIF program to date include: (i) The African Development Bank (AfDB) acting as lead "accredited entity" for the RGIF program and is providing technical support on the funding proposal writing and program design; (ii) The Green Climate Fund (GCF) which is a key part of funding package (both grants and loans) to support the RGIF implementation, and providing concessional capital to enable the RGIF's catalytic mission; (iii) UNDP and Nordic Development Fund which have both supported the pipeline analysis and design of the RGIF program; (iv) World Bank, through the NDC Partnership program, committed to fund early operations and design costs for the RGIF program.

It is important to note that both FONERWA and BRD have adequate E&S capacity to assess and finance projects meeting set RGIF safeguard standards. The two institutions have permanent E&S specialists overseeing the implementation of E&S assessment procedures as well as the performance of financed projects when it comes to implementing approved E&S mitigation measures. The two implementing institutions have fully fledged E&S screening procedures, E&S risk categorization systems, monitoring procedures and clear guidance set in place to manage risk categories of financed projects. Risk categorization is benchmarked on the National E&S regulation which is in line with IFCs E&S risk categorization (i.e., Category A: High risk, Category B: Medium risk and Category C: Low risk projects).

The 2 institutions ensure stakeholder engagement is given high consideration to promote the involvement of project beneficiaries in the project design and social risks such as complaints associated to financed projects are effectively managed by creating comprehensive Grievance Redress Mechanisms which are crucial in ensuring that affected communities are given an avenue to submit their grievances and get assisted accordingly and in transparency to achieve a sustainable development with a positive socio-economic impact.

This ESMS is a safeguard tool that was developed to provide clarity on the following crucial aspects contributing to the successful implementation of RGIF: (i) Objective and Scope of RGIF ESMS, (ii) E&S organizational competencies of both FONERWA and BRD, (iii) RGIF components, activities and expected outputs, (iv) E&S commitment of both FONERWA and BRD, (v) E&S assessment and management procedures, (vi) Complaint resolution procedures and stakeholder engagement, (vii) Monitoring, reporting and review of the RGIF ESMS, and (viii) Disclosure procedures.

1. Introduction

1.1. Background and Mission of RGIF

RGIF is designed as a specialty financing facility, based on the Green Bank model, which aims to provide additive financing capacity in Rwanda, and catalyse private investment into green development sectors. The RGIF Program is designed to mobilize investment in green and climate resilient projects in Rwanda. In particular, the RGIF program is based on the understanding that public funding alone will not be sufficient to meet Rwanda's NDC targets, and that new levels of private investment in green projects are necessary.

RGIF is structured around two arms that work together to increase the bankability of eligible green projects and mobilize new levels of investment. The two arms of the RGIF program also work to support eligible projects temporally across the typical project lifecycle. That is, grants from the PPF at FONERWA to support project preparation and structuring (early stage of a project as it prepares to access commercial finance) and loans from the Credit Facility at BRD to support later stages of a project including the construction phase and long-term operations of the project.

The PPF at FONERWA will provide grants to eligible projects to help improve project bankability and improve access to credit. Specifically, the PPF will provide grants that support project preparation and help projects to move from "feasibility to bankability," through improved project structuring (e.g., technical and environmental studies, contractual and legal support, etc...). It will also provide reimbursable grants to provide partial collateral support, again with the goal to increase project bankability.

The Credit Facility at BRD will offer loans to eligible green projects. BRD will use its experience as a bank to offer loans to projects both directly and via intermediaries (commercial financial institutions). BRD will also be able to offer specific risk-mitigating debt products to mobilize private co-investment, including subordinated debt (which mitigates risk for co-financiers) and refinancing/securitization of solar mini-grid assets to attract private investment.

1.2. Objectives and scope of the ESMS

1.2.1. Objective of the ESMS

The Environmental and Social Management System (ESMS) aims to identify the range of required environmental and social management measures that need to be taken during the planning, design, implementation and operation phases of proposed projects in the areas of Renewable Energy Systems, Climate Smart Agriculture/Irrigation, Energy Efficiency in Commercial Buildings and Green Cities, Clean transportation, Circular Economy, and Wetlands rehabilitation in order to ensure compliance with the National and International environmental and Social Policies requirements (i.e., World Bank ESS, AfDB's ISS, GCF and UNDP E&S standards).

This ESMS provides general policies, guidelines, codes of practice and procedures to be integrated into the implementation of the fund Projects. It defines the steps, processes, and

procedures for screening, alternative analysis, assessment, monitoring and management of environmentally/Socially related issues.

1.2.2. Scope of the ESMS

This ESMS is a management tool to assist in managing potential adverse social and environmental impacts associated with activities of RGIF supported/funded projects in line with the requirements of the BRD/FONERWA environmental and social policy, AfDB Operations safeguards and other Multilateral Banks Social and Environmental safeguards standards.

The implementing partners of the Fund and the Project Management Units (BRD and FONERWA) will follow this ESMS to ensure the environmental and social risks and impacts are fully assessed and mitigation measures are in place prior loan approval and implementation of the relevant project activities.

The ESMS manual provides a policy and practical framework that integrates environmental and social risk management and reporting into the RGIF business processes. It is a set of actions and procedures that are implemented concurrently with the Fund's broader risk management procedures. The Manual ensures that the Fund's activities are in compliance with its environmental and social standards. It helps the Fund to avoid and manage investments with potential environmental and social risks by conducting environmental and social due diligence prior to deal completion and adequate supervision of activities during the term of the investment.

1.3. Background information of the Project Management Unit

1.3.1. About BRD

The Development Bank of Rwanda (BRD) is a development financial Institution created by law on August 5, 1967. This law was repealed in May 2011 and the Bank has been registered under the company act with the company registration code 100003547. The banking license N°003 was issued by the National Bank of Rwanda on August 11, 2009.

For more than four decades, BRD has solely been providing long-term finance and has significantly facilitated the emergence of different productive enterprises in the private sector. Since its creation to 1994, the Bank's priority areas for loans were agro-industries, mainly tea production and manufacturing. From the aftermath of the 1994 genocide till now, the Bank initiated a reorganization and consolidation phase and diversified its activities to other loans portfolios. At the completion of its restructuring process to align its operations and management to its new mandate of a purely Development Finance Institution (DFI), BRD adopted a new strategic plan for the 5 years period from December 2015 and targeted to become an important player on Rwanda's transformation around four themes including: (i) focused investment and growth, (ii) building strong partnership, (iii) maximization of development impact and (iv) increasing resources mobilization. The key areas of intervention were agriculture, energy, affordable housing, manufacturing and export promotion, and education.

In 2018, the Bank reviewed its 2016-2020 strategic plan and adopted a new one of 2018-2024 aligned with the Government's national strategy for transformation (NST1) and the Sustainable Development Goals (SDGs). Under this new strategy, the Bank operates in its six key priority sectors to deliver the maximum development impact while creating value for all its stakeholders. These are agriculture, energy, affordable housing, manufacturing and export, education, and public infrastructure. Furthermore, BRD created a new department, known as Single Project Implementation Unit (SPIU), in charge of special projects that do not fall under the Bank's priority sectors. Those include public infrastructure and strategic projects where the Government needs financial institutions to come in and bridge the gap where necessary.

The Bank committed to mainstream environmental and social (E&S) considerations into its core financing activities to avoid or reduce adverse impacts/risks resulting from its interventions to ensure sustainable development outcomes. In this regard, BRD developed and promoted the use of an Environmental and Social Management Systems (ESMS) to guide in the identification and evaluation of environmental and social risks/impacts of projects for direct borrowers and PFIs before their financing, as well as monitoring of ongoing projects' environmental and social performance after disbursement and mitigation of adverse risks during implementation.

BRD's mission is to be a trusted and strategic partner for Rwanda's development by availing financing and advisory services to impactful entrepreneurs in key priority sectors – in particular: energy, export, agriculture, housing and education. With this objective in mind, the Bank provides short, medium and long-term funding for businesses which significantly facilitates the emergence of a strong private sector and contributes to poverty reduction, and sustainable development in Rwanda.

1.3.2. About FONERWA

The National Fund for Environment – FONERWA is a ground-breaking Environment and climate change Fund, established by the Rwandan Government in 2012. The Fund is the largest in its kind in Africa with the Rwanda Green Fund being its branding name.

The Fund's purpose is to be the engine of green growth in Rwanda, while serving as a touchstone for Africa and the rest of the world. The Fund's strategy is to provide unheralded technical and financial support to the best public and private projects that align with Rwanda's commitment to a green economy.

The Fund's core responsibilities are to:

- Mobilise and manage resources used in financing activities aiming at protecting and preserving environment and natural resources;
- Mobilise and manage funds to be used in the fight against climate change and its impact;
- Collect and manage funds from the public and private sector, through bilateral and multi-lateral partnerships, to achieve the country's objectives to advance national priorities in the field of environment and climate change;
- Support public organs, associations and individuals for environment protection and conservation, research as well as the fight against the climate change;

- Coordinate and ensure that various finance partnership agreements related to prevention as well as fighting against climate change are prepared and effectively managed across various national stakeholders;
- Collaborate with other national regional and international institutions with the same mission.

The Fund carries out public Calls for Proposals and all applicants have a one month window of opportunity to submit their project concepts, known as Project Profile Documents (PPDs), developed according to pre-established criteria. All proposals received are taken through a rigorous screening process. The proposal to be supported by the fund should fall under 4 thematic funding windows with their subsequent entry points which are:

- Conservation & management of natural resources strengthened and sustained
- Research & Development and technology transfer and implementation facilitated and utilised
- Environment & Climate Change Mainstreaming
- Environmental Impact Assessment (EIA) Monitoring & Enforcement

The fund subsequently commenced operations in October 2012. The fund was designed through an extensive multi stakeholder engagement process. The critical design features included a demand led approach basing the choice of projects for funding on calls for proposals using identified windows and entry points that targeted environment and climate change priorities. The design features included oversight and management, and identified funding sources, financing windows, disbursement instruments that were deliberately phased to reflect the projected evolution of the fund and target beneficiaries as summarized in figure below.

In 2016, there was renewed momentum towards revisions to the FONERWA Law to make the fund a special status institution with broadened responsibilities to independently mobilize, manage and coordinate climate and environment finance, as well as make critical human resources decisions to attract and retain talent.

The new direction of the fund was to become more strategic by operating a hybrid fund (part demand-led, part supply-led). On a rolling, demand-led basis, a minimum of 30% of total funds will target innovative private sector investments while 15% would target civil society groups working particularly with vulnerable communities to enhance their resilience to climate change. The remaining 55% of total funds would be programmed through targeted (biannual) calls for largely public proposals guided by strategic national priorities.

The signing of the Climate Paris Agreement marked a strategic turning point for Rwanda and FONERWA responsible for mobilising climate funds for meeting Rwanda's Paris Agreement NDCs. In 2016 FONERWA's responsibilities broadened to mobilise, manage and coordinate climate and environment finance.

This mandate properly executed, presents potential for the fund to serve as a centrepiece for mobilizing environment and climate finance at scale to firstly meet the level of ambition set out

in the NDC to implement the Paris Agreement and secondly to positively influence Rwanda's green and climate resilient development vision for 2050 and beyond.

1.4. RGIF Nature of Operations and Scale

The RGIF is a program designed to mobilize investment into green sectors in Rwanda. The RGIF program offers both grants and loans to projects that meet RGIF's eligibility criteria and that fall within the eligible green sectors identified in the RGIF Operations Manual and outlined in the Green Climate Fund Funding Proposal (FP), and Green Climate Fund Funded Activity Agreement (FAA). The RGIF program is structured with an initial capitalization of 50 million USD, and with a program design that allows additional funds to be channelled to the program in the future, with the expectation of additional funding from AfDB to be channelled to the RGIF program (via MINECOFIN) in the 2023/2024 period.

In order to provide a full spectrum of support to the market, the RGIF is structured as an integrated two-pronged program, which is achieved via a partnership arrangement between FONERWA (grant provider) and BRD (credit provider). This arrangement allows each entity to work together in a structured way, and it also leverages the strengths of the respective institutions.

FONERWA has a strong track record of mobilizing grant capital and channelling resources to local projects and developers. BRD has a strong track record as a development financial institution, with strong underwriting capacities and credit teams, and experience managing credit lines and investment programs of development finance institutions. Working together, the two sister organizations will manage the following two integrated facilities under the RGIF program to support the growth of key sectors of Rwanda's green economy.

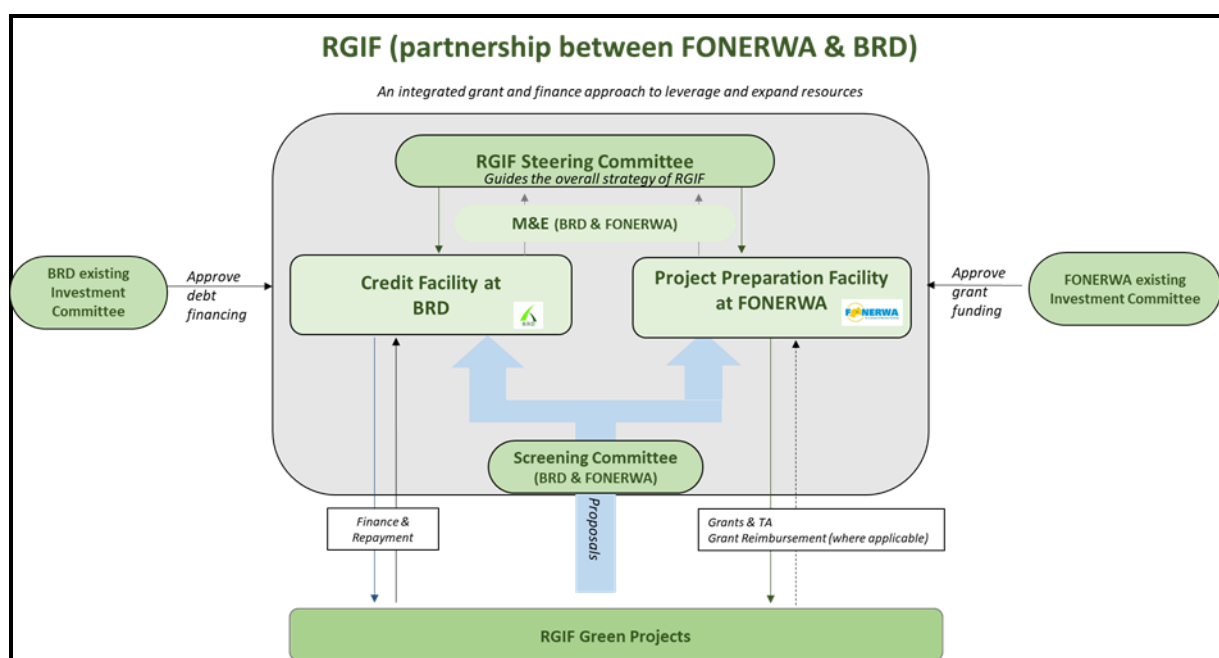


Figure1: Integrated grant and finance approach to leverage and expand resources

1.4.1. RGIF Components, Activities and expected outputs

As detailed in the RGIF Operations Manual, the RGIF will be composed of two components designed to work together in an integrated program to support investment in Rwanda's green sector, supported by a third component focused on Project Management. These components are:

a. Component 1: Grants to improve bankability

Implemented via a 'Project Preparation Facility' (PPF) managed by FONERWA (details below)

b. Component 2: Credit to provide debt finance and drive co-investment

Implemented via a 'Credit Facility' managed Rwanda's National Development Bank, BRD (details below)

c. Component 3: RGIF Project Management

1.4.2. Component 1: Grants to improve bankability

The Project Preparation Facility (PPF) managed by FONERWA, Rwanda's existing Green Fund: the PPF of the RGIF is a dedicated facility that provides reimbursable and non-reimbursable grants to support early-stage project development and improve the bankability of eligible projects. The purpose of the PPF is to help projects transition "from feasibility to bankability" and assist projects to secure commercial finance through the finance arm of the RGIF and other financiers. With grant money often in limited supply, PPF funds are intended to provide "catalytic" funding at an early stage for transactions that may otherwise be too risky or complex to pursue. RGIF PPF will offer grants and reimbursable grants to selected priority sectors projects to support technical studies and other activities that contribute toward a specific project's viability.

The financing by component will be: Grants to support project bankability (40% of the PPF portfolio) and Reimbursable grants (60% of the PPF portfolio) to provide partial collateral support. The specific operations of the project selection, investment committee, disbursement and triggers for the grant and partial collateral support are outlined in the RGIF Operations Manual (Annex 21). The project management costs will support the implementation of these activities at both FONERWA and BRD. See section C.2 and the Operations Manual for details.

Output 1: Increased number of green sector projects seeking finance:

The PPF component of the RGIF is specifically designed to increase the bankability of projects. That is, project will use grants and collateral support to then seek finance (debt and equity) to implement their projects. This integrated approach is designed to increase the number of projects seeking finance. It will be implemented via the following activities:

Activity 1.1. Grants to support project bankability (40% of the PPF portfolio)

In response to the lack of perceived “bankability” of projects, and lack equity capital for nascent developers looking to scale up, the PPF will offer grants early-stage project activities to move projects from feasibility to bankability, including paying for project-level technical studies and environmental studies, securing permits and lease agreements, financial modelling and legal contract development, etc. To implement this, the PPF, managed by FONERWA, will perform the following specific sub-activities:

- Activity 1.1.2: Design and launch Request for Proposal (RFP) process to support development of a robust project pipeline, including selection process/ eligibility for consultants
- Activity 1.1.3: Review project submittals for eligibility criteria and awards grants support
- Activity 1.1.4: Monitor and evaluate projects
- Activity 1.1.5: Disburse grants
- Activity 1.1.6: Monitor, evaluate and report projects' impact to the RGIF Steering Committee

Activity 1.2 Reimbursable grants (60% of the PPF portfolio) to provide partial collateral support.

In response to the high collateral requirements place on projects by banks, the PPF will offer reimbursable grants to serve as partial collateral support for projects that are seeking loans from BRD or other financiers with collateral requirements. The PPF will provide only partial collateral support (capped at 50% of the project needs) and will be in a “second position” to ensure that local developers have sufficient collateral. The collateral support program will be implemented via a contractual arrangement with a local bank that will provide the escrow account and manage the payments to financiers in case of default or credit events, and manage the disbursements back to the PPF/FONERWA over time as projects' collateral requirements are stepped down as loan principal is paid back. To implement this, the PPF managed by FONERWA will perform the following specific sub-activities:

- Activity 1.2.1: Conduct necessary legal & administrative requirements to launch the collateral product including setting up escrow account at partner bank to manage collateral accounts and transfers
- Activity 1.2.2: Issue an RFP for projects that meet RGIF eligibility criteria across priority sectors for collateral support
- Activity 1.2.3: Review project submittals for eligibility criteria, and awards partial collateral support (due diligence, etc.)
- Activity 1.2.4: Manage and monitor collateral support (repayments follow-ups, follow-up with financial institutions, etc.) including project control & monitoring

- Activity 1.2.5: Disburse collateral grants
- Activity 1.2.6: Evaluate and report projects impact to the Steering Committee

Activity 1.3 Technical assistance and outreach to developers on RGIF offerings and eligibility requirements

In order to raise awareness for the RGIF program and ensure that project developers are aware of the RGIF program offerings, FONERWA will conduct a series of technical assistance trainings and outreach to market participants. This will include performing market awareness campaign for projects developers in priority sectors and performing capacity building to target groups regarding the reimbursable grants as collateral product. To implement this, the PPF, managed by FONERWA, will perform the following specific sub-activities:

- Activity 1.3.1: Perform market awareness campaign for projects developers in priority sectors - PPF
- Activity 1.3.2: Perform market awareness campaign for target financial institutions (commercial banks, microfinance, SACCOs, etc) - PPF
- Activity 1.3.3: Perform capacity building to targets groups regarding the reimbursable grants as collateral product
- Activity 1.3.4: Perform market awareness campaign for projects developers in priority sectors.

1.4.3. Component 2: Credit to provide debt finance and drive co-investment

Output 2: Increased number of green sector projects accessing finance

The RGIF program's Credit Facility, managed by BRD, will specifically focus on increasing the number of projects that actually access financing. This will be done by offering appropriate financial instruments to directly eligible projects.

The Credit Facility will provide lending capital to projects based on the RGIF investment criteria and procedures outlined in the operations manual.

Activity 2.1: Direct lending to project developers

BRD will offer direct lending to projects, working with commercial financiers (equity sponsors and banks) as co-financiers. In this way, the RGIF will be able to offer direct lending products and provide needed support to projects, for example through offering technical underwriting capacity and deal arrangement, as well as direct credit support in the form of subordinated lending with commercial co-financiers in a senior position (for projects with limited track record and higher perception of risk). This direct lending modality with co-financiers will further enable co-financiers to gain "hands on" experience financing projects in new sectors and under new regulatory regimes. To implement this, the Credit Facility, managed by BRD, will perform the following specific sub-activities:

- Activity 2.1.1: Launch Request for Proposal (RFP) process to support development of a robust project pipeline for the Credit Facility;
- Activity 2.1.2: Review of RFP responses and project selection across priority sectors (investment due diligence, etc.)
- Activity 2.1.3: Direct senior lending: BRD will offer direct lending to projects in the senior position, with a target minimum of 50% of non RGIF funding in the deal, by working with sponsors/developers and co-financiers to structure projects that utilize RGIF financing but are able to access sufficient co-investment. BRD will offer direct lending to projects with a tenor extension product, whereby co-financiers provide lending on shorter terms that are more aligned with their liabilities and capital management strategies, and BRD offers tenor-extended lending to provide debt in outer years of a project (beyond 5-7 years). BRD will work with sponsors/developers and co-financiers to structure projects that utilize RGIF financing to offers the necessary tenor to make underlying project economic work for the sponsor and the off takers/clients.
- Activity 2.1.4: Direct subordinated debt: BRD will offer direct lending to projects in the subordinated position, with a target minimum of 50% of non-RGIF funding in the deal, by working with sponsors/developers and co-financiers to structure projects that utilize RGIF financing but are able to access sufficient co-investment. This will include utilization of credit enhancement tools in the form of subordinated debt which reduces the risk for other co-financiers and senior lenders in the deal.
- Activity 2.1.5 Manage and monitor project loans (include loan repayments follow-ups, project control, monitoring and reporting, etc.)
- Activity 2.1.6 Disburse credit to selected projects
- Activity 2.1.7 Evaluate and report loan portfolio to the Steering Committee

1.4.4. Component 3: RGIF Project Management

1.5. RGIF Launch & operationalization

The two arms of the RGIF will work in tandem to expand financing capacity designed to fill local market gaps, attract public and private funding, while supporting national green growth objectives. Successful implementation of the RGIF Program is dependent on strong oversight, staffing and operational activities. In order to the launch and operationalize the RGIF, the following activities will be undertaken by the FONERWA and BRD:

- Activity 3.1.1 Form RGIF Steering Committee
- Activity 3.1.2 Recruit staff and set up the Credit Facility Unit within BRD
- Activity 3.1.3 Recruit staff and set up PPF Unit within FONERWA

- Activity 3.1.4 Finalize all relevant administrative and internal documentation (credit procedures development, term sheet template, MRV dashboard, bank accounts, etc)
- Activity 3.2.1 RGIF product final design - Credit Facility
- Activity 3.3.1 Develop market outreach & communication plan -Credit Facility & PPF (including a gender chapter)
- Activity 3.3.2 Manage RGIF branding and communicate on RGIF initial impact (include RGIF website and online activities)

1.5.1. RGIF Fundraising in 2022 – 2023:

In order to achieve maximum impact of the RGIF program, FOENRWA and BRD will work to secure additional funding for the RGIF over time, to ensure its on-going operations and support provided to green sector project developers in Rwanda.

- Activity 3.4.1 Engage potential investors to secure funding for phase 2
- Activity 3.4.2 Establish partnerships with key development partners and donors

1.5.2. RGIF Expected results and outcomes

As outlined in section E.5 of the GCF Funding Proposal, the expected results of the RGIF program are increased access to finance for the eligible sectors of the RGIF program. Specifically, the RGIF program integrated approach (offering support across a project's lifecycle, from development to term finance) will have the following expected results: 1) Increased number of green sector projects seeking finance; 2) Increased number of green sector projects accessing finance; 3) Increased level of investment from commercial banks and institutional investors.

Based on the project pipeline identified in the feasibility study, the RGIF will direct support (grants and loans) to the sectors outlined below. These investments are limited to projects that meet the sector requirements and eligibility requirements of the RGIF and will have the following outcomes: i) Increased number of small, medium and large low-emission power suppliers, ii) Lower energy intensity of buildings, cities, industries and appliances, iii) Strengthened adaptive capacity and reduced exposure to climate risks iv) Increased use of low-carbon transport.

The ESMS Primary users include:

- RGIF Implementers' (FONERWA and BRD's) E&S Specialists Unit and other interested staffs for issues awareness raising, background information for support to project designing and agreement, discussion and for monitoring and management of implemented projects funded by the RGIF;
- Designers and implementers (and their agents) of projects funded by RGIF in order to understand more about climate issues given RGIF's mandate, for guidance in project designing and agreement, to support discussion with project staff, project workers and

communities and for monitoring and management to compliance as set out in the terms of RGIF's safeguarding. As RGIF funds projects in public and private sector as well as Civil Society, the ESMS and RPF are drafted to be used for a wide range of ability level.

1.5.3. RGIF Market Focus

The above outcomes are based on the eligibility criteria developed and priority sectors identified during the feasibility study and design phase of the RGIF. During the feasibility study and design, (explained in detail in the annexes) review of projects documents and input from stakeholders and market participants identified barriers to implementation and strong investment needs across the project development lifecycle in the below sectors.

The investment strategy and market focus for the RGIF is based on the RGIF design work, market assessment and pipeline analysis conducted by FONERWA and Coalition for Green Capital with input from BRD and other key local stakeholders to inform the initial focus of the program (see summary as provided in Feasibility Study annex to GCF FP). Based on this market assessment, the RGIF will serve the green sector with a near term focus on renewable energy & biomass energy reduction, climate smart agriculture/irrigation & water efficient systems, energy efficiency in commercial buildings and clean transportation. Other priority sectors in the medium term include: circular economy and wetlands rehabilitation ecological services.

RGIF has identified a strong pipeline of projects in various Rwanda national priority (NST1) sectors with a strong potential for Gross Domestic Product (GDP) growth and job creation in addition to climate change mitigation and adaptation.

More than \$330M in financing needs have been identified for the next three years in terms of debt and equity as expressed by private sector developers and GoR planners:

- ✚ Solar & mini hydro off-grid projects. Mini-hydro projects will be considered only with clear eligibility criteria to ensure climate rationale.
- ✚ Climate Smart Agriculture: Solar PV to replace existing diesel-powered (costly & GHG-emitting) irrigation systems, other rural agriculture processes, etc.
- ✚ Energy efficiency & green cities: RGIF to provide financing solutions to support green city development and the application of the new Energy Efficiency Law regarding commercial buildings.
- ✚ Clean transportation.

Once the RGIF has developed a track record and other sectors have matured, the facility can help unlock private investments in other priority sectors such as recycling, biomass & biogas, water, sanitation and ecological services for wetlands rehabilitation.

1.5.4. RGIF Eligibility and Investment Criteria

The PPF at FONERWA: The PPF at FONERWA will provide grants to eligible projects to help improve project bankability and improve access to credit. Specifically, the PPF will provide grants that support project preparation and help projects to move from “feasibility to bankability,” through improved project structuring (e.g. technical and environmental studies, contractual and legal support, etc.). It will also provide reimbursable grants to provide partial collateral support, again with the goal to increase project bankability.

The Credit Facility at BRD: The Credit Facility at BRD is the other arm of the RGIF program and will offer loans to eligible green projects. BRD will use its experience as a bank to offer loans to projects both directly and via intermediaries (commercial banks). BRD will also be able to offer specific risk-mitigating debt products to mobilize private co-investment, including subordinated debt (with mitigated risk for co-financiers) and refinancing/securitization of solar mini-grid assets to attract private investment.

1.5.5. RGIF cross-cutting Investment Criteria and guidelines

The RGIF eligibility criteria are aligned to the RGIF mission and objectives as well as GCF investment criteria. They are also aligned with BRD and FONERWA screening criteria. A project-level questionnaire, part of the PPD, will be used by the screening team to assess project eligibility for the PPF and/or the Credit Facility.

The cross-cutting investment criteria and guidelines of the RGIF specify which projects are eligible to receive grants from the PPF at FONERWA as well as loans from the Credit Facility at BRD. The cross-cutting investment criteria for the RGIF are as follows:

- ✚ The project matches with at least one of the eligible priority sectors or key interventions defined below, which are aligned with Rwanda’s updated NDCs.
- ✚ Project must contribute to at least one of the climate change related outputs (mitigation or adaptation) listed in the RGIF Log Frame.
- ✚ Projects must demonstrate financial viability (i.e. through financial model, business plan, supporting documentation) including articulating a strategy for accessing private or commercial investment. This should include demonstrated capacity by the applying organization to deliver the project.
- ✚ Project must provide an indication that it currently faces difficulty in securing access to finance from local or international financiers, and how the PPF grant funding or CF financing will help address this problem.
- ✚ For the PPF: Project conforms to specific uses/activities of funds from the PPF (feasibility studies, technical studies, legal and contract support, partial collateral support). More detail in PPF eligibility section below.
- ✚ For the CF: Project conforms to specific financing modalities of CF (direct lending, intermediated lending, senior debt, subordinated debt, bridge finance to

securitization, or tenor extension.) More information in Credit Facility eligibility section below.

- ✚ Benefits from the project will be sustained after the lifetime of the project, including economic development, poverty reduction, skills development, etc.;
- ✚ The project offers good value for money;
- ✚ The project targets a high number of beneficiaries with clear demonstration of gender and social inclusion; with a preference for projects with strong gender impacts (detailed in section on gender).
- ✚ The project is not a “Category A” project, defined under the environmental and social risk categories section of this document. Category A projects include activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented. Category A projects are not eligible to receive RIGF funding, either from the PPF or Credit Facility.

The PPF program at FONERWA will have grant funding from multiple funders (GCF and co-funder’s). The PPF operational procedures, eligible sectors, and investment criteria will be a *single set* of operating principles for the RGIF program (not separate criteria and processes for different funders). Therefore, from the outset the design of the RGIF will be operated in such a way as to have investment criteria and operating procedures that are agreed upon and aligned with all funders that provide funding support to the PPF program.

1.5.6. RGIF Eligible Sectors and Project Types

The eligible sectors for the RGIF program are based on priority sectors identified in Rwanda’s updated NDCs, as well as a project pipeline assessment conducted during the RGIF program design process, which consisted of an on-the-ground stakeholder consultation process, interviews and workshops, and desk review of available proposed business plans and feasibility studies of projects in key NDC-aligned sectors in Rwanda. The NDC-aligned eligible sectors for the RGIF program are:

1. Energy sector

- ✚ Projects that supply off-grid communities with renewable energy mini-grids, including for domestic or SME productive use, as an alternative to diesel, biomass or lack of electricity
- ✚ Projects focused on biomass replacement through renewable energy technologies, including promotion of clean cooking technologies
- ✚ On-grid renewable energy projects, including solar PV, small-scale hydro and wind projects
- ✚ Projects that deploy energy efficient technologies

2. Transport sector
 - ✚ Promotion of use of smart mobility technologies, including electric mobility and electric moto-taxis
3. Agriculture sector
 - ✚ Climate smart agriculture projects, including solar-powered efficient irrigation projects, and projects that increase resilience to climate impacts, and projects that avoid deforestation from agriculture while identifying ways to absorb carbon out of the atmosphere.
4. Construction and industrial sectors
 - ✚ Development of green and resilient development projects, including energy efficiency, on-site renewable generation and climate resilience (e.g. flooding and landslide resilience) in residential and commercial building developments.
 - ✚ Development of climate-resilient construction materials,
 - ✚ Use of climate smart production practices (e.g. energy efficient measures) in industrial processes.
5. Integrated water resource management sector
 - ✚ Wetlands restoration and water conservation projects with demonstrated climate resilience impacts
 - ✚ Storm water management projects with demonstrated climate resilience impacts, including early warning systems and disaster risk monitoring projects with demonstrated climate resilience impacts
6. Waste management sector
 - ✚ Promotion of climate-smart practices in waste management, including circular economy projects and avoidance of GHG emissions relative to baseline practices.

1.5.7. Exclusions: Projects to be excluded from RGIF Activities

The following activities are excluded from RGIF activities and as per the African Development Bank, International Finance Corporation (IFC) and Kreditanstalt Für Wiederaufbau /German Development Bank (KfW) Exclusion List:

- Projects under Environmental Risk Category A, per IFC guidelines and definitions (defined earlier in this ESMS document)
- Projects under Environmental and Social risk Category 1, as per African Development Bank's Integrated Safeguards System (ISS)
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, Polychlorinated Biphenyl (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Production or trade in weapons and munitions

- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbounded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

2. Environmental and Social Management Policy Framework

2.1. Environmental and social policy

Rwanda possesses strong policies, laws and procedures in place that set out guidelines for the compliance with E&S requirements, Climate Change, land management and expropriations as well as Occupational Health and Safety (see Table 1). They provide for humans' wellbeing, judicious use, and preservation of natural resources as well as the institutional framework for E&S management. The constitution, the supreme law of the country, policies on various socio-economic sectors, including ratified international conventions are in place to provide for the compliance with E&S requirements.

This ESMS is fully compliant with national policies, laws, and regulations relevant to E&S management and climate change, Occupational Health and Safety, labour and working conditions, land management and expropriation as well as relevant international conventions and agreements ratified by Rwanda for E&S related matters.

The national regulations listed below stipulate that every socio-economic sector must mainstream environmental and social safeguards as well as climate change aspects in the development and implementation of its policies, strategies, plans and programmes. In line with the Government regulations, RGIF's operations will always comply with the following key E&S national regulations:

Table 1: Sectorial Policies

Policy	Policy Focus
National Environment and Climate Change Policy 2019	<p>The Policy will ensure Rwanda has a clean and healthy environment that is resilient to climate variability and supports a high quality of life for all. The implementation of the policy will be guided by the spirit of inclusiveness, sustainable economic and ecosystem values, adaptation and cooperation.</p> <p>The policy also lays the groundwork for Rwanda to realise opportunities related to best practice environmental management and green growth. The circular economy, which promotes economic growth utilising resources to their full capacity and eliminates waste, is now embedded throughout the document.</p>
Forestry Policy 2018	Rwanda Forestry Policy recognizes the need to manage forest resources in order to support the country's development goals for sustainability, low-carbon and climate resilient economy to improve livelihoods of present and future generations.
Biodiversity Policy 2011	Considers the rehabilitation of degraded ecosystems in Rwanda as an urgent and major task that requires the commitment of significant resources from both national budgets and other sources.
Wildlife Policy 2013	Rwanda's wildlife protected areas significantly contribute to the production of global public goods and services, such as protection of biodiversity, climate stabilization, carbon sequestration and global waters. The policy stresses that

Policy	Policy Focus
	any adverse impacts on the ecosystems can dramatically and negatively alter humans' capacity to survive.
Energy Policy 2015	Rwanda Energy Policy recognizes the need to shift consumption from biomass-based energies to clean energies like electricity, solar power and Liquefied Petroleum Gas (LPG) that will reduce pressure on forest resources
Sanitation Policy 2016	The Policy aims to ensure sustainable, equitable and affordable access to safe sanitation and waste management services for all Rwandans as a contribution to poverty reduction, public health, economic development and environmental protection.
Water Resource Management Policy, 2011	Considers management and development of water resources in an integrated and sustainable manner so as to secure and provide water of adequate quantity and quality for all social and economic needs of the present and future generations.
National Industrial Policy 2011	Stresses that the waste produced by industrial processes is harmful to the environment and therefore need care attention. Pollution points for Industrial parks have to be well managed and be put into consideration on the various projects and have a bearing to various projects e.g., those in circular economy.
National e-Waste Management Policy 2016	This aims to ensure the effective and efficient management of E-waste for a safe environment and a healthy nation towards sustainable economic development.
Agriculture Policy 2017	<p>Agriculture sector holds a key role in sustaining efforts to improve agricultural productivity and addresses the challenge of soil degradation through promotion of agroforestry practices and forest management.</p> <p>Agricultural land currently takes over 50 % of land use in Rwanda this will keep changing with the population increase and changes in technology based on this this policy will play a crucial role in enhancing the planning process for 2050.</p>
National Land Policy June, 2019	<p>.</p> <p>The revised land policy will focus on efficient use and management of land to support the national transformation goals without compromising the benefits of future generations. The land policy plays a critical role in guiding the planning process and also in determination of key aspects of land use thus it becomes an integral part of the RGIF funding activity programs This policy stresses that the agroforestry should be part of the agricultural landscape on the hills, given the fact that it contributes to soil protection</p>

Policy	Policy Focus
Urbanization Policy 2015	<p>The policy promotes densification for cost effective public investment and to reserve for agricultural production, open space and conservation of the environment.</p> <p>To mitigate the negative environmental and social costs resulting from uncontrolled rapid urban development with its long-lasting impacts, a recognition of existing links between urban people, economic opportunities and environment needs to be diagnosed for a better, safe, and sustainable human settlement free of urban poverty and hazards posed by climate change and natural disasters</p>

Source: Various Sectoral Policies¹

There are also laws governing environmental protection and promoting sustainable and low-carbon development, including laws governing land, forestry, mining, water, biodiversity.

Table 2: Summary of Environmental legislation

Law/Regulation/Order	Objective	Relevance
The Constitution of the Republic of Rwanda, 2003 as revised in 2015	The Constitution is clear on the right to property that it will not be encroached upon except in public interest and in accordance with the provisions of the law. The constitution specifies that everyone has the right to live in a clean and healthy environment and everyone has the duty to protect, safeguard and promote the environment.	The RGIF funding activities will comply with the Constitution by implementation of applicable laws (Laws on Expropriation, labour, and Environment) and will ensure socio-economic development and comply with environmental laws.
Law N°48/2018 of 13/08/2018 on Environment	The law determines the modalities of protection, conservation, and promotion of the environment in Rwanda	The RGIF funding activities will comply with the environmental law which gives guidelines of environmental management and studies which have to be complied with.
Law N° 064/2021 of 14/10/2021 governing biological diversity	This law governs the conservation, management, protection and promotion of biological diversity, wildlife and their derivatives	This RGIF funding activities will comply with this law though the protection and rational use of biological diversity
Law N°49/2018 of 13/08/2018 determining the use	This Law determines the use and management of water resources in Rwanda. This law governs both	This RGIF funding activities will comply with this law by the protection and rational use of water resources which

¹ Draft National Environment and Climate Change Policy 2018

Law/Regulation/Order	Objective	Relevance
and management of water resources in Rwanda	natural and artificial water and their boundaries and provides guiding principles.	constitute the obligations of each and every person and project. In addition, as stipulated in the law, the contractor will avoid dumping, spilling or depositing anything that may pollute water resources.
National Land Law, 2021	This Law determines modalities of allocating, acquisition, transfer, use and management of land in Rwanda. It also establishes the principles applicable to rights recognized over all lands situated on Rwanda's national territory and all rights united or incorporated with land, whether naturally or artificially.	Since the projects supported under RGIF funding activities may affect lands hence compensation, based on this law is relevant to the project. Land in Rwanda is allocated or leased to individual evidenced by a certificate of land registration. The projects will ensure rights on lands are considered and observed.
Law N° 58/2018 of 13/08/2018 on Mining and Quarry Operations	This Law determines mining and quarry exploitation in Rwanda and caters for activities relating to quarry licence application, transfer of quarry licences, rights and responsibilities of the holder of a quarry licence, relinquishment of a quarry licence area and Cancellation of a quarry licence.	Quarries and borrow pits will be required for construction activities and its other components. This law will be enforced during project implementation by ensuring quarries are approved by the districts and restoration plans are provided and implemented at the end of the project wherever applicable.
Law relating to expropriation in the public interests, 2015	This Law determines procedures relating to expropriation in the public interest.	Since some of the RGIF funding activities will be in the public interest, this law will be applied during expropriation and compensation exercise of the people affected by the project where applicable.
Law Regulating Labour in Rwanda, n° 66/2018 of 30/08/2018	This law applies employment relations based on employment contract, apprentices, interns, self-employed person, informal sector, occupational health and safety and the right to form trade unions and employers' associations.	The RGIF funded activities will abide by good conducive working conditions during the implementation of the project. Labour law will be used to ensure good working conditions and wellness. All forms of discrimination will be avoided during recruitment of workers.
Ministerial Order determining modalities	This Order determines modalities of establishing and functioning of	As a good practice, health and safety will be given a priority by ensuring

Law/Regulation/Order	Objective	Relevance
of establishing and functioning of occupational health and safety committees, 2012	occupational health and safety committees.	regular toolbox meetings on health and safety during construction and operation activities. Health and safety committees will be established and governed by this ministerial order during project implementation.
Ministerial Order determining conditions for occupational health and safety, 2012	This Order determine the general and specific rules and regulations relating to health and safety at workplace in order to secure the safety, health and welfare of persons at work and protect them against risks to safety and health arising from work	As a good practice, health and safety will be given a priority by ensure regular toolbox meetings on health and safety during construction and Operation activities. Health and safety committees will be established and governed by this ministerial order during project implementation.
Law No. 17/2010 Establishing and Organizing Property Valuation Profession (2010)	This law introduces the various valuation methods that may be applied to determine the fair market value of properties. These methods are: Comparable Prices Method, Comparison Method and Replacement Cost Approach. The law further provides that the valuer may use whatever combination of the methods he/she considers best suited to determine the current market value, and the methods used shall be clearly explained in a valuation report.	During expropriation and valuation exercise where applicable for some of the RGIF funded activities, the contractor and client shall ensure he/she valuer comply with this law by applying appropriate valuation method and / or combining many for fair compensation.
Presidential Order No. 54/01 (2006)	This presidential order determines the structure, the responsibilities, the functioning and the composition of Land Committees. Article 9 of the order gives the office of the land committee independence in the discharge of its daily technical duties. Therefore, it receives no instructions from any other organ.	During planning, valuation and expropriation exercises for RGIF funded activities, the contractors, and clients will ensure to work with the land committees for fair compensation and involvement of authorities and affected peoples.
Ministerial Order No. 002/2008 Determining Modalities of Land Registration (2008)	The Ministerial Order includes dispute resolution procedures in relation to land registration, including the use of a Cell Land Adjudication Committee	The contractor and the client will ensure that in case of land related disputes for RGIF funded activities, LAC

Law/Regulation/Order	Objective	Relevance
	(LAC). The LACs are comprised of five members, supplemented by five members of the particular village (imidugudu) where demarcation and adjudication is taking place. The cell executive secretary acts as the LAC secretary, although he or she has no voting rights.	are used to solve the disputes as competent and designated authorities.
Ministerial order n0 001/2019 of 15/04/2019 establishing the list of projects that must undergo environmental impact assessment, instructions, requirements and procedures to conduct environmental impact assessment	This ministerial order is very crucial when it comes to guiding the assessment of proposed projects under RGIF. E&S risk categorization will be determined based on the guide of this ministerial order, and this will help to mitigate the financing of projects with irreversible negative impacts, Hence promoting the compliance of set E&S requirements by the AfDB, GCF and other donors E&S standards 'prior grant or loan approval.	This ministerial order will be useful and will help to ensure that high risk projects with irreversible negative impacts are easily identified and not funded during RGIF implementation.

2.2. Compliance arrangement with Donor's safeguard standards

The program is supported by the African Development Bank (AfDB) and the Bank's Integrated Safeguards System (ISS) has a set of Operational Safeguards standards which are applicable to the proposed RGIF project.

Approved in 2013, the AfDB ISS is designed to promote the sustainability of project outcomes by protecting the environment and people from the potentially adverse impacts of projects. The safeguards aim to:

- Avoid adverse impacts of projects on the environment and affected people, while maximizing potential development benefits to the extent possible;
- Minimize, mitigate, and/ or compensate for adverse impacts on the environment and affected people when avoidance is not possible; and help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks

The "Environmental and Social Safeguard Policies" of the African Development Bank (AfDB) consist of Environment Policy, Operations Manual and Guidelines, and Policy on Involuntary Resettlement.

The list of the five Bank's OS to be observed during RGIF implementation and their role are highlighted in the table below:

Operational Safeguards	Detail
Operational Safeguard 1 Environmental and social assessment	This overarching safeguard governs the process of determining a project's environmental and social category and the resulting environmental and social assessment requirements. the scope of application; categorization; use of a SESA and ESIA, where appropriate; Environmental and Social Management Plans; climate change vulnerability assessment; public consultation; community impacts; appraisal and treatment of vulnerable groups; and grievance procedures. It updates and consolidates the policy commitments set out in the Bank's policy on the environment.
Operational Safeguard 2: Involuntary resettlement land acquisition, population displacement and compensation	This safeguard consolidates the policy commitments and requirements set out in the Bank's policy on involuntary resettlement, and it incorporates refinements designed to improve the operational effectiveness of those requirements. In particular, it embraces comprehensive and forward-looking notions of livelihood and assets, accounting for their social, cultural, and economic dimensions. It also adopts a definition of community and common property that emphasizes the need to maintain social cohesion, community structures, and the social interlinkages that common property provides. The safeguard retains the requirement to provide compensation at full replacement cost.
Operational Safeguard 3: Biodiversity and ecosystem services	The overarching objective of this safeguard is to conserve biological diversity and promote the sustainable use of natural resources. It translates into OS requirements the Bank's commitments in its policy on integrated water resources management and the UN Convention on Biological Diversity. The safeguard reflects the importance of biodiversity on the African continent and the value of key ecosystems to the population, emphasizing the need to "respect, conserve and maintain [the] knowledge, innovations and practices of indigenous and local communities... [and] to protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements
Operational Safeguard 4: Pollution prevention and control, hazardous materials and resource efficiency	This safeguard covers the range of impacts of pollution, waste, and hazardous materials for which there are agreed international conventions and comprehensive industry-specific standards that other multilateral development banks follow. It also introduces vulnerability analysis and monitoring of greenhouse gas emissions levels and provides a detailed analysis of the possible reduction or compensatory measures framework
Operational Safeguard 5: Labour conditions, health and safety	This safeguard establishes the Bank's requirements for its borrowers or clients concerning workers' conditions, rights and protection from abuse or exploitation. It covers working conditions, workers' organizations, occupational health and safety, and avoidance of child or forced labour.

Table 3: List of five Bank's OS to be observed during RGIF implementation

2.3. Environmental and Social Management Commitment

2.3.1. FONERWA Environmental and Social Management Commitment

FONERWA's mandated objectives are to mobilize and manage resources to support institutions and individuals to protect the environment and natural resources and respond to climate change and its impacts. FONERWA has the following responsibilities²:

- (i) to mobilize and manage resources used in financing activities aiming at protecting and preserving environment and natural resources;
- (ii) to mobilize and manage funds to be used in the fight against climate change and its impact;
- (iii) to collect and manage funds from public, private, through a bilateral and multi-lateral partnership to achieve the country's objectives to advance national priorities in the field of environment and climate change;
- (iv) to support public organs, associations and individuals for environment protection and conservation, research as well as the fight against the climate change;
- (v) to coordinate and ensure that various finance partnership agreements related to prevention as well as fighting against climate change are prepared and effectively managed across various national stakeholders.
- (vi) to collaborate with other national regional and international institutions with the same mission.

2.3.2. BRD Environmental and Social Management Commitment

BRD commits to ensure an effective and efficient implementation of RGIF ESMS and adhere to the following guiding principles:

- Avoid, reduce, or mitigate negative environmental, social and climate impacts resulting from its business operations, improve the E&S benefits of its initiatives and integrate E&S aspects/ issues in the project;
- Ensure health and safety of its own employees and require its direct borrowers /clients and PFIs to implement measures to protect the health and safety of their employees at work;
- Promote non-discrimination, fair treatment of the workforce and freedom of association;

² Law No 39/2017 of 16/08/2017 establishing the National Fund for Environment and determining its mission, organization and functioning, Official Gazette no Special of 18/08/2017

- Avoid forced labour, child labour, gender-based violence (GBV,) sexual exploitation and abuse (SEA), sexual harassment (SH) and gender inequality;
- Avoid or mitigate negative impacts on the living conditions, livelihoods, and land tenure of affected communities;
- Comply with all relevant environmental, social, health and safety as well as land acquisition policies, laws and regulations of Rwanda and international standards of the Bank's development partners;
- Integration of social and environmental aspects / issues in the project cycle and financial decisions;
- Ensure, through the environmental and social impact assessment and monitoring processes, that projects are designed and implemented in accordance with applicable regulatory requirements and international standards;
- Perform E&S due diligence when financing projects and PFIs by ensuring that sub-projects are screened under the E&S criteria and that they are reviewed and evaluated against the RGIF list of Excluded Activities
- Encourage its customers to respect E&S regulations and good practices;
- Communicate and sensitize all staff on good E&S practices and procedures;
- Pursue a green growth approach to development and commit to mainstream climate-proofing agenda into its planning and budgeting processes in line with the national Green Growth and Climate Resilience Strategy (GGCRS) where Rwanda aspires to be a developed climate resilient and low-carbon economy by 2050;
- Promote green technologies and sustainable natural resources use through the implementation of guidelines and principles stipulated in the Rwanda National Environment and Climate Change Policy 2019 as well as ratified International and Regional Conventions, Protocols, agreements, laws, and treaties (e.g., AU Agenda 63, the Sendai Framework, SDGs, the 2015 Paris Agreement on Climate Change, the Kigali Amendment to the Montreal Protocol, Minamata Convention, Nagoya Protocol, etc...);
- Support the capacity development of PFIs and sub-borrowers to manage environmental and social risks through development appropriate training toolkits;
- Not to finance projects that have significant and irreversible impacts on social and environmental aspects and without feasible cost-effective mitigation measures;
- Promote greater transparency and accountability on E&S issues internally and externally through disclosure and reporting.

2.4. Labour management

It is expected that during the implementation of the RGIF-funded projects people will be employed either as skilled or semi-skilled workers. OS 5 recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. The proposed project should comply with the OS 5 guidelines because it is guided by a number of international conventions and instruments, including those of the International Labour Organization (ILO) and the United Nations (UN) where Rwanda is a signatory.

The objective of the operational safeguards (OS 5)

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

Since the RGIF may have other partners, it is planned that IFC's 8 performance standards will also be observed during project implementation to make sure that it is an integral part of risk management for proposed activities.

These performance standards are:

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

3. Organizational Capacity and Competency

3.1. Background

RGIF will have a continuous capacity building for its E&S activities to the funds recipients and this will also include strengthening the capacity of Civil Society organisation (CSOs) in relation to the effective implementation of E&S risk mitigation measures throughout the lifecycle of selected sub-projects.

The implementation and management of the RGIF ESMS will follow the approved operational and management structures and procedures stipulated in FONERWA and BRD's governance and operational manuals. The execution of the RGIF ESMS will be across FONERWA and BRD's operations with the support of the E&S Safeguards team. Below is the overview of FONERWA and BRD organizational structure.

3.2. FONERWA ESMS Implementation Capacity

FONERWA has a strong E&S team under the Resource mobilization Division including the Environmental and Social Safeguard specialist with experience in environmental and social assessment skills to coordinate, manage and evaluate E&S in the funded-project's process and outcomes. The E&S Safeguard Specialist leading the team has a Master's degree in Natural Resources Management, and 6 years work experience in areas of Environmental and Social Safeguard using both national and international standards and has participated in drafting of some E&S documents like EIA, ESIA and ESMP for some projects. The E&S team provides support for funding proposals as well as overseeing current projects, including ESIA processes.

In addition, the RGIF program at FONERWA will be further supported by additional staff E&S staff, funded at 0.2 full time equivalent (FTE) time per year, over the RGIF program implementation period. This additional support is specifically laid out in the RGIF budget. This additional E&S support staff will be managed by the RGIF under the Program Director and will also work under the guidance of FONERWA's designated full-time E&S Specialist and will collaborate with other key staff working on the RGIF including Program Director, Outreach and pipeline Specialist, Finance Specialist, Control & Reporting Specialist and Procurement Specialist.

The E&S staff at FONERWA are responsible for all E&S screening activities related to the RGIF program. This includes assessment potential projects' environmental and social risk via review of each projects' Project Climate, Environmental and Social Screening Criteria Form (Annex-1.2 of the FONERWA operations manual). This form should be completed by the project developer assisted by the District Environmental Officer (DEO) or an Expert in Environmental Assessment as found necessary for the purposes of identifying the potential environmental and social impacts, determining their significance, assigning the appropriate environmental category, proposing appropriate environmental and social impact mitigation measures, and carrying out Environmental Impact Assessments (EIAs) if necessary.

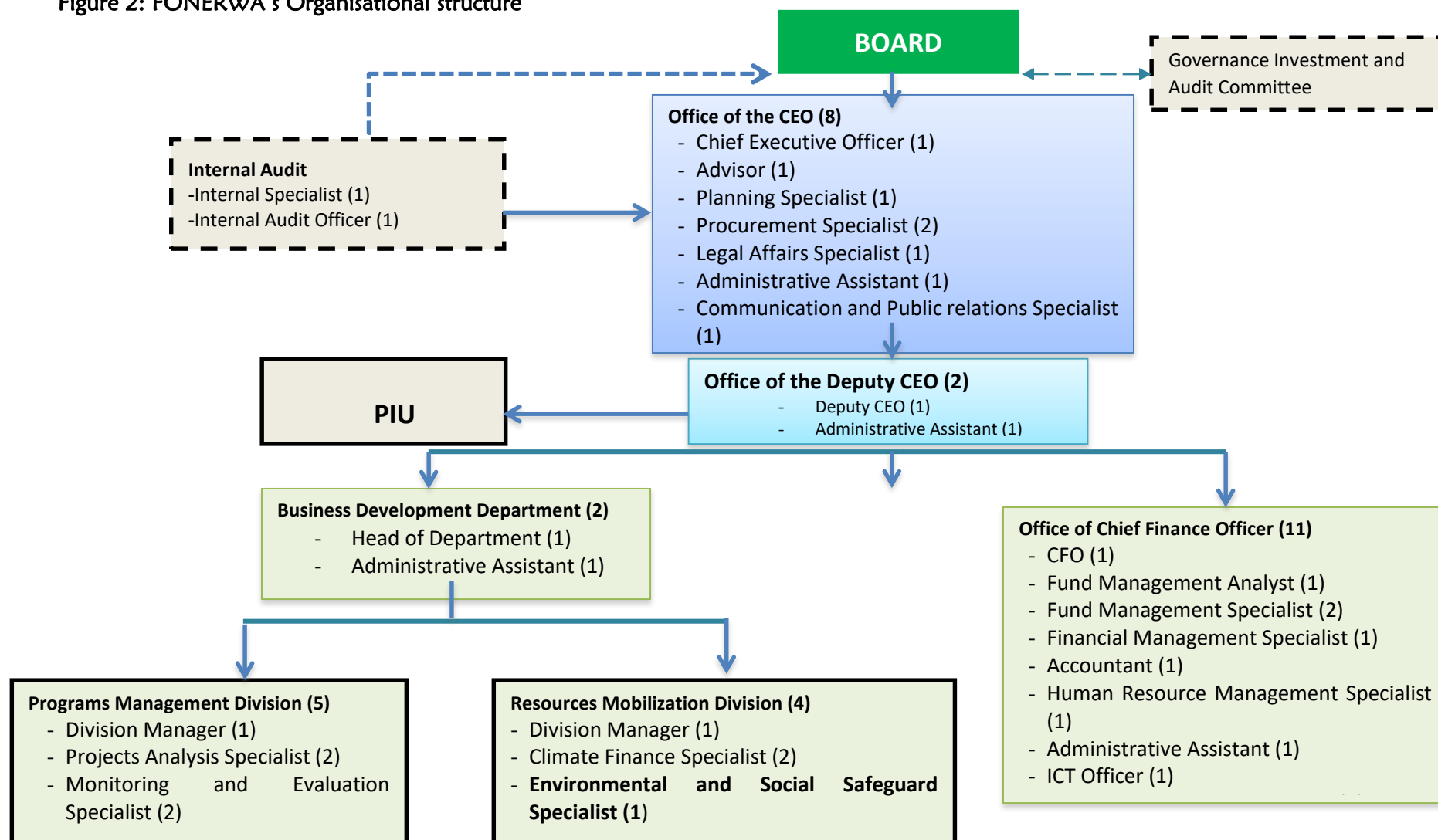
The form must be reviewed by FONERWA's Environmental and Social Safeguards Specialist staff and will be an annex of the intended Project Document (PD), which is the primary document used to screen projects for eligibility under the RGIF program, per the RGIF Operations Manual.

The E&S specialist at FONERWA is also in charge of analysing potential Project Brief (Annex-1.1 of the FONERWA Operations Manual). The project screening will determine the eligibility of projects and the level of assessment that will be conducted. The E&S specialist and the entire team in the Program development at FONERWA will place the project into one of the 3 risk categories "A" (high risk), "B" (Medium risk) or "C" (low risk), according to relevance of environment and social impacts and risks.

At this stage, E&S specialist at FONERWA and the team may decide that the project does not require an ESIA and that it may only need an ESMP; and therefore, can proceed based on the Project Brief recommendations. The screening will be prepared by the project developer and will be reviewed by the E&S specialist at FONERWA before submission together with ESIA terms of reference to RDB for approval. The E&S specialist at FONERWA should make sure that intended project climate resilience aspects are covered in the ESIA terms of reference before submission to RDB for approval.

In addition to the work performed by the FONERWA E&S specialist, there are Climate, E&S Experts in Ministry of Environment who can be called upon for guidance and/or advisory but are not day to day responsible for implementation of FONERWA E&S activities. Further, there are other FONERWA staffs who have environment training, education and/or experience. These experts are, however, not responsible for E&S activities that will be set out in the ESMF and RPF. It should be clarified in advance if these experts ever need to be allocated extra responsibility and (time) resourcing to support these tasks.

Figure 2: FONERWA's Organisational structure



3.3. BRD ESMS Implementation Capacity

BRD is implementing a robust Environmental and Social Management System (ESMS) approved by the Bank's Board of Director in November 2021 and cleared by the World Bank in February 2022. This policy document is compliant with the Rwandan regulatory framework that pertains to the environment, land use, labor, health and safety issues, vulnerable and marginalized groups and cultural artifacts.

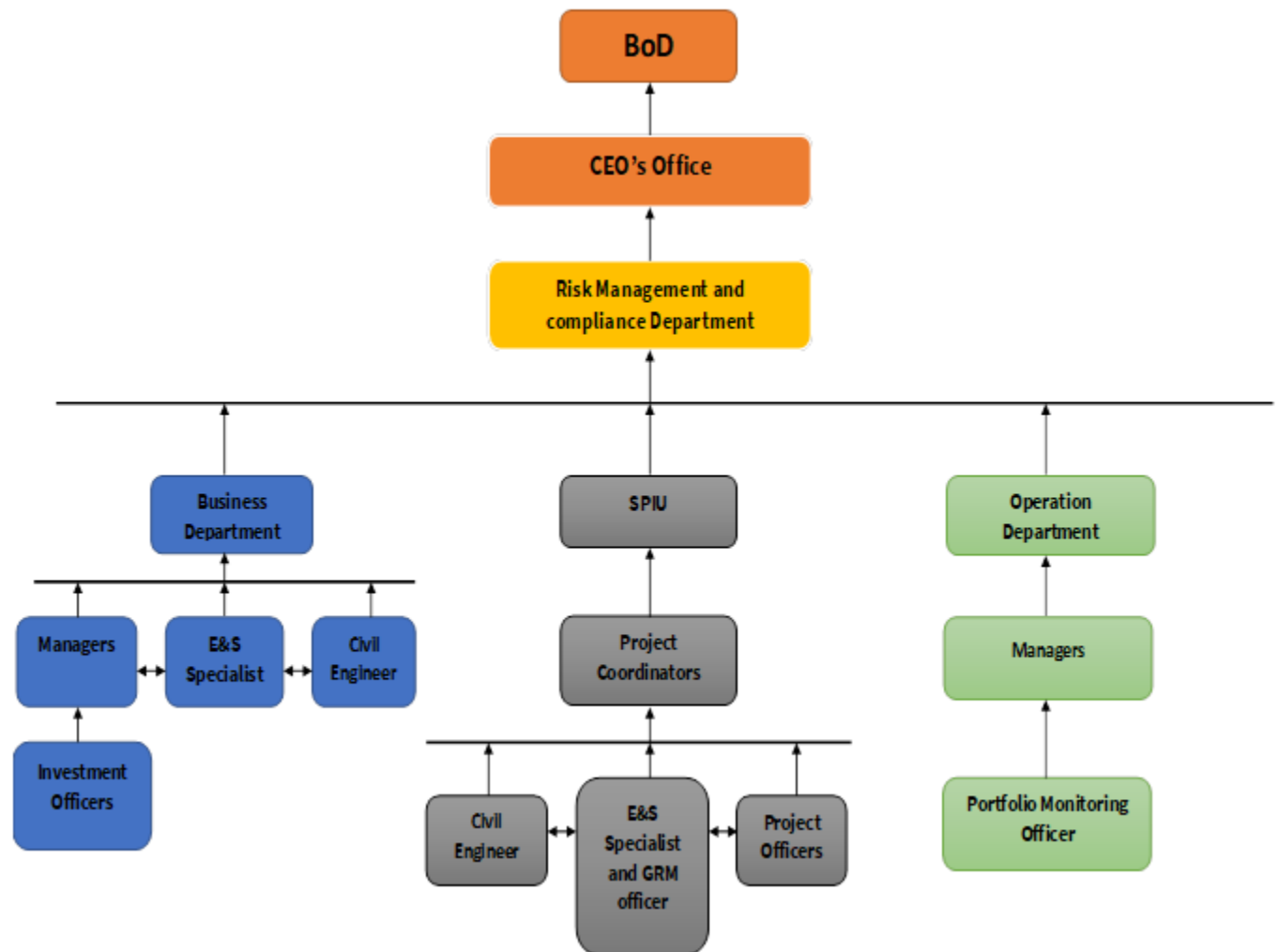
BRD is well equipped with 2 Environmental and Social Safeguard Specialists who over the years have received adequate training in environmental and social risk management and therefore are up to the task under the proposed Project. However, BRD may have to hire additional staff and dedicate them to the proposed Project. BRD might appoint additional Social Safeguards and Environmental Safeguards officers to support the implementation of required E&S activities under RGIF (i.e., Project E&S screening, E&S Monitoring of financed projects, and GRM management).

The two (2) staffs who oversee E&S activities at BRD are certified environmental lead experts in the Rwanda Association of Professional Environmental Practitioners (RAPEP) and they both have academic qualifications in Environmental studies, agriculture and soil management, gender mainstreaming and development studies. They all have Master's Degrees and provide support for funding proposals as well as overseeing current projects, including ESIA processes. They have experience in stakeholder engagement and have participated in drafting a considerable number of E&S documents like EIA/ESIA, ESMP, ESMF, RPF, ESCP, RAP, ESMS SEP and LMP amongst other safeguard instruments required for projects funded by International Development Financial Institution.

BRD, has a functional internal mechanism for ensuring adequate Environmental and social assessment of all its investments prior loan approval and clearly stipulates the roles and responsibilities of different departments and staff with respect to environmental and social safeguards.

Although the implementation of the environmental guidelines is a collective responsibility of every employee in the Bank, the primary responsibility for implementing these social and environmental guidelines, in addition to the E&S Specialist lies with the following: Board of Directors (BoD), Executive Committee, Credit Risk Committee, Department of Risk Management and Compliance as well as the Business Department.

Figure 3: BRD's Organizational structure



3.4. Overview of Responsibilities for implementing RGIF ESMS by FONERWA and BRD

Project Phase	FONERWA/BRD	Sub-project Applicant / Grantee
Screening	<p>Inform and advise applicants & other stakeholders of the ESMS procedures.</p> <p>Review Letter of Interest & screen for potential safeguard issues. Advise applicants on nature & content of safeguard documents & measures to be prepared</p>	<p>Assess any potential safeguard issues early in the preparation process, including screening for the presence of vulnerable groups including a particular gender need.</p> <p>Describe potential safeguard issues in the Letter of Interest</p>
Preparation	<p>Advise applicants on safeguard issues, and provide capacity building as needed</p>	<p>Undertake safeguard processes, such as consultations with local communities, environmental review, and social assessment.</p> <p>If needed, design safeguard measures & prepare safeguard documents, a Process Framework (PF), RAP, with participation of local communities.</p> <p>If applicable, disclose draft safeguard documents with the sub-project proposal to affected communities prior to final review of proposal by FONERWA</p>
Review & Approval	<p>Review sub-project proposal for safeguard impacts and social risks Assessment adequacy and feasibility of the safeguard assessment and consultation process.</p> <p>If needed, request further interventions. Assess adequacy and feasibility of the safeguard measures and documents.</p> <p>If needed, request changes and re-assess prior to final approval If applicable, publicly disclose safeguard related information on the web after sub-project approval.</p>	<p>Submit sub-project proposal with safeguard measures and documents (e.g. social assessment, environmental review, RPF), if required</p> <p>If requested by FONERWA, take additional steps to meet ESMS & safeguard policy provisions. Re-submit proposal with revised safeguard measures and documents, as needed</p>

Project Phase	FONERWA/BRD	Sub-project Applicant / Grantee
M&E	<p>Supervise and review environmental and social safeguard documents and issues during sub-project implementation. If needed, request changes to safeguard measures and/or implementation of these</p> <p>Review and approve Plan of Actions required to be prepared during implementation of sub-projects restricting access to natural resources (as will be described in the PF for sub-projects with potential impacts from such restrictions)</p>	<p>Disclose final safeguard documents (e.g., RAP, ESMP), if any, to affected communities and document the implementation of safeguard measures. When vulnerable peoples or communities are affected, include them in participatory monitoring & evaluation exercises and prepare Plan of Actions for sub-projects restricting access to natural resources. Monitor and document implementation of these plans.</p>
Evaluation	<p>Ensure inclusion and review of environmental and social safeguard issues and outcomes in mid-term and final subproject evaluation and reporting, including any lessons learned</p>	<p>Evaluate the implementation and outcomes of safeguard measures. When vulnerable peoples are affected, include them in participatory evaluations to ensure social inclusion & gender considerations</p>
Capacity building	<p>Ensure that all the recipients (guarantees) of the RGIF funding receive training on E&S and how they can monitor the implementation of the developed E&S instruments.</p> <p>The training will focus on:</p> <ul style="list-style-type: none"> ➤ E&S screening and risks categorization ➤ Development and assessment of E&S documents ➤ Implementation of E&S instruments ➤ Monitoring and Evaluation of E&S instruments ➤ E&S reporting 	<p>Attend the E&S training and implement all the provisions of the ESMS and other subprojects related E&S instruments</p>

4. Environment and Social assessment and Management procedures

FONERWA and BRD are devoted to ensuring that all funded projects under RGIF priority sectors are implemented sustainably taking into consideration environment and social aspects. In this regard, FONERWA and BRD has put in place E&S assessment procedures for impact prediction, mitigation, and management. The E&S assessment can use different tools and methods depending on the nature of projects.

The environment and social assessment and management procedures will be undertaken in accordance with national and international safeguards requirements. The following sections clarify management procedures and steps taken at FONERWA and BRD to make sure that funded and implemented projects are environmental and social friendly.

4.1. E&S Screening and Risk Categorization

Screening of investments will commence right at the project inception phase as soon as the specific sub project details are known including nature and scope, proposed location and area among other parameters. Screening is expected to happen concurrently with the project specific feasibility studies so that any potential impacts identified through screening are immediately incorporated into the feasibility study hence ensuring adequate consideration of environmental and social aspects at the project design phase.

The classification of each project under the appropriate environmental and social risk category will be based on the screening results, and projects will be categorized as per their risks and impacts magnitude. In line with the Rwanda Ministerial Order N° 001/2019 of 15/04/2019 establishing the lists of projects, activities and works that must undergo E&S assessment, as well as the provisions of IFC's standards on Environmental and Social Risks, each proposed project's E&S screening will result in one of the 3 risk categories:

- ✚ Category A: High Risk
- ✚ Category B: Medium Risk
- ✚ Category C: Low Risk

The above E&S risk classification is in line with the national E&S regulation that classifies E&S risks in Impact level 3(IL3 or high risk), Impact level 2 (IL2 or Medium risk) or Impact level 1 (IL1 or Low risk).

- ✚ **All category A projects** will require full ESIA and other special studies (RAP, Biodiversity management study, etc.) with in-depth climate adaptation assessment and consideration of the aspects related to climate change adaptation (climate resilience) and mitigation. For the RGIF program, projects falling under this category will not be eligible for funding unless they are characterized by impacts which are reversible and with the possibility of applying adequate mitigation measures.

- ✚ **For projects classified as category B or medium risk**, it will be required that the appropriate level of environmental and social impact assessment be carried out. A partial ESIA or Environmental and Social Management Plan (ESMP) is mandatory for this category and a climate adaptation and mitigation plan could be prepared accordingly prior approval.
- ✚ **For projects classified as category C or low risk**, No further environmental and social assessment is required but a Summary Project Report (SPR) can be developed to briefly describe each planned activity and management measures in place

During the screening process, some activities will be deemed ineligible and rejected. Such activities involve the significant conversion or degradation of critical natural habitats; those that will significantly damage non-replicable cultural property or involve production or activities involving harmful or exploitative forms of forced labour/harmful child labour. The screening process could result in any of the following determination:

- ✚ Full ESIA
- ✚ A stand-alone ESMP (Partial ESIA) or
- ✚ No further environmental study for low-risk projects.

4.1.1. Procedure of project risk classification

To determine risk classification, project developers and BRD/FONERWA's E&S Safeguard specialists leading on RGIF projects must consider:

- a) Type, location, sensitivity, and scale;
- b) Nature and magnitude of potential environmental and social risks and impacts; and
- c) Capacity and commitment of the Project Staffs (and others responsible for project implementation) to manage climate change, environmental and social impacts.

Table 4: Project Category Rating Tool

CATEGORY A PROJECTS	CATEGORY B PROJECTS
<ul style="list-style-type: none"> Adversely impact important features e.g., Forests, natural protection areas, wetlands, important cultural heritage sites Have significant transboundary impacts or relevance with regard to international treaties (e.g., conventions on international waste management regulations or water use, or agreements on the protection of biodiversity. Lead to high consumption of resources, e.g., soil, land or water 	<ul style="list-style-type: none"> Have potentially adverse risks and impacts on climate and the environment and on the social conditions of those concerned, (to a lesser extent than these of category A & can usually be mitigated through standard mitigation approaches). Typically, the potential impacts and risks of category B measures are limited to a local area.

<ul style="list-style-type: none"> • Are associated with high risks to human health or safety (e.g. project actions near residential areas with harmful emissions and/or handling hazardous substances); • Have large scale resettlement, or lead to a significant loss of livelihood 	<ul style="list-style-type: none"> • Impacts are in most cases reversible and are easier to mitigate through appropriate measures; • For category B the need for and the scope, the priorities and depth of an ESIA are determined through a case-by-case evaluation;
CATEGORY C PROJECTS	
<ul style="list-style-type: none"> • Have no or only minor adverse environmental and social impacts or risks; Implementation does not require any particular protection, compensation or monitoring measures.; • Category C measures usually do not require any additional analysis or any further E&S measures but should, however, be monitored for any relevant changes over project cycle. 	

4.1.2. Project Brief preparation and submission³

The project screening at concept (PPD) level will determine the eligibility of projects and the level of assessment that will be conducted. It will place the project into one of the 3 risk categories “A” (high risk), “B” (medium risk) or “C” (low risk), according to the relevance of environmental and social impacts and risks of a given project.

At this stage, it may be decided that the project does not require an ESIA and that it may only need an ESMP; and therefore, can proceed based on the Project Brief recommendations. The screening will be prepared by the project developer and will be reviewed by FONERWA before submission together with ESIA terms of reference to RDB for approval. FONERWA should make sure that intended project Climate resilience aspects are covered in the ESIA terms of reference before submission to RDB for approval.

The project brief (Annex-1.1 of FONERWA Operations Manual) provides information on the intended project and the basis for the screening to the Authority designing or approving the ESIA Terms of Reference (ToRs), i.e., RDB. In preparing the project brief, it is important to identify, analyse and include the structure and interests of the key stakeholders (national implementing agencies, regulating authority agencies and the concerned Local Governments). It is also important to include the donors and development partners.

The ESIA team and the project developer should endeavour to simplify technical and engineering information to levels easily comprehensible by non-technical managers and decision makers. The project brief should indeed be brief, no more than 10 pages for the most sophisticated project including any attachments except technical drawings.

³ A project brief is the summary of FONERWA intended project document

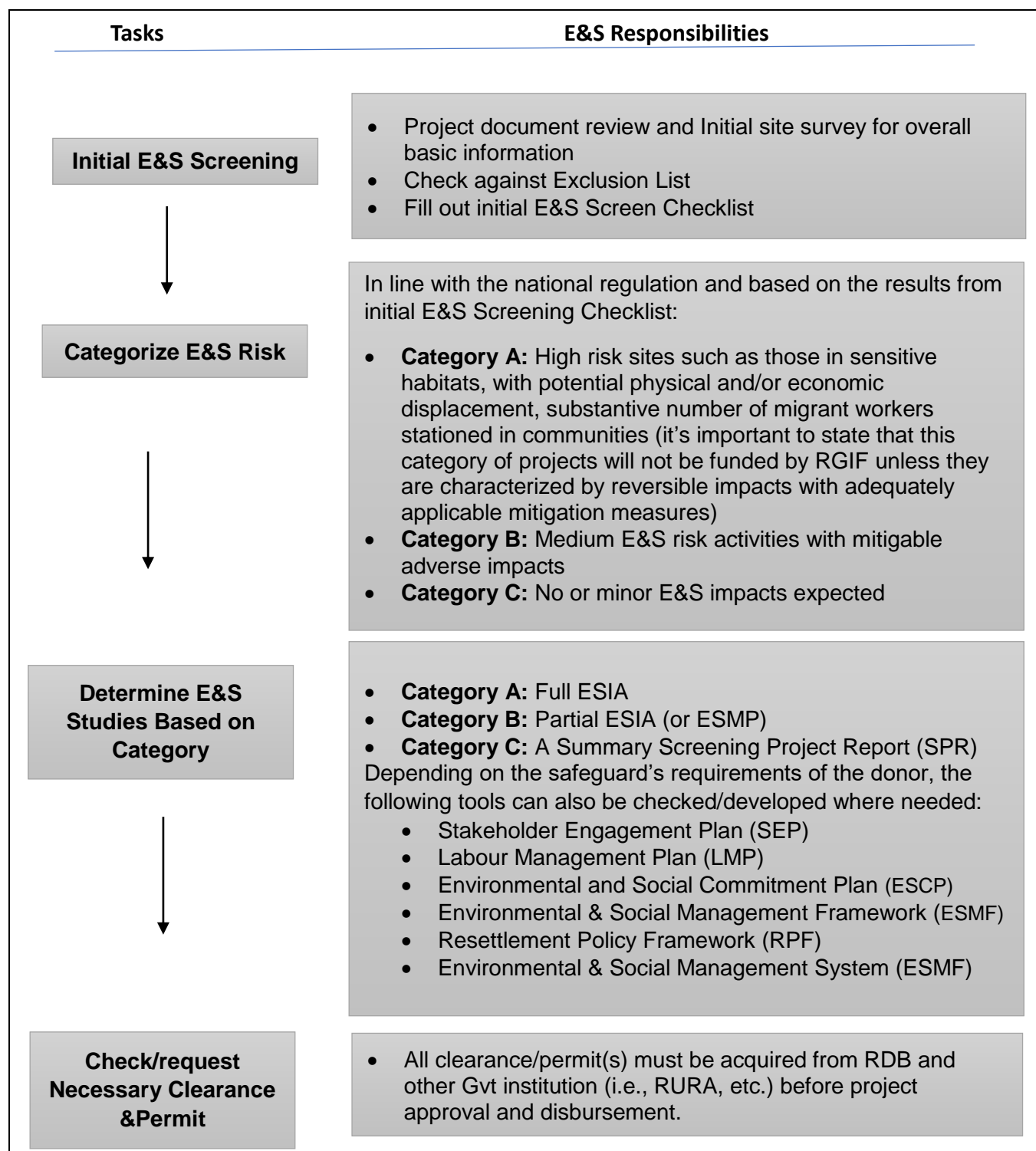
The project brief should present arguments of facts justifying the project, including the potential benefits and the analysis of alternatives. Project motivations are important especially, to inform the analysis of costs and benefits and in considering trade-offs and future sustainability.

Two major questions should be asked and answered in the ESIA:

- (i) What are the likely benefits and how will these be spread/distributed?
- (ii) What are the alternatives, and what are the implications in terms of cost, social acceptability, economic and ecological sustainability, and a conclusive argument proving that the selected site and the project design are the best alternative?

During the screening process, some activities will be deemed ineligible and rejected. Such activities involve the significant conversion or degradation of critical natural habitats; those that will significantly damage non-replicable cultural property or involve production or activities involving harmful or exploitative forms of forced labour/harmful child labour.

Figure 4: E&S Screening process for both FONERWA and BRD



There is a mix -up in the categorization in the E&S screening figure above, according to RGIF, projects are categorised as A, B and C but according to the figure, its 1,2 and 3 please clarify.

Also note that high risk projects will not proceed to the “Determine E&S studies based on category” Box, therefore there is need of identifying the instrument that would be prepared as the fund doesn’t fund high risk projects.

It is important to include incorporating environmental and social requirement into the beneficiaries’ grant and loan agreements.

4.2. Responsibilities for Project ESIA/ESMP at RGIF PPF and Credit Facility

No	Stage	When	Institutional responsibility	Implementation responsibility
1	Screening of Climate, Environmental and Social for intended project by using Climate, Environmental & Social checklist	Before submission of Project Profile Document (PPD)	Project developer and BRD/FONERWA	Project developer and BRD’s ESS Specialist
2	Determination of appropriate environmental assessment level/ category	After PPD submission	BRDX & RDB	RDB Officer
3	Development of environmental assessment if ESIA or ESMP is necessary	During project design (PD)	Project developer to hire EIA Consultant from RAPEP	EIA Expert
3.1	Preparation of Terms of Reference	During project design (PD)	Project developer, RDB and BRD /FONERWA	EIA Expert, RDB Officer, BRD’s ESS Specialist
3.2	Validation of ESIA/ESMP TORs	During project design (PD)	RDB and BRD /FONERWA	RDB Officer, BRD’s ESS Specialist
3.3	Realization of ESIA/ESMP,	Finalisation of project feasibility study	Project Developer	EIA Consultant hired by Project developer
4	ESIA/ESMP Review and approval	PD submission	RDB	RDB Officer
5	Public Consultation and disclosure	PD approval	Project Developer, RDB and BRD/FONERWA	EIA Consultant, RDB Officer BRD’s ESS Specialist
6	Environmental Monitoring and Evaluation	During Project implementation	Project developer, BRD /FONERWA REMA	EIA Consultant, BRD’s ESS Specialist, REMA Officer

4.3. Identified E&S Risk and mitigation measures

The RGIF program is focused on supporting projects in green sectors, and only category B or C project are not likely to have significant impacts on the environment. However, the construction of RGIF-eligible green projects including renewable energy generation, mini-grids and climate-smart irrigation (full list in eligibility criteria above) have the potential to lead to adverse environmental and social impacts. The adverse impacts associated with the project are considered to be moderate

to low in nature. However, the specific adverse impacts for each investment will be distinguished during the preparation of the specific ESIA or ESMP based on the sub project investment environmental category once the screening process is complete. Mitigation measures must be defined for significant impacts (i.e., those with major, moderate or minor rating). The mitigation measures, including responsibilities and monitoring requirements must be summarized in the project specific ESMP.

The table below outlines general planning/construction/operation/closing phases impacts and related management measures based on the screening process to anticipate key climate explicit E&S risks.

4.3.1. General Sector Specific potential environmental impacts and mitigation measures

The table below provides some sector-specific environmental impacts and mitigation measures for sectors eligible under RGIF investment criteria, in Rwanda generally.

Potential Negative Impacts	General Best Practice Mitigation Measures
I. Small scale Irrigation Systems	
Disturbance of terrestrial species and loss of habitats / species	Conduct Biodiversity Baseline surveys if required by RDP during environmental clearance.
	Avoid disturbance of legally protected and/or ecological valuable areas if required by RDP during environmental clearance.
	Create biodiversity offsets if habitat or biodiversity is negatively impacted or lost if required by RDP during environmental clearance.
Loss of habitats and species in rivers and creeks	Maintain ecological flow in rivers and creeks necessary to sustain habitats.
Pollution of the natural environment and health risks to communities	Avoid pesticide use where possible, prefer biological agriculture (see also WHO Pesticide Evaluation Scheme).
Salinization of irrigated lands	Plan for and implement water drainage measures.
Worker H&S	Develop and implement Occupational Health and Safety (OHS) Plans as appropriate
	Identify, control and monitor health and safety risks in work areas
	Provide adequate resources and expertise to manage health and safety risks.
	Ensure the use of Personal Protective Equipment (PPE) for workers, e.g. shoes, sun protection, gloves etc.

Potential Negative Impacts	General Best Practice Mitigation Measures
	Maintain high standard in housekeeping on site, e.g. keep construction sites clean, ensure that work material is stored away properly when not used, do not leave sharp items on ground .
II. Solar Energy Projects	
II.1. Solar thermal heating	
Visual impact on buildings' aesthetics	<ul style="list-style-type: none"> • Adoption of standards and regulations for environmentally friendly design; • Good installation practices; • Improved integration of solar systems in buildings; • Avoid siting of solar panels on buildings of historic interest or in conservation areas.
Routine & accidental releases of chemicals	<ul style="list-style-type: none"> • Recycling of the used chemicals; • Good practices—appropriate disposal.
Land use	<ul style="list-style-type: none"> • Proper siting and design.
II.2. Photovoltaic power generation	
Visual impact on buildings' aesthetics	<ul style="list-style-type: none"> • Adoption of standards and regulations for environmentally friendly design; • Good installation practices; • Improved integration of solar systems in buildings; • Avoid siting of solar panels on buildings of historic interest or in conservation areas.
Visual intrusion—aesthetics	<ul style="list-style-type: none"> • Careful design of systems; • Integration in buildings as architectural elements; • Use of panels in modern architecture instead of mirrors onto the facade of buildings.
Impact on ecosystems (applicable to large PV schemes).	<ul style="list-style-type: none"> • Avoidance of sensitive ecosystems and areas of natural beauty, archaeological sites.
Use of toxic and flammable materials (during construction of the modules).	<ul style="list-style-type: none"> • Avoidance of release of potentially toxic and hazardous materials with the adoption of existing safety regulations and good practice.
Slight health risks from manufacture, use & disposal	<ul style="list-style-type: none"> • Good working practices (use of protecting gloves, sunglasses, clothing during construction).
II.3. Solar thermal electricity	
Construction activities	<ul style="list-style-type: none"> • Good working practices; • Site restoration; • Avoidance of sensitive ecosystems and areas of natural beauty.

Potential Negative Impacts	General Best Practice Mitigation Measures
Visual impact—aesthetics	<ul style="list-style-type: none"> • Proper siting (avoidance of sensitive ecosystems and areas of natural beauty, densely populated areas).
Land use	<ul style="list-style-type: none"> • Proper siting.
Effect on the ecosystem, flora and fauna (especially birds)	<ul style="list-style-type: none"> • Proper siting (avoidance of sensitive ecosystems).
Impact on water resources water use (for cooling of steam plant) and, possibly, water pollution due to thermal discharges or accidental discharges of chemicals used by the system	<ul style="list-style-type: none"> • Appropriate constraints (not the excessive use of existing resources); Improved technology (use of air as heat-transfer medium); • Exploitation of the warm water in the nearest industry in the production stream. • Good operating practices and compliance with existing safety regulations; • Employees should be educated and familiarized with the systems.
Safety issues (occupational hazards)	<ul style="list-style-type: none"> • Respect Good practices guidelines for safety
III. Ecosystem rehabilitation	
Increase of conflict with increasing incompatibility of surrounding land use, with restoration activities, and with increasing social value of land displaced by restoration and land use negatively affected by restoration.	<p>Apply principles of good ecological restoration practice which include:</p> <ul style="list-style-type: none"> • Ensuring all stakeholders are fully aware of the full range of possible alternatives, opportunities, costs and benefits offered by restoration. • Empowering all stakeholders, especially disenfranchised resource users. • Engaging all relevant sectors of society and disciplines, including the displaced and powerless, in planning, implementation and monitoring. • Involving relevant stakeholders in the definition of boundaries for restoration. • Considering all forms of historical and current information, including scientific and local knowledge, innovations and practices. • Providing short-term benefits leading to the acceptance of longer-term objectives. • Providing for the accrual of ecosystem goods and services. • Striving towards economic viability.
Risks of Invasive plant species	<ul style="list-style-type: none"> • Controlling invasive plant species in ecological restoration, • Incorporating biological and environmental spatial variation into the design.

Potential Negative Impacts	General Best Practice Mitigation Measures
	<ul style="list-style-type: none"> • Allowing for linkages within the larger landscape. • Emphasizing process repair over structural replacement. • Allowing sufficient time for self-generating processes to resume. • Treating the causes rather than the symptoms of degradation. • Include monitoring protocols to allow for adaptive management • Treating the causes rather than the symptoms of degradation.
V. Biomass energy system based on agricultural and forestry residues	
V.1. Effluent emissions, on-site contamination, hazardous materials issues	
Methane (CH ₄) emissions	<ul style="list-style-type: none"> • Consider available best practice in designing, operation and maintenance of waste storage facilities • Compliance with good practice methods for methane collection to avoid venting
Emissions of NO _x , SO ₂ , CO, VOC, particulates,	<ul style="list-style-type: none"> • Compliance with local, national and/or international air quality standards limits • Respect Environmental, health and safety guidelines (on Air Emissions and Ambient Air Quality)⁴
Emissions of CO ₂ and other greenhouse gases	<ul style="list-style-type: none"> • Respect Environmental, health and safety guidelines (on Air Emissions and Ambient Air Quality)
Solid waste (ash)	<ul style="list-style-type: none"> • Compliance with good practice of Disposal methods (depending on volume and chemical composition ash may be suitable for use as a fertilizer)
V.2. Biodiversity protection issues	
Removal of a source of nutrients for the forest, and possible soil erosion and/or compaction	<ul style="list-style-type: none"> • Compliance with best practice forestry management guidelines concerning forestry residue removal, such as the IFC's Forestry Policy and national Forestry policy, • Consider Prevailing ground conditions (e.g. mountainous or flat terrain) before harvesting
V.3. Worker health and safety issues	
Accidents due to methane emissions from livestock waste storage	<ul style="list-style-type: none"> • Compliance with good practice methods for methane collection to avoid venting • Fire prevention measures in place (e.g. storage facility clearly marked with "Fire Hazard" signs and located away from possible ignition areas, emergency equipment, availability of secondary containment, etc.) • Operation and maintenance routines in place

⁴ as provided by the International Finance Corporation (IFC) available under: www.ifc.org/enviro/enviro/pollution/guidelines.htm

Potential Negative Impacts	General Best Practice Mitigation Measures
	<ul style="list-style-type: none"> • Training of personnel • Emergency plans in place, particularly those implemented in case of fire or explosion • Outstanding worker compensation claims
Accidents from generation activity	<ul style="list-style-type: none"> • Compliance with international, local, and national health and safety regulations, • Operation and maintenance routines in place, • Training of personnel • Emergency plans in place • Outstanding worker compensation claims
V.4. Environmental issues sensitive to public opinion	
Possible pathogen release	<ul style="list-style-type: none"> • Consider available best practice in designing, operation and maintenance of waste storage facilities (e.g. availability of secondary containment) • Employment of best practice methods for organic waste storage (e.g. composting) to reduce pathogens • Siting of waste storage facilities (e.g. located away from human and livestock quarters or other vulnerable areas, etc.)
Bad odour from dry animal waste storage facilities	<ul style="list-style-type: none"> • Do not locate waste storage facilities at proximity to populated areas, human quarters or working areas, etc. • Consider available best practice in designing, operation and maintenance of waste storage facilities (e.g. availability of secondary containment) • Employment of best practice methods for organic waste storage to reduce odour
Bad odour from wet animal waste storage facilities	<ul style="list-style-type: none"> • Do not locate e-waste storage facilities at proximity to populated areas, human quarters or working areas, etc. • Consider available best practice in designing, operation and maintenance of waste storage facilities (e.g. availability of secondary containment) • Employment of best practice methods for organic waste storage to reduce odour
Noise from generation activities	<ul style="list-style-type: none"> • Compliance with noise emission levels
Involuntary resettlement and land acquisition	<ul style="list-style-type: none"> • Avoid as much as possible that the projects do not affect people or their properties • Where displacement is possible, ensure that a RAP is developed and all affected properties are compensated for

4.3.2. Emergency preparedness and response plan

RGIF will require that every recipient of funds develop an Emergency Preparedness and Response Procedure based on the identified HSE risks associated with the various proposed projects. The EPRP will cover all potential emergency situations (environmental and safety) which may occur for various projects as well as make provision for disaster management in terms of severe storms, flooding, earthquakes, and fires amongst others.

The EPRP addresses the following:

- ✚ The procedure to identify the areas where accidents and emergency situations may occur, and communities and individuals that may be impacted. This should begin during your overall risk and impact assessment, through your process analysis, physical mapping and consultations with workers, experts and the community;
- ✚ The procedures to follow in order to respond to any emergency situations. This will include any emergency shut down, rescue and evacuation procedures;
- ✚ Development of response procedures for each identified emergency situation that clearly explain what actions need to be taken. These need to be detailed clearly for everyone in your company to understand what he or she needs to do;
- ✚ A clear outline of the method which will be used to inform employees of an emergency situation (alarms etc);
- ✚ A detailed emergency evacuation plan indicating the location of emergency response equipment (firefighting, spill response, first aid kits, personal protection equipment for emergency response teams), evacuation routes and muster points and a list of the relevant persons contact details;
- ✚ Protocols for the use of the emergency equipment and facilities;
- ✚ A schedule outlining the periodic inspection, testing and maintenance of emergency equipment;
- ✚ Details of the periodic emergency drills and formal training for emergency response personnel which will be required; The periodic training should ensure that everyone in the recipient organisation has an overview of the system and knows the response plans.
- ✚ The communication protocol with regards to any emergency situation and the interaction if needed with outside emergency services; and
- ✚ When and by whom the Emergency Preparedness Response Procedure will be reviewed and updated.

The following steps are a practical and effective way of controlling hazards:

1. Step 1: Identify the Hazard
2. Step 2: Assess the Risk: If a hazard has been identified, assess the risk by examining;
 - a. The likelihood of the hazard resulting in injury to the crew or other persons - is it likely or unlikely to occur?
 - b. The likelihood of the hazard resulting in damage to the boat or equipment, and
 - c. The severity of the incident - could it cause death, serious injury, or minor injury?

3. Step 3: Eliminate or Control the Hazard: There are several ways to control a hazard and it is important that, one handle ways which are reasonable and practical for the circumstances at hand such as:
- i. **Eliminate hazards** posed by equipment, animals, and the environment if possible. For example, get rid of faulty machines and equipment;
 - ii. **Substitute something safer** by using a different machine, material or work practice that poses less risk to perform the same task;
 - iii. **Use engineering/design controls** when is not possible to eliminate hazards. Engineered controls include machinery guards and PTO shields. Design controls, such as locked fences, isolate the worker from the hazard.
 - iv. **Protect workers** if other controls are inadequate. Protect workers through training, supervision, and personal protective equipment (PPE). For example, supervise new workers until they are competent to deal with hazardous situations. Use and provide proper clothes and respirator protection for handling dangerous chemicals or biohazards.

Also include involuntary resettlement and land acquisition as possible risks as well as the mitigation measures. It is important to include how the fund will address emergencies, therefore include a subtopic on emergency preparedness and response.

5. Stakeholder Engagement and Grievance Redress Mechanism

5.1. Stakeholder Engagement approach

The International Association for Public Participation defines “public participation” as a means to involve those who are affected by a decision in the decision-making process. It promotes sustainable decisions by providing participants with the information they need to be involved in a meaningful way, and it communicates to participants how their input affects the decision.

The Project Developer (PDe) will ensure that the local communities are informed at an early stage about the planned Project, timelines, potential impacts and communication channels. The PDe will also seek for feedback from the communities about the Project. As part of its community liaison process, the PDe will apply the Grievance Mechanism as per the FOWERWA’s ESMF&RPF to ensure that all stakeholder comments, suggestions and objections are captured and considered. It will allow the affected community and the workers to express their concerns and any complaints directly to the PDe. Contact details and information on the procedure, including grievance form, will be distributed to the local communities. All comments and complaints will be investigated by the PDe and appropriate action taken as necessary. Records of all complaints and actions will be maintained on site. (Apart from the project developers, there is need for BRD & FONERWA to identify its stakeholders and commits to engaging them effectively)

Consultation is based on stakeholder analysis and is preceded by disclosure of adequate project information and environmental and social information to ensure that participants are fully informed. It begins at an early stage during project preparation and continues as needed. It is conducted in a timely manner in the context of key project preparation steps, in an appropriate language, and in an accessible place. The results of the consultation are adequately reflected in the project design and in the project documentation.

The affected communities are given the opportunity to participate in key stages of project design and implementation. Therefore, stakeholders should be consulted to obtain their input into the preparation of the draft terms of reference of the environmental and social assessment.

When the borrower or client has identified vulnerable communities that would potentially be affected by the project, the borrower/client engages in meaningful informed consultation and participation with the vulnerable communities, beginning as early as possible in the project cycle before the project is submitted for Board consideration and continuing throughout the project cycle. The borrower or client demonstrates that consulted individuals or groups can effectively represent the affected groups. In particular, this process of engagement:

- Involves representative bodies and civil society organizations, as well as members from the vulnerable communities themselves;
- Ensures inclusivity in a socially and culturally appropriate manner;
- Provides sufficient time for the vulnerable groups’ decision-making processes;

- Facilitates the vulnerable groups' expression of their views, concerns and proposals in the language and manner of their choice, without external manipulation, interference, coercion, or intimidation; and
- Respects the culture, knowledge and practices of vulnerable communities

5.2. Institution Role of other Stakeholders

Ministry of Environment (MoE)

The Ministry of Environment was established to ensure the conservation, protection and development of the environment. It also ensures the safeguard of green and climate resilience for growth of the economy of Rwanda. As stipulated in the Prime Minister's Order N° 131/03 of 23/12/2017, the Ministry of Environment has the following main responsibilities:

- (i) To develop and disseminate the environment and climate change policies, strategies and programs through: (a) the development of strategies to promote partnership and enhance capacity of private sector to invest in activities of environment and climate change for sustainable economic development; (b) the development of laws and regulations to ensure protection of the environment and conservation of natural ecosystems; (c) the development of institutional and human resources capacities in environment and climate change.
- (ii) To monitor and evaluate the implementation and mainstreaming of environment and climate change policies, strategies and programs across all sectors, especially productive sector;
- (iii) To oversee and evaluate institutions under its supervision by providing guidance on the implementation of specific programs to be realised by the institutions under its supervision and local government;
- (iv) To mobilise the necessary resources for the development, protection and conservation of the environment for the climate change adaptation and mitigation.

As FONERWA supervising ministry, the Ministry of Environment will play a role in general oversight and evaluation of RGIF-funded projects by providing guidance on the implementation of funded projects. The Ministry of Environment will also intervene in the event there is a need to draft or amend policies or strategies related to Environment and Climate Change which may affect funded projects positively or negatively.

Rwanda Environment Management

Under supervision of the Ministry of Environment, from the Law n°63/2013 of 27/08/2013 determining the mission, organization and functioning of Rwanda Environment Management Authority (REMA), the mission of REMA is to promote and ensure the protection of the environment and sustainable management of natural resources through decentralized structures of governance and seek national position to emerging global issues with a view to enhancing the well-being of the Rwandan people.

REMA has a key role to play towards the achievement of the national goal of sustainable development as set in out in the National Development Vision 2020. The alarming rate of environmental destruction as a result of population pressure, serious erosion, pressure on natural

resources, massive deforestation, pollution in its various forms etc. necessitated the Government, to form REMA to coordinate, supervise and regulate environmental management for sustainable development in Rwanda. With regards to the management of the biophysical environment throughout Rwanda, the overall responsibility now lies with the Rwanda Environment Management Authority.

For RGIF-funded projects, REMA will play a significant role in ensuring that the activities related to funded projects have no adverse impact on the environment. This is as a result of their key mandate of ensuring environmental protection. They will monitor funded projects activities based on the ESIAs/ESMPs prepared and ensure that the mitigation measures in the ESMPs are followed.

Rwanda Development Board

Rwanda Development Board (RDB) is a one stop institution bringing together several government bodies focused at promoting investment in Rwanda. The authority is charged with administering the ESIA process and works with other institutions in the process. RDB has created a department of EIA responsible for reviewing all projects EIA before approval; a duty that was previously undertaken by REMA. With regard to environmental safeguards, RDB plays the following roles:

- Review Project Briefs so as to advise on Terms of Reference;
- Provide information or advice to developers and EIA Experts when consulted during EIA process;
- Review EIA reports and provide comments to the developers;
- Organizing public hearings;
- Issue certificate of approval.

Rwanda Association of Professional Environmental Practitioners (RAPEP)

The Rwanda Association of Professional Environmental Practitioners (RAPEP) was established in 2016 by the Government of Rwanda under Law No 36/2016 of 08/09/2016, to manage the practice of Environmental Assessment and the quality of Environmental Impact Assessments (EIAs) in both public/private interest and in the interest of the environment. An Environmental Experts Association which functions efficiently in mobilizing all communities, Government and non-Government entities, to be proactive in reducing environmental vulnerability to various adverse impacts, hazards and provides an effective, coordinated, National post impact response.

In order to be recognized as an Environmental Assessment Expert in Rwanda, a person must be a member of the RAPEP and every year RAPEP publishes the list of authorized EA Experts (Firms of Experts and individual Experts). Only recognized Experts are allowed to conduct Environmental Assessment studies. Consultants to conduct ESIA/ESMP, RAP/ARAP of RGIF-funded projects will be hired from RAPEP

Stakeholders Identification and Composition

During the stakeholders' consultations in the project areas, the study team found multiple groups of stakeholders. (Which field activities are you referring to?) The main groups of stakeholders consulted included the following:

5.2.1. Directly Affected People

Directly affected people are those who reside in or derive their living from areas where the project will have a direct impact, often referred to as the Direct Impact Zone (DIZ), consisting of all the project components. The directly affected people in the different villages, were identified, informed and consulted on major issues concerning relocation and compensation process.

5.2.2. Indirectly Affected Persons

This particular group of people includes all those who reside near project features or are reliant on resources within the project area and will have to relocate or adjust their livelihoods due to project activities. Consultations were held with communities residing near the proposed project sites.

5.2.3. National Stakeholders

National stakeholder always an important part of any development because they provide policy guidelines and oversee the implementation of the project. National identified for this project.

5.2.4. Local Government Stakeholders

Identified local government stakeholders include both the political and the technical leadership

5.2.5. Other Stakeholders

Other stakeholders identified that are very important to the project include NGOs/CBOs, Cooperative Societies, large scale farmers etc.

5.3. Grievance Redress Mechanisms implementation procedures

5.3.1. Introduction

Grievances can be an indication of growing stakeholder concerns (real and perceived) and can escalate if not identified and resolved. The management of grievances is therefore a vital component of stakeholder management and an important aspect of risk management for a project. Supported projects may have a range of potential adverse impacts to people and the environment in general, identifying grievances and ensuring timely resolution is therefore very necessary.

Based on this, a Grievance Resolution Mechanism (GRM) is a system by which queries or clarifications about the project are responded to, problems with implementation are resolved, and complaints and grievances are addressed efficiently and effectively. It is best practice for the grievance mechanism to clarify at the outset who is expected to use the procedure, and to assure stakeholders that there will be neither costs nor retribution associated with lodging a grievance.

The entire process (i.e., how a complaint is received and reviewed, how decisions are made and what possibilities may exist for appeal) will be made as transparent as possible by putting it into writing, publicizing it and explaining it to relevant stakeholders.

Under the OS 1, of the African Development Bank, states that the borrower or client establishes a credible, independent and empowered local grievance and redress mechanism to receive, facilitate and follow up on the resolution of affected people's grievances and concerns about the environmental and social performance of the project. The local grievance mechanism needs to be accessible to the stakeholders at all times during the project cycle, and all responses to grievances are recorded and included in project supervision formats and reports.

Further to this, BRD/FONERWA will require RGIF funded projects to establish a Grievance Management Procedure that includes an Issues and Grievance System as well as a more detailed Grievance Mechanism for Stakeholder Engagement (SE) in order to consider concerns from PAPs and project-affected communities promptly, transparently and in a culturally appropriate manner.

The Project Implementer will be required to establish the Community Coordination Committees at Cell and Sector level which will be in charge of addressing key issues raised by the PAPs during the project implementation process. In addition, a website and a free hotline where stakeholders can present their grievances will be developed as part of grievances management and made available by the project developers, and a GM will also be available at project site.

In the event that during project implementation there are perceived issues of unfairness, error or misapplication of the procedures by which the project will be implemented, it is essential that everyone affected has the opportunity to raise their concerns, and have them listened to, investigated and, if found to be correct, there is appropriate redress.

In order to achieve this, the project has designed a process for lodging grievances. This sub-section sets out how this mechanism will operate. A grievance can be made by an individual, a household, or a group/community - anyone can lodge a grievance and it is their choice whether to make a formal or informal approach- Grievances may be raised informally or formally.

5.3.2. Objectives of Grievance Redress Mechanism (GRM)

The GRM works within existing legal and cultural frameworks, providing an additional opportunity to resolve grievances at the local and project level. The key objectives of the GRM are: i) Record, categorize and prioritize the grievances; ii) Settle the grievances via consultation with all stakeholders (and inform those stakeholders of the solutions); iii) Forward any unresolved cases to the relevant authority.

It is vital that appropriate signage is erected at the sites of all works providing the public with updated project information and summarising the GRM process, including contact details of the relevant Project Contact Person within the project implementation unit. Anyone shall be able to lodge a complaint and the methods (i.e., forms, in person, telephone, etc) should not inhibit the lodgement of any complaint.

5.3.3. Types of grievances

Grievances raised by stakeholders need to be managed through a transparent process, readily acceptable to all segments of affected communities and other stakeholders, at no cost and without retribution. The grievance mechanism should be appropriate to the scale of impacts and risks presented by a project and beneficial for both a proponent/operator and stakeholders, especially PAPs.

A grievance can be made by an individual, a household, or a group/community - anyone can lodge a grievance and it is their choice whether to make a formal or informal approach.

An informal grievance is one raised verbally, mostly requesting for clarification of facts or process, it can be entered through the Grievance Redress committees (GRC). A formal grievance is a written complaint raised through the Cell or Sector offices, mostly on issues of misinformation, exclusion from project opportunities, discrimination, inadequate communication or inadequate response to previously raised issues.

As part of its community liaison process, the PDe will apply the Grievance Mechanism as per the FOWERWA's ESMF&RPF and BRD's ESMS to ensure that all stakeholder comments, suggestions and objections are captured and considered. It will allow the affected community and the workers to express their concerns and any complaints directly to the PDe. Contact details and information on the procedure, including grievance form, will be distributed to the local communities. All comments and complaints will be investigated by the PDe and appropriate action taken as necessary. Records of all complaints and actions will be maintained on site.

5.3.4. Grievance Resolution Mechanism

A simple Grievance Redress Mechanism (GRM) has been proposed to enable timely settlement of grievances to the PAPs. The grievance procedures will be anchored and administered at the local level to facilitate access, flexibility and openness to all PAPs. The grievance redress procedure ensures involvement with the respective districts and sector officials and other key stakeholders and provides for record keeping to determine the validity of claims, and to ensure that solutions are taken in the most transparent and cost-effective ways for all PAPs.

5.3.5. Grievance Redress Committee (GRC) At Project Level

In the IFC performance standard 5 which this RGIF ESMS ascribes too if a project has an element of land acquisition and Involuntary Resettlement (paragraph 11) states that the client will establish a grievance mechanism as early as possible in the project development phase. A Grievance Redress Mechanism (GRM) should be elaborated the GRC at the project level shall be responsible for:

- ✚ Coordinating GRC activities at different sites;
- ✚ Redressing all complaints which are at the level of the project;
- ✚ Redressing all complaints which are not resolved at site specific GRC;
- ✚ Carrying out field and complainants visits whenever necessary;

- ✚ Coordinate GRM activities at different sites;

The proposed GRC at the project level will be chaired by elected chairperson from representative institutions except BRD which will play the role of secretariat.

It would be composed by:

- ✚ BRD SPIU Coordinator
- ✚ MININFRA representative
- ✚ RHA representative
- ✚ PSF representative
- ✚ Environmental and Social safeguard specialist from BRD

5.3.6. Grievance Redress Committee (GRC) At Site Specific Level

In accordance with the IFC Involuntary Resettlement and the Grievance Redress Mechanism (GRM), a Grievance Redress Committee (GRC) is recommended at site specific level. The GRC at the site-specific level shall be responsible for:

- ✚ Receiving immediate grievances, complaints and concerns presented to them at site;
- ✚ Solving all grievances received at site or neighbouring environment;
- ✚ Forwarding unresolved grievances to the GRC at Project level;
- ✚ Maintaining the grievance log and all records;
- ✚ Carrying out field and complainants visits whenever necessary;

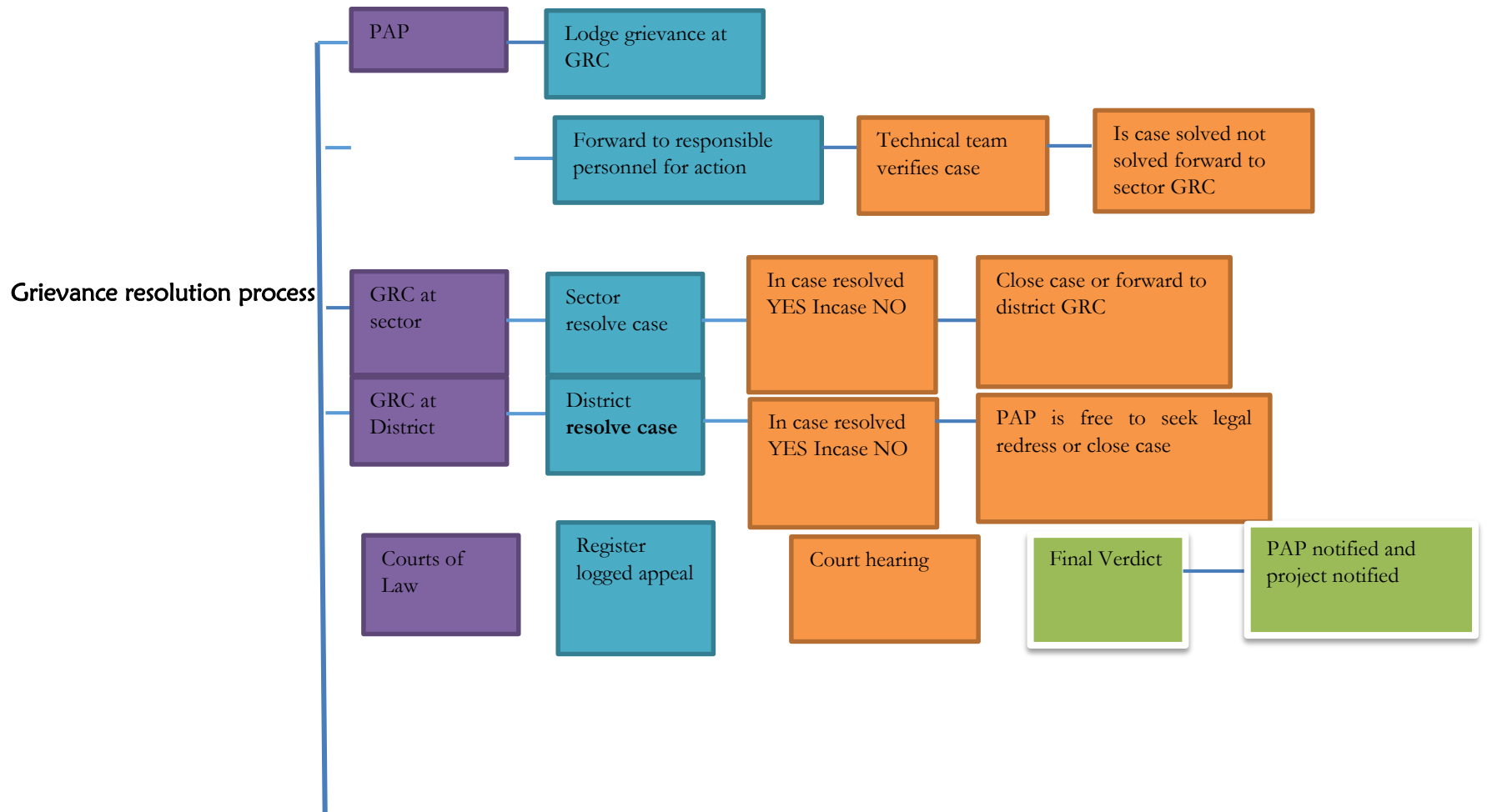
The proposed GRC at the site-specific level will be chaired by village representative and will be composed by of representative from Site Developer, Workers' representative, village representatives.

- ✚ Site developer representative
- ✚ Workers' representative (subproject)
- ✚ Village representative
- ✚ Women representative
- ✚ Youth representative

5.3.7. The Grievance Database Management

A database will be established and will be updated weekly by the Project Liaison Officer. The database will be designed to make it easy to track individual grievances, giving each grievance a reference number and will show deadlines for progress on grievance communications and resolution. The grievance database will specify the actions for each grievance and the status of the grievances. Where it has not been possible to resolve grievances to the satisfaction of both parties, this will be specified in the database and unresolved grievances assessed during third party monitoring.

Figure 5: Grievance Resolution Process



5.4. Complaint's resolution procedures

Complaints may emerge from the project site level and the site specific GRC shall timely address them during project implementation without retribution. The FONERWA and BRD's committees may handle unresolved grievances from borrowers' level.

The resolution of grievances or complaints arising from a given financed business will follow the procedures below:

- **Step 1: *Reception and records of grievances, complaints, or concerns***

Each member of GRC may receive any complaint associated with the business from dissatisfied parties and will send it to the GRC secretary for records and grievance filing. The grievances, including those that are verbally submitted, will be registered in the site log books by the site specific GRC secretary within 24 hours of submission. The acknowledgement of reception should be made to the complainant within two (2) working days from the submission date. The complaint sample form is reflected in (Annex 9).

Grievances may be submitted to the GRC through face-to-face meetings with project or contractor/consultants, local authorities or any other third party (ie: church leaders, civil society, farmers' organizations, etc), in writing, by telephone, email or verbally. Whoever receives any complaints, he/she may forward it to the concerned GRC secretary. The GRC office will be availed, and contacts of the secretary and chairperson will be publicized at the site.

- **Step 2: *Investigation/enquiry on received and recorded grievances***

The GRC will investigate the details and grounds for the received grievance with the assistance from the participating District and lead agency if required. Additional support or information may be collected from any other sources to clarify the cause and effects of grievance, its level of urgency or severity and its relationship to a specific project. Sites visits and meetings may be needed to determine the significance of the grievances and options for appropriate responses or resolutions.

At this stage of grievance management, FONERWA and BRD could organize monitoring visits to see if the process of investigation is inclusive and bias-free.

- **Step 3: *Resolving and responding to the complaint***

After investigation, all grievances will be settled and responded to by the GRC chairman (or his representative) directly to the Complainant within maximum 2 weeks (15 days) after the reception of the complaints.

If additional time is needed, the complainant will be communicated of this in advance. Any other representatives that may be required by either the GRC or the Complainant to be present to provide input to developing an appropriate response or resolution will be invited by the GRC.

If an agreement is not reached between the Complainant and the GRC, the grievance will be escalated to the next level of authority (FONERWA or BRD) for review and a final decision. If necessary, further action will be taken to resolve the issue. The site level committee must sort out all complaints received from project site level and may only escalate to FONERWA or BRD all

unresolved issues for further action. If the grievance persists and remains unresolved at FONERWA or BRD level, the dissatisfied party can refer the matter to the competent court.

Local courts should be used. If not resolved, then the high court or court of appeal of Rwanda remains an avenue for voicing and resolving these complaints.

- **Step 4: Monitoring, Closure and reporting**

Monitoring and evaluation

All complaints received will be entered into a logbook to allow their tracking and monitoring with minimum details. The monitoring will be done by the project lead agency (FONERWA/BRD) through its Safeguard team/ focal person.

The monitoring information will include the following data organized by type and location:

- Number and type of complaints received;
- Number and percentage of complaints that have reached agreement;
- Number and percentage of complaints that have been resolved;
- Number and percentage of complaints that have gone to mediation;
- Number and percentage of complaints that are unresolved.

Closure

The grievances are usually closed out when no further action can be or needs to be taken. The closure status can be recorded as resolved (when the decision is agreed on by all parties), unresolved (when no agreed decision was taken, and the case was authorized for close out or abandoned (when a complainant is not available and attempts to contact him were not successful for more than 3 months). FONERWA and BRD through the support of the Grievance Redress Officer and E&S Specialists, shall ensure that the GRC closes out all received and assessed complaints for which the aggrieved party is satisfied with the decision taken and has signed on the agreement as confirmation.

Reporting

FONERWA and BRD Safeguard team will receive and review reports from direct financing activities on monthly basis to evaluate the functionality of the system as well as to note the following: (i) failures to follow GRM procedures, (ii) Delays in complaint resolution, particularly those that can affect project implementation timeframe, (iii) most frequent types of grievances and complaints, (iv) Location(s) producing the most grievances and complaints. The safeguard team will also review the performance of the GRM and make recommendations for improving the process where necessary.

FONERWA and BRD E&S Specialists will review submitted grievance reports from GRCs and prepare a compiled report to be submitted to AfDB management on a quarterly basis. The report will include information on (i) Number of grievances/complaints and concerns received in the last period and their status (i.e., those resolved and closed; unresolved and closed; unresolved and not

closed), (ii) Details for grievances that have not been resolved or closed within the stipulated period, including reasons for proposed resolutions that have not been acceptable to the aggrieved person, (iii) Comments received from Local Government, or community members on the grievance resolution process and (iv) grievances/complaints with the potential to affect the project implementation schedule.

5.5. Internal and External communication

Internal and external communication are very important resources of corporate communication. Internally, FONERWA and BRD commit to integrate E&S aspects into their core operations and communicate them within through trainings to make sure that compliance of set procedures is effectively achieved in all its operations. Externally, FONERWA and BRD build trust among clients and partners/donors through (i) capacity building to direct borrowers, community workers involved in FONERWA/BRD financed projects. Awareness on E&S requirements and compliance are provided through training, awareness meetings, regular monitoring, and coaching; (ii) public consultation and information sharing, (iii) setting up mechanisms for audiences' understanding as well as disclosing safeguard instruments on FONERWA and BRD website for public awareness and transparency.

6. Monitoring, Reporting and Review of ESMS

6.1. Introduction

The RGIF will monitor the environmental and social performance of the project in accordance with the requirements of the legal agreement, including the ESIA/ESMP and will review any revision of the ESMP including changes resulting from adjustment in the design of a project or project circumstances. The extent and mode of Bank monitoring with respect to environmental and social performance will be proportionate to the potential environmental and social risks and impacts of the project.

The RGIF shall therefore apply its E&S Policy through its investment screening and due diligence; application of Portfolio Management/Technical Assistance; and subsequent reporting to stakeholders. The monitoring will be a continuous process that allows 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 RGIF Project team (FONERWA for PPF and BRD for Credit Facility) will review the M&E progress updates on project site visit, through periodic reports and verify site visit findings with the presented M&E reports submitted by the project implementors/agents. The monitoring of the ESMP implementation must be guided by agreed checklist templates designed according to agreed indicators. The Fund Manager of RGIF will also ensure that during the whole investment cycle:

- The E&S Policy and systems are kept up to date;
- The Fund has set up an External Communication Mechanism in line with the requirements of operational safeguards; and
- The investment team will receive adequate E&S risk management training.

The Fund's Investment Policy outlines the approach for the Fund's monitoring and reporting. This section outlines those areas most relevant to the E&S Policy. Monitoring and reporting refer to measurement of E&S risk and impact for portfolio companies on an ongoing basis.

6.2. Review schedule of the ESMS

An effective E&S management system is dynamic, responsive to changing circumstances, and continuously improved through interaction and feedback. The Fund and its Fund Manager commit to soliciting feedback annually from internal and advisory stakeholders, investors, and external experts before or during Board meetings about the perception of the Fund's E&S performance.

Similarly, the Fund will survey investees, end -beneficiaries, and impacted communities (where relevant) each year to understand areas of success as well as concerns that have not been addressed. Feedback from these two sources will then be reviewed by the Fund Manager's senior team, and revisions will be made to the Fund ESMS to improve future performance both for investees already part of the portfolio, and for future investees. If severe incidents or breaches of E&S Policy occur,

the Fund Manager commits to making rapid changes to the ESMS, including to future due diligence procedures.

This ESMS will be reviewed based on the fund Management Review meetings, where the top management review's the current performance and improvement opportunities arising from the results of internal audits, customer Grievance Mechanism feedback, process performance/trends, conformance, the status of corrective and preventive actions and follow up items from previous meetings.

As a minimum, the management review process will include the following topics:

- Status of previous action items;
- Changes in supported projects
 - External and internal changes;
 - Compliance obligations;
 - Significant environmental/social aspects and safety hazards; and
 - Interested parties/community need and expectations
- EHS performance review:
 - EHS objectives;
 - Monitoring, measurements and audit results;
 - Non-compliance and corrective actions trends;
 - Progress on action plans;
 - Grievances;
 - Compliance (legal) results;
 - Incidents and close outs; and
 - Performance of contractors, service providers and suppliers.
- Adequacy of the EHS resources;
 - Risks and opportunities; and
 - Opportunities for continual improvements.

The outcome of the management system reviews results in the creation of corrective action plans and in decisions being made. This will enable RGIF to consider opportunities for improvement or changes to be made to the ESMS.

These changes will enhance the effectiveness of the ESMS, result in the generation of new procedures, lead to improvement of its E&S performances and the identification of resource needs. RGIF will strive to ensure the continual improvement of its E&S performance during the life cycle of the financed Projects. The continual improvement process will be driven through the management review, and performance evaluation processes.

6.3. Environment and Social Audit

REMA, 2009 defines Environmental audit as a management tool for evaluation of how well Environmental and Social Management System(ESMS) are performing with the aim of preventing

environmental damage; assessing compliance with regulatory requirements; facilitating control of environmental practices by a company/enterprise or facility management; and placing environmental information in the public domain.

The E&S audit will be done once every two years and will be conducted using various methods and sources, including project documentation, supervision reports, site inspections, interviews, review of Grievance logs and onsite observation and assessment and public consultations with key stakeholders (project officials, BRD and FONERWA personnel, community representatives) using a structured audit questionnaire and an Audit report will be provided. Some of these methods are further described below:

- ✚ Document Review: Present Environmental Legislation including Policies, Laws, Standards and Regulations which relate to the implementation of the supported RGIF project and its operation will be reviewed to determine status of compliance and advice will be given accordingly.
- ✚ Consultations with stakeholders - Consultative meetings will be held with relevant stakeholders and regulatory institutions to facilitate public participation in assessing compliance of the project with the RGIF requirements. Stakeholders consulted will be selected based on their direct roles, technical expertise and responsibility in ensuring the implementation of the RGIF supported project and activities and review how the projects implementation comply with environmental, social, physical planning and other requirements of the district, Sectors; and meet the regulatory requirements and procedures of the Country at large.
- ✚ Quantitative and qualitative methods - methods such as direct observation and photography, focus group discussions, measurements, the efficacy of current environmental practices and systems in place, and the level of compliance of the project with the environmental and social legal tenure, laws, regulations and standards.

6.3.1. External and Independent E&S audit and Monitoring

RGIF will engage after year 2 an independent consulting firm to conduct external and independent audit and monitoring of the RGIF implementation progress. The Environmental and Social Audit will be performed after the second year and the following will be assessed:

- ✚ Requirements set up in this ESMS, ESIA/ESMP, National EIA certificate and agreed Monitoring indicators and agreed performance indicators;
- ✚ Review grievances and level of attention and resolution;
- ✚ Rate of Accidents, GBV, etc and actions taken;
- ✚ Documentation and development of a culture of safety and accountability at the district, participating environmental and social management units, etc;
- ✚ Application of national regulations in OHS, ESIA, Labour, and
- ✚ Stakeholder access to information.

Before the chapter on disclosure procedure, add a subtopic on E&S reporting and include specifically how E&S reporting shall be done on the following levels:

1. Fund level (by BRD & FONERWA) to AfDB and other donors -frequency – Quarterly and annually
2. Project level - by grantees and projects – monthly, quarterly, and annually
3. Incident and accident reporting - first notification, Root cause analysis and progress reports

6.4. Monitoring, incident management and reporting arrangements

6.4.1. Incident notification and reporting

Within three days of occurrence, borrowers or project implementors/owners should notify BRD/FONERWA/PFIs of any environmental, health and safety or security incident, accident or circumstance having, or which could reasonably be expected to have any material impact on compliance of applicable E&S requirements.

The financing implementers will ensure that all E&S incidents are appropriately documented, the relevant parties are notified and reporting requirements around the incident are met.

Once unforeseen events take place or when a possibility of a potential emergency is suspected in a given area, any community member or site workers shall immediately report the situation to the Site Contractor/Business owner during implementation phase. The provided information is evaluated at site level and could be escalated to the PFIs (Commercial Bank), BRD or FONERWA based on the severity of the incident or identified risks within 48 hours.

Major remedial actions may be taken by sites managers, PFI or BRD/FONERWA team depending upon the nature and extent of the incident. Momentary incidents (wounds, biting, electrical shock, etc) may be handled by sites managers (contractors/ supervisors, client, and end users) and reported to higher authorities while decisions for significant incidents shall be taken at higher level (PFI, BRD, FONERWA).

Field verification by concerned institutions such as FONERWA and may be required before a decision is taken. Implementing agencies, including participating Development Financial Institutions must be fully informed of any change or status of an incident affecting the reported condition of the emergency and decision making should be inclusive.

6.4.2. Compliance Monitoring report

The purpose of the compliance monitoring is to ensure that the contractor/client effectively implements the mitigation measures proposed in the ESMP. This monitoring exercise will generally be commissioned by the PIU with the help of checklists to be prepared on the basis of the Mitigation Plan.

This report as indicated above will follow the following format:

Project name	
Reporting Institution	
Reporting period	
Agency being reported to	FONERWA BRD RGIF
Project proposed mitigation measures	
Project gaps in implementing proposed mitigation measures	
Proposed corrective action plan	
Next monitoring visit schedule	

Monitoring visits will be carried out on a quarterly basis by PFIs, BRD and FONERWA and field visit findings will be consolidated in a report that will be shared to participating funders once every quarter to provide clarity on the status of financed projects.

6.4.3. E&S reporting arrangements

E&S reporting should be done from project site level to the fund level where BRD and FONERWA report to AfDB and other fund providers. The E&S reports will be mainly composed of incident reports, status report on grievance management and the performance level of implementing proposed E&S mitigation measures per approved projects.

E&S progress reports will be shared to AfDB on quarterly basis and the annual report containing a consolidation of all E&S activities status will be prepared by BRD and FONERWA once every year and shared to all applicable fund providers associated to RGIF.

To ensure an effective reporting from project site level, all financed projects will be required to nominate a focal point in charge of E&S aspects and this condition will be mainstreamed in their loan contract to enforce the E&S reporting requirement and effective implementation of E&S mitigation measures.

6.5. Disclosure procedure

All the Multilateral Development Banks (MDBs) recognize the importance of sharing information about their operations and activities with their development partners and population groups who are directly or indirectly affected by financed projects' operations and activities. The main objective of this information sharing is to enhance transparency and accountability, to encourage public support and active participation as well as scaling-up efforts to improve development effectiveness of MDBs' projects and programmes.

RGIF will adopt the AfDB disclosure policy as an important enabler toward development effectiveness and partnership goals. It has been shown that there is a direct relationship between the implementation of the Information Disclosure Policy and the ability and willingness of the public to be engaged in funding activities.

In this regard, the developed RGIF ESMS as well as the principles, procedures and practices outlined below will be disclosed for public awareness and participation:

- ✚ Information concerning the RGIF financed programs and its activities will be made available to the public in the absence of a compelling reason not to do so. The same is expected for the individually financed projects;
- ✚ Public access to information on all RGIF activities will be through the facility website, with the latter being the main medium of access for project documents;
- ✚ The Borrower shall give public notification and make the draft ESIA Report available at a public place readily accessible to project stakeholders as soon as the document is ready;
- ✚ The report shall be accompanied by the response prepared to previous public consultations. In addition, a non-technical executive summary shall be proactively disseminated to local stakeholders in local language as appropriate.

7. Annexes

Annex 1: Investment Exclusion List

At all times, the Fund Manager shall ensure that the Fund does not provide funding or other support to any Clients that engage (or support other institutions involved) in any of the following activities:

- ✚ Production or activities involving harmful or exploitative forms of forced labour, or harmful child labour, or practices that are discriminatory or prevent employees from freely exercising their right to association and collective bargaining.
- ✚ Production or trade in any product or activity deemed illegal under host country laws or regulations or ratified international conventions and agreements.
- ✚ Production or trade in radioactive materials.
- ✚ Production or trade in wood or other forestry products from forests that lack sustainable management.
- ✚ Plantation projects that would require the removal of existing non -degraded natural forest.
- ✚ Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
- ✚ Activities which may affect adversely sites of cultural or archaeological significance.
- ✚ Production or trade in products containing polychlorinated biphenyls (PCBs).
- ✚ Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
- ✚ Transboundary trade in waste or waste products, except for non -hazardous waste destined for recycling.
- ✚ Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.
- ✚ Energy generation using nuclear or thermal fuel sources, including hybrid production where more than 50% of energy production (on a MWh basis) will be generated from thermal fuels

Annex 2: Roles and responsibilities of various departments in ensuring environmental and social safeguards within BRD.

Executive Committee

BRD's Executive Committee undertakes the following roles:

- Reviews and provides final sign off on the ESMF to ensure that it is integrated as part of BRD's standard operating procedures.
- Submits to external stakeholder's annual reports on the social and environmental performance of BRD's financial performance

Credit Risk Committee

The Credit Risk Committee:

- Reviews the Evaluation Note and provide a recommendation for approval or rejection to the Management Committee;
- Reviews the ESMF annually or as issues arise that require immediate revision of the procedures;
- Notifies Senior Management of adverse incidents and accidents (depending on the severity); and,
- Reviews annual social and environmental performance reports prior to submitting it to Senior Management for final approval.

Division of Risk Management and Compliance

The Division of Risk Management and Compliance:

- Is responsible for overall oversight of the ESMF;
- Reports to the Credit Risk Committee on matters relating to the social and environmental risks associated with projects;
- Periodically reviews and update the ESMF to ensure that social and environmental impacts and risks are properly managed;
- Ensures that sufficient internal resources are allocated to allow for the effective implementation of the ESMF; and,
- Notifies external stakeholders of changes in the staff designated to manage the implementation of the ESMF.
- Tracks any changes in the Rwandan regulatory framework that pertain to the environment, land use, labor health and safety issues, indigenous people and cultural artefact;

BRD E&S Safeguard Specialists

E&S Safeguard Specialists based distinctly in the Business Development and Risk Management and Compliance Division:

- Assist with the day-to-day implementation of the ESMF to ensure that these procedures are integrated in the BRD's credit risks procedures;
- Serve as a focal point for information on social and environmental best practices relevant to BRD's investment activities;
- Ensure that internal briefings on emerging social and environmental issues are provided to staff as necessary;
- Periodically monitor BRD staff (in particular Analysts) to identify potential difficulties encountered in the implementation of the ESMF;
- Ensure that updated electronic and hard copies of the ESMF are available to all BRD staff;
- Carry E&S due diligence at Participating Financial Institution (PFI) for E&S competency assessment;
- Tracks changes in the social and environmental regulatory framework; and,

- prepare annual social and environmental performance reports.

Business/risk Division

- Oversees the social and environmental due diligence process, especially with regards to compliance with applicable Rwandan laws;
- Supervises additional social and environmental due diligence conducted for certain complex Medium Risk (Category B) projects, to ensure that it meets, as applicable, the requirements set in international best practice guidelines; (Category A projects are not eligible under the RGIF) and,
- Reviews Evaluation Notes to ensure completeness prior to submitting to Risk Management Division.
- Conducts appraisals of all projects, comprising screening against BRD's exclusion list, technical review and site visit (including social and environmental aspects), risk categorization, social and environmental due diligence (including identification of corrective action and recommendation of monitoring frequency);
- Conducts monitoring of all projects, comprising a regular site visit (including review of social and environmental performance and identification of corrective actions); and,
- Promptly notifies Investments Departments of any fact or situation that is likely to result in non-compliance with applicable social and environmental requirements.

Credit Administration Department

- Undertakes Ongoing monitoring of all projects that are being implemented or that are in operation;
- Reviews the social, environmental, and financial performance of all projects and prepare periodic reports on BRD's portfolio for the Risk Management Division;
- Follows up with clients if additional measures for corrective action are necessary, based on a review of risk and recommendations from the Risk Management Department;
- Ensures that the Evaluation Note is updated with monitoring information throughout the duration of the investment;
- Reviews the social and environmental performance of all projects and prepares periodic reports on BRD's portfolio for the Risk Management and Compliance Department; and,
- Immediately follows up with clients when BRD becomes aware of any accidents or incidents, or when clients report directly to BRD on any such events, and inform the Risk Committee.

Credit Risk Analysts/Officers

- Reviews the findings and social and environmental risk assessment provided in the Evaluation Note;
- Requests additional information to determine if the environmental risk category, social and environmental risk assessment or proposed corrective actions are satisfactory or need to be revised;

- Revises the risk category of a project if it has the potential to negatively affect environmentally sensitive areas or socially sensitive issues;
- Reviews periodic reports from the Monitoring Unit on the social, environmental, and financial performance of all projects; and,
- Evaluate project performance (especially if High Risk (Category A)) and recommend additional measures for corrective action, as necessary, to the Monitoring Unit.

Legal Unit

- Ensures that all legal agreements contain appropriate covenants to comply with BRD's social and environmental policy and applicable social and environmental requirements as set out in the ESMF.

Annex 3: Frameworks of Tools/Templates Required for FONERWA' funded Projects

Key Information to be included in the Project Brief

Key information that should appear in the project brief to be submitted to FONERWA and RDB, include:

- ✓ Name, title and address of the developer ^[SEP]
- ✓ Name, purpose, objectives and nature of project including attributes such as project size, design, planned activities, what are the likely sources of funds (whether conformed or not), the type of funding (whether local or foreign, grants or credit), and the local contribution (including the beneficiary communities especially if a local road); ^[SEP]
- ✓ The type/ category of project to be developed
- ✓ The activities of the project (whether international, national, regional or local (within district); and of what economic or social importance;
- ✓ A description of the spatial dimensions including length or surface and location
- ✓ Where the materials for construction will be sourced from- e.g. excavation of materials (soil/ earth, rock, stones, sand ...) from within what distance;
- ✓ Names and addresses of owners of land or property thereof where the project will be located (and for road, where it will pass) and/ or where construction materials will be extracted.
- ✓ Numbers and if possible, Names and exact addresses of all parties who are likely to be affected by the project and the scale of effect. Provide information about land tenure/ownership of the area affected (including those with and without title deeds) and whether public, institutional or individual private ownership;
- ✓ Description of the biophysical characteristics (including all species of flora, fauna) and legal status of the areas where the proposed infrastructure will be located. Indicate where there are physical or natural barriers like escarpments, Rocky Mountains, rivers, natural forests,

permanent swamps. A map (may be a sketch not to exact scale) of where the proposed project will be located and shade the areas likely to be affected;

- ✓ Description of the social, cultural and economic activities of the areas where the proposed project will be constructed or will pass if it is a road (including cultural sites, social investments like schools, human settlements, burial sites/ memorial grounds,...) economic activities like markets, commercial centres, industries or large scale commercial farms and/ or forest plantations; and other surface and aerial infrastructures like airfields, electricity and telecommunication lines, water supply and/ or sewage pipes;
- ✓ Describe possible alternative sites/ routes considered for the same project and the comparative scores in terms of economic and financial viability, technical feasibility, social acceptability and/ ecological/ environmental sustainability,
- ✓ Overview of the governance arrangements including local administrative structures, policies strategies and plans of Government regarding land and natural resources management, infrastructure development, urban and rural development, conflict management;
- ✓ Opinions of local leaders and other opinion leaders if preliminary consultations have been made or better still when and how the District plans to do it;
- ✓ Full contacts of the person responsible for the project (on behalf of the proponent: This is because ESIA work involves decision making and accountability and there must be some specific and known person (or designate) to be held accountable.

Annex 4: Project Climate, Environmental and Social Screening Form (PCESSF)

#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
I) Climate Resilience				
1	Is the project located in an area prone to natural hazards ? <i>Examples: earthquakes, landslides, volcanic activity, floods, extreme temperatures, drought, wildfires, storms/wave surges, disease epidemics and pest outbreaks</i>			To be assessed in ESIA.
2	Have similar projects in this area experienced impacts as a result of natural hazards?			To be assessed in ESIA.
3	Is the project located in an area experiencing or susceptible to complex emergencies ? <i>Examples: humanitarian crisis, food insecurity, epidemics; conflicts and displaced populations</i>			To be assessed in ESIA.
4	Have similar projects in this area experienced impacts as a result of complex emergencies?			To be assessed in ESIA.
5	Is resilience-building or disaster risk reduction a significant focus of the project you are designing/developing/implementing?			To be assessed in ESIA.
6	Will the project negatively local, national or international climate change by emitting greenhouse gas or other CC risk factors?			To be assessed in ESIA.
7	Will the project potentially affect local, national or international climate by measures that reduce climate change (CC) risk factors?			To be assessed in ESIA.

#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
8	Will the project support local (community and/or District) or national Rwandan goals for adaptation to climate change and/or other CC risk factors?			To be assessed in ESIA.
II) Environmentally Sensitive and Protected Areas				
9	Is the Project site affecting a gazetted forest)?			To be assessed in ESIA.
10	Are there surface water recourses or natural springs at the Project site?			To be assessed in ESIA.
11	Do wetlands (lakes, rivers, swamp, seasonally inundated areas) exist at the Project site?			To be assessed in ESIA.
12	Is there any habitat of endangered/vulnerable/ threatened species for which protection is required under Rwanda national law/local law and/or international agreements at the Project site?			To be assessed in ESIA.
13	Is there any protected area, nationally or internationally (national park, national reserve, world heritage site etc.) at the Project site or in its immediate surrounding?			To be assessed in ESIA.
III) Biodiversity and Natural Resources				
14	Would the proposed project pose a risk of introducing invasive alien species?			To be assessed in ESIA.
15	Does the project involve extraction, diversion or containment of surface or ground water that could cause depletion of water sources?			To be assessed in ESIA.
16	Does the project pose a risk of degrading soils?			To be assessed in ESIA.

#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
IV) Wastes and Pollution				
17	Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts?			To be assessed in ESIA.
18	Is there a potential for the release to the environment of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?			To be assessed in ESIA.
19	Will the proposed project involve the application of pesticides and fertilizers that have a known negative effect on the environment or human health?			To be assessed in ESIA.
V) Geology, Soils and Climate change				
20	Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?			To be assessed in ESIA.
21	Is there a possibility that the project will adversely affect the aesthetic attractiveness of the local landscape?			To be assessed in ESIA.
VI) Historical, Archaeological or Cultural Heritage Sites				
22	Based on available sources, consultation with local authorities, local knowledge and/or observations, could the project alter any historical, archaeological, cultural heritage traditional (sacred, ritual area) site?			To be assessed in ESIA.

#	Aspect	Status (Yes/No/Unknown)	Comments/Justification	If Yes or Unknown, suggestion for specific studies
23	Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles?			To be assessed in ESIA.
24	Would the proposed project produce a physical “splintering” of a community?			To be assessed in ESIA.
VII) Land, Property and Social Setting				
25	Will the project result in the permanent or temporary loss of crops, fruit trees and household infrastructure (such as granaries, outside toilets and kitchens, livestock shed etc.)?			Assessment of impacts in EIA and potentially Abbreviated Resettlement Action Plan
26	Is the proposed project likely to affect land tenure arrangements and/or traditional cultural ownership patterns?			Assessment of impacts in EIA and potentially Abbreviated Resettlement Action Plan
27	Would the proposed project result in land acquisition and/or resettlement of populations (more than 20% of land owned by one person and negative effect on economic viability of the land)?			Abbreviated Resettlement Action Plan
28	Is the project likely to result in influx of people into the affected community (ies)?			To be assessed in EIA.
VIII) Cumulative Impacts				
29	Is there any other project or potential project nearby likely to be affected or to affect this project?			To be assessed in EIA.

Annex 5: Project Categorization

Based on the above information, the indicated colours for each risk / impact will trigger categorisation of projects as indicated in the table below:

Color Code	Risk level	Result for studies needed
	<p>All questions above are answered with “No”</p> <p>Impact risk level One- Low risk (Category C projects by World Bank standards): Minimal or no adverse environmental or social risks and/or impacts.</p>	No ESIA or ESMP needs to be prepared.
	<p>Only orange-colored questions are answered with “Yes” or “Unknown”</p> <p>Impact risk level two- Moderate risk (Category B Projects by World Bank standards): 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.</p>	<p>ESIA (partial) to be prepared on a case-by-case basis.</p> <p>Robust ESMP required.</p>
	<p>At least one of the red-colored questions is answered with “Yes” or “Unknown”</p> <p>Impact risk level three- High risk (Category A projects by World Bank standards): Potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented</p>	Full ESIA and ESMP need to be prepared. Potentially ARAP or equivalent document needed.

Annex 6: Template of ESIA ToRs

I. General Background Information:

I.1. Description of the pertinent background issues: This should include a brief description of the major components of the proposed project, a statement of the need for the project, the objectives it is intended to meet, the implementing agency, a brief history of the project (including alternatives considered), its status and timetable, and a list any associated projects. If there are other projects in progress or planned within the region that may compete for the same resources, they should also be identified here.

I.2. Objectives: Summarize the general scope of the environmental assessment and discuss its timing in relation to the project preparation, design, and execution processes.

I.3. Study Area: Specify the boundaries of the study area for the assessment (e.g., water catchment area and land use), as well as any adjacent or remote areas that should be considered with respect to specific impacts (temporary infrastructure). The project could have different study areas corresponding to the level of impact.

I.4. Scope of Work: Define the tasks. In some cases, the tasks to be carried out by a consultant will be known with sufficient certainty to be specified completely in the terms of reference. In other cases, specialised field studies or modelling activities will need to be performed to assess impacts.

II. Description of the Proposed Project: Provide a brief description of the relevant parts of the project using maps of appropriate scale where necessary and include the following information: Project justification; Location; General layout, size, and capacity; Pre-construction activities; Construction activities; Schedule of activities; Staffing and support; Facilities and services; Operation and maintenance activities; Required offsite investments and Life span.

[Note: specify any other type of information relevant to the description of the project category.]

III. Description of the Environment

Assemble, evaluate, and present baseline data on the relevant environmental characteristics of the study area. Include information on any changes anticipated before the project commences. Modify the list below to show critical project information (e.g., information relevant to the project category and other project-specific information). Avoid compiling irrelevant data. Present environmental characteristics of the study area on a map to facilitate the understanding.

III.1. Physical environment: geology; topography; soils; climate and meteorology; ambient air quality; surface and groundwater hydrology; coastal and oceanic parameters; existing sources of air emissions; existing water pollution discharges; and receiving water quality.

III.2. Biological environment: flora; fauna; rare or endangered species; ecologically important or sensitive habitats, including parks or reserves, and significant natural sites; species of commercial importance; and species with potential to become nuisances, vectors, or dangerous (of project site and potential area of influence of the project).

III.3. Socio-cultural environment: population; land use; planned development activities; community structure; employment; distribution of income, goods and services; recreation; public health; cultural/ historic properties and customs, aspirations and attitudes.

IV. Description and Analysis of the legislative and regulatory framework and issues: Describe the pertinent regulations and standards at international, national, regional and local levels that govern environmental quality, health and safety, protection of sensitive areas, protection of endangered species, site, and land use control. ToRs should specify those that are known and should require the consultant to investigate for others. Then review and analyse relevant laws, regulations and guidelines that govern the conduct of the assessment or specify the content of the report, including international treaties, national laws and/ or regulations and/ or guidelines on environmental reviews and impact assessments.

V. Determination of the Potential Impacts of the Proposed Project: Distinguish between positive and negative impacts, direct and indirect impacts, and immediate and long-term impacts. Identify impacts that are unavoidable or irreversible. Wherever possible, describe impacts quantitatively, in terms of the affected environmental components (e.g., area, number) and environmental costs and benefits. Assign economic values when feasible. Characterise the extent and quality of available data, explaining significant information deficiencies and any uncertainties associated with the predicted impacts. If possible, develop ToRs to conduct research to obtain the missing information. Identify the types of special studies likely to be needed for this project category.

The engineering plans should reflect “best practice” in alignment and construction to ensure that potential negative Climate, environmental and social impacts are minimized (e.g., through measures to prevent soil erosion risk, ensure proper drainage, and provide for waste disposal, landfill material and used oil, etc.).

VI. Analyse the Alternatives to the Proposed Project: Describe alternatives that were examined in the course of developing the proposed project and identify other alternatives, which would achieve the same objectives. The concept of alternatives extends to site, design, technology selection, construction techniques and phasing, and operating and maintenance procedures taking in consideration project climate change aspects.

Compare alternatives in terms of potential environmental impacts; capital and operating costs; suitability under local conditions; and institutional, training, and monitoring requirements. When describing the impacts, indicate which are irreversible or unavoidable and which can be mitigated. Try to quantify the costs and benefits of each alternative, incorporating the estimated costs of any associated mitigating measures. Include the 'no project' alternative to demonstrate environmental conditions without the project.

VII. Develop the Management Plan to Mitigate Negative Impacts: The Environmental Management Plan focuses on three generic areas: mitigation measures, institutional strengthening and training, and monitoring. The emphasis on each of these areas depends on the context- specific project needs.

Mitigation of environmental impact: Recommend feasible and cost-effective measures to prevent or reduce significant negative impacts to acceptable levels. Quantify the impacts and estimate the costs of the mitigation measures.

Consider compensation to affected parties for impacts that 'cannot be mitigated. The plan should include proposed work programs, budget estimates, schedules, staffing and training requirements, and other necessary support services to implement the mitigation measures.

Institutional strengthening and training: Identify institutional needs to implement environmental assessment recommendations. Review the authority and capability of institutions at local, provincial, regional, and national levels and recommend how to strengthen the capacity to implement the environmental management and monitoring plans. The recommendations may cover such diverse topics as new laws and regulations, new agencies or agency functions, inter-sectoral arrangements, management procedures, training, staffing, operation and maintenance training, budgeting, and financial support.

Monitoring: Prepare detailed arrangements to monitor the implementation of mitigation measures and the impacts of the project during construction and operation. Include in the plan an estimate of capital and operating costs and a description of other required inputs (e.g., training and institutional strengthening).

VIII. Organise and facilitate public consultations, in accordance with the provisions of the General ESIA guidelines and other attendant legislation

IX. Prepare the ESIA Report: The ESIA report should be concise and limited to significant environmental issues. The main text should focus on findings, conclusions, and recommended actions supported by summaries of the data collected and citations for any references used in interpreting data. Detailed data should be presented in appendices or in a separate volume.

The ESIA report according to the outline below:

- a) Executive Summary;
- b) Introduction Policy,
- c) Legal, and Administrative Framework;
- d) Description of the Proposed Project;
- e) Description of the existing Environment;
- f) Significant Environmental Impacts and Mitigation Measures;
- g) Analysis of the Alternatives;
- h) Emergency Plan;
- i) Environmental Management Plan (including Monitoring Plan);
- j) Conclusion and recommendation^[L]_{SEP};
- k) List of References;

- l) Appendices:
 - Terms of reference;
 - List of the ESIA team;
 - Records of Interagency and Public/NGO Communications;
 - Data and Unpublished Reference Documents.

Consulting Team: Identify the expertise to include on the ESIA team. Environmental assessment requires interdisciplinary analysis. Members of the team could consist of people with the following specializations: Environment, sociology, human geography; and/or terrestrial ecology, GIS Expert, etc.

Other Information: List data sources, project background reports and studies, relevant publications, and other items to which the consultant's attention should be directed.

Annex 7: Environmental and Social Management Plan (ESMP) Guidance

Why this ESMP Guidance document?

This document outlines the key elements of an Environmental and Social Management Plan (ESMP) capturing the typical Environmental and Social (E&S) impacts and associated mitigation measures that need to be considered at minimum in the context of potential RGIF funded project requiring ESIA/ESMP.

The content of this ESMP shall be guided and sourced from the Environmental and Social Impact Assessment (ESIA) process as required by Rwandan law and the FONERWA ESMF and RPF).

What is the intention of this ESMP Guidance document?

The intention of this ESMP Guidance is to assist the Project developers, responsible for a specific RGIF-funded project in avoiding/mitigating negative climate, E&S impacts during the planning, construction and operation phases of the project. The project developer will typically engage a construction contractor (Contractor) to undertake the construction works. Therefore, the contract between the project developer and Contractor should include the obligation of the Contractor to implement the ESMP during the project construction works.

Who needs to follow the ESMP?

The implementation of this ESMP will be a mandatory part of the construction contract so that the Contractor will be obliged to support preparation- and ensure implementation of the ESMP. The project developer will oversee and monitor the ESMP implementation and will have ultimate responsibility for it, both during construction and operation. The mitigation measures, responsibilities and monitoring requirements need to be further conveyed to any sub-contractors engaged by the Contractor. In the end every worker on the ground needs to be aware of the ESMP and his or her specific responsibilities under it.

How to use this ESMP Guidance document?

The project developer - together with the Contractor - shall use this document as guidance and amend it to the project specifications, characteristics and risks. Thus, this ESMP Template should not be used “as is” for a project but serves as a basis for a project-specific ESMP, commensurate with the relevant E&S risks and potential impacts of the project.

The main body of this guidance document serves as a template to be amended with project specific information on project description, roles and responsibilities, training requirements and stakeholder engagement approach. The text in italics and grey highlighted include instructions for the authors of the ESMP (project developer and contractor).

Each project has its own unique characteristics and some of the mentioned topics may not be relevant at all, while others may be highly acute and challenging to tackle. As such, this guidance should be applied in a prudent and realistic manner as appropriate on a case-by-case basis. In the event that any E&S issues appear to become critical, the project developer’s programme managers should seek for support by FONERWA for projects under the RGIF’s PPF, and BRD for projects under the RGIF’s Credit Facility.

The Template for the ESMP, subject to amendment for your Project, is provided below.

Environmental and Social Management Plan (ESMP)

<Project Name/ Location>

<Author>

<Date/ Version>

1. Introduction

The Project Developer (PD) *<Name of the PD>* is planning to construct a *<Name intervention, e.g. school, water distribution system etc.>* (“the Project”). The Project will be constructed at a site in *<Name of location/ village/ Sector/District>*. The construction activities will be executed by the construction contractor (Contractor) *<Name of the Contractor>* with the following sub-contractors: *<Name of the sub-contractors if known already>*.

The purpose of this Environmental and Social Management Plan (ESMP) is to provide a consolidated summary of all the Environmental and Social commitments relevant for the construction phase of the Project. The measures focus on environmental (such as air emissions, biodiversity and environmental contamination) and social aspects (such as the protection of human rights, communication with local stakeholders, safety of workers and communities). This ESMP also gives an overview about the E&S Management System that is being implemented to ensure

systematic and effective execution of these commitments, including roles and responsibilities between the PD and the Contractor.

The ESMP can be updated as the Project proceeds through detailed design and construction to reflect the results of discussions with stakeholders and to include details of any other E&S developments.

2. Project Description

Add here a description of the Project. This description should be based on:

- a. *Available documentation (e.g. the technical design, ESIA and other E&S reports, existing project descriptions, maps, aerial pictures) and*
- b. *Site visit(s) to the proposed project site to understand the overall site setting and to identify sensitive areas. Interviews should be conducted with persons present in the area (if any) to understand the land ownership and land use, locally available resources, potential constraints for the project, social/ cultural/ economic/ ecologic sensitivities etc.*

Under the headings below you find some topics that may be relevant for your Project. Please fill with Project specific information.

3. Project Context

- *Is it a greenfield (undeveloped land) or brownfield (previously developed land) development?*
- *How is the land ownership status? Who owns the land to be used for the Project? (including informal/traditional users and land title rights, conflicting land claims if any),*
- *How is the land currently used? (Agriculture, pasture, forest, no use, vacant)*
- *Provide a succinct description of environment/social baseline and known/potential sensitivities. Are there any protected areas or sites of cultural importance close by? Are there indigenous peoples living in the area? How far away is the closest house/ settlement?*
- *Are there other construction activities close by?*
- *What is the Project's Area of Influence which is the area where the Project itself and any associated infrastructure (e.g. water pipelines) are located. The Aoi should be presented in a map if feasible.*
- *Provide any further information relevant for the Project Context.*

4. Project Activities

- *Describe Type of Project, e.g. building (e.g. housing, school, market, health post, clinic), infrastructure (water pipeline, road, bridge), small irrigation dam, terracing, etc.*

- *Describe activities to be completed during preparation and construction, e.g. site levelling, excavation activities, demolition of existing buildings, use of heavy equipment, construction of access roads and power supply etc.*
- *Provide a map of the project design (technical drawings) if available.*
- *Explain duration of operation*

5. Stakeholders

- *Provide names of statutory entities/ authorities/ ministries involved with the Project.*
- *Describe other local stakeholders, e.g. current land owners/ users, communities adjacent to the Project site, local decision makers, opinion leaders (traditional or formal).*
- *Make reference to the Stakeholder Engagement Plan - SEP (see FONERWA ESMF)*

6. Roles and Responsibilities

Please provide further details around responsibilities within the PIA and the Contractor along the headings below.

7. Project Developer (PDe)

The PDe has the overall responsibility for E&S management during the construction and operation phase of the Project. This includes the following responsibilities:

- Ensuring compliance with all relevant national legislation, as well as with the environmental controls and mitigation measures contained in this ESMP.
- Ensure that the design and planning is in compliance with national requirements and aligned with international best practise (See Chapter 0)
- Monitoring the performance of contractors and sub-contractors used for providing workforce, supplies and services (see Monitoring provisions in Chapter 0, *Table 1*).
- Acting as point of contact for consultation and feedback to stakeholders and the public (stakeholder engagement).
- Training of construction workers to raise awareness in the fields of E&S topics and in general implementation of this ESMP.

Please provide further details around responsibilities within the PD. Who is responsible for implementation of this ESMP? Who is responsible for monitoring? Who is responsible for overseeing the Contractor performance with respect to E&S management and the implementation of this ESMP? Who is responsible during operation?

Include an organizational chart if available.

8. Contractors

The Contractor is required to fulfil the commitments as set out in this ESMP and also to ensure that its sub-contractors fulfil the ESMP. This includes the following:

- Conduct monitoring and on-site audits to verify implementation of the ESMP (see Monitoring provisions in Chapter 6.2, *Table 1*) and report on findings to the PIA.
- Communicate any environmental issues and incidents to the PIA immediately.
- Support the PIA with the training of the construction workers to raise awareness in the fields of E&S topics and in general implementation of this ESMP.

Please provide further details around responsibilities within the Contractor. Who is responsible for implementation of this ESMP? Who is responsible for monitoring? Who is responsible for overseeing the sub-Contractors performance with respect to E&S management and the implementation of this ESMP?

Include an organizational chart if available.

9. Other Entities

Counterparts (public authorities) if involved in the Project shall be informed on the ESMP and involved in its implementation. Also, responsibilities of these authorities shall be named.

10. Training

The Project developer (PDe) will provide an Induction Training to all its employees and Contractor personnel working on the Project before early works start. This Induction Training shall be conducted for all new workers, also if they join the construction site later during construction activities. The goal of the training is for PIA employees and Contractor personnel (including sub-contractors) to understand:

- The mitigation measures included in this ESMP and how it will be implemented on site including responsibilities;
- The sensitivities of the area (if any) in which the Project will be constructed and operated;
- Occupational Health and Safety (H&S) rules at the construction site (e.g. personal protective equipment, rules of conduct, first aid);
- The Project's Grievance Mechanism and the basic worker's rights (see 8 Core Labour Standards below);
- How to deal with enquiries/ questions/ grievances by the public/ local stakeholders;
- Interaction rules with the people living close to the construction site (Code of Conduct) and how to deal with unauthorised visitors to the site;
- How to deal with unforeseen incidents/ emergency situations;

- The roles and responsibilities within the PDe, the Contractors, sub-Contractors and workers with respect to environmental and social issues;

The PD keeps records of the training sessions. The training will be repeated as needed during the construction (and operation) activities.

The training should as a minimum include the above topics. Please amend the text as needed to add further topics to the induction training. After completing the Induction Training refresher trainings may be needed. It is in the responsibility of the PD and the Contractor to prepare a detailed training plan, especially for the construction workers.

11. Project Standards (National and International)

Please refer to the FONERWA ESMF, Volume-1 and include the named relevant standards here.

12. Stakeholder Engagement and Grievance Mechanism

The Project Developer (PDe) will ensure that the local communities are informed at an early stage about the planned Project, timelines, potential impacts and communication channels. The PDe will also seek for feedback from the communities about the Project. As part of its community liaison process, the PDe will apply the Grievance Mechanism as per the FOWERWA's ESMF&RPF to ensure that all stakeholder comments, suggestions and objections are captured and considered. It will allow the affected community and the workers to express their concerns and any complaints directly to the PDe. Contact details and information on the procedure, including grievance form, will be distributed to the local communities.

All comments and complaints will be investigated by the PDe and appropriate action taken as necessary. Records of all complaints and actions will be maintained on site.

13. Register of E&S Aspects

This section provides best practice measures usually to be applied for small and medium-scale buildings and infrastructure projects. Not all the aspects, impacts and mitigation measures outlined in the below text and Table 1 may be relevant for each project due to the regional context, the seasonality and project specifications. Deleting mitigation measures should, however, only be done with a thorough justification. Additional measures may be added as needed based on the ESIA process. Operational impacts are not included in the Table 1 below but may be relevant for specific project types, e.g. waste management facilities, wastewater treatment plants or small-scale hydropower plants. The ESMP always needs to cover both construction and operation phase and should always be based on the outcomes of the ESIA and further guidance provided FONERWA ESMF/ RPF.

14. Planning and Design

The Project will be planned and designed by the PDe with the following basic considerations:

- Avoid land acquisition of private land and displacement of persons.
- Avoid forests, protected areas or ecologically sensitive areas.

- Avoid culturally sensitive areas (e.g., places of worship, holy trees).
- Design the Project to:
 - Ensure that key/ routine maintenance and operations can be implemented by the community/beneficiaries.
 - Apply low-maintenance solutions in the design of buildings, e.g., based on other buildings of the same type in the region.
 - Account for proper ventilation and adequate resistance to severe weather or natural disasters.
 - If feasible, develop a maintenance plan with the beneficiaries of the building.
- Plan the Project to make use of local resources to avoid construction traffic and associated impacts to the communities.
- Plan the Project so as to minimize use of natural resources (material, water, land).
- Engage with the persons living in the area around the Project site (including neighbours, local decision makers) early in the planning process and throughout construction activities to inform them about the planned construction and also seek for their feedback around potential sensitivities (protected areas, places of worship, holy trees etc.). Site visits and discussions with the local population should be conducted throughout the design and planning phase. A grievance mechanism will be designed and established for workers and the public during the planning phase already.
- Hire unskilled workers and skilled workers, if available, from the local communities to encourage social growth and development in the region.
- Conduct Induction Training for workers as outlined in this ESMP before start of construction.
- Establish core E&S procedures already at the planning stage. This includes as a minimum:
 - Incident Reporting (fatal accidents, medical treatment cases; first aid cases; restricted work injuries; near misses; environmental events)
 - Grievance Mechanism (for workers and community)
 - Recruitment Procedure for the upcoming construction phase.
 - Training Procedures/ Training material as outlined above (Occupational H&S; Community H&S; environmental sensitivities)
 - Work site/ construction site risk assessment and corresponding Construction H&S Plan
- Manage operational impacts as needed and as identified during the ESIA study phase.

15. Construction

Topic/ Potential Impact	Mitigation, Management and Enhancement Measures	Means of Verification	Responsibility	Monitoring Procedure
A. General Requirements for ESHS Management				
1. Responsibilities and Liabilities	Ensure that all workers, suppliers and possible subcontractors are familiar and comply with the requirements and specifications of the ESHS and this ESMP.	Induction training performed and recorded. Contracts with Subcontractors and Suppliers	Contractor/PDe	Review of training records Review of Contracts to ensure that project requirements are included
	Adjust this ESMP to the specific project, define the frequency of the monitoring procedure and share it with PD and FONERWA Identify if further Management Plans have to be prepared.	Final project specific ESMP	Contractor/PDe	Review prior to finalization of project specific ESMP
4. Resources allocated to ESHS Management	Assign ESHS responsible and define the requirements and responsibilities. Responsible for contact with stakeholders (Relations officer or Community Liaison officer)	Final project specific ESMP Communicate with the relevant authorities the ESHS responsible.	Contractor/PDe	Review prior to finalization of project specific ESMP
6. Reporting	Reporting of progress and incidents, accidents, observations, near misses.	Final project specific ESMP Reporting protocol for ESHS incidents	Contractor/PDe	Review once prior to finalization of project specific ESMP
7. Code of Conduct	Establish a Code of Conduct taking into consideration legislation, safety rules, substance abuse, environmental sensitivity, communicable diseases,	Code of Conduct in place and rules shared with personnel	Contractor/PDe	Review of Code of Conduct Induction records Review of reported punishable or misconduct behaviours

	gender issues (sexual harassment), respect for local beliefs and customs, community interactions etc.			Review of grievance records
8.ESHS Training	Provide H&S Induction and Training and awareness to the workforce regarding H&S risks and mitigation measures (including indirect workers) tailored to project scope.	Training performed and recorded	Contractor/PDe	Review of training records

Annex 8: ESMP Monitoring Guidance

The Project Developer will implement an Environmental and Social Management Plan (ESMP) and will ensure that the ESMP will be adhered to by the Contractor and all subcontractors. To monitor the related commitments an ESMP Monitoring Table shall be used (see example below that can be transposed to Excel Sheet). The sheet can be amended as needed but should include as a minimum

- ESMP commitments
- Date of Inspection
- Findings/ Observations (potentially including a colour code red/orange/green)
- Defined Corrective Actions (if any)

The ESMP shall be monitored on a monthly basis by the Contractor and on a semi-annual (quarterly because the AfDB shall require quarterly and annual E&S reports) basis by the FONERWA Environmental and Social Safeguard Specialist for RGIF funded projects under the RGIF PPF, and by BRD Environmental and Social Safeguard Specialist for RGIF funded projects under the RGIF Credit Facility. This means that the responsible person for the ESMP implementation at the Contractor will do at least one site visit per month to the construction site with the ESMP commitments at hand. After each site visit the status of compliance with the ESMP commitments shall be noted down in the Excel Sheet, including corrective actions if any.

Main observations/ critical issues/ corrective actions shall be reported in the quarterly reports via the MEIS.

A final monitoring audit shall be conducted upon completion of construction activities and before hand-over of the contractor to the Project Developer.

Should any environmental or Health and Safety incidents be observed or reported by the construction workers, this shall be reported to the Project Developer.

Example for an ESMP Monitoring Table for RGIF funded projects

Topic/ Potential Impact	Mitigation, Management and Enhancement Measures	Means Verification	of Responsibility	Monitoring Procedure
Specific Requirements for ESHS Management				
B. Protection of the Environment and People				
10. Protection of adjacent areas	Restrict excavation activities during periods of intense rainfall. Use temporary bunding to reduce the risk of sediment, oil or chemical spills to the receiving waters.	No excavation during intense rainfall	Contractor/PDe	Check weather forecast and inspect the site conditions prior to excavation.
	Carry out excavation works in cut off ditches to prevent water from entering excavations.	No water entering excavations	Contractor/PDe	Random site inspection
	Ensure that means of protection are in place to avoid or minimise adverse effects on vegetation, soils, groundwater and surface water, biodiversity, natural drainage and the water quality in areas within the works area. Construction methods to minimise impacts to the extent possible.	No impacts identified in the adjacent environment	Contractor/PDe	Regular monitoring of adjacent natural resources.
	Ensure that work site boundaries and limits are in accordance with plans agreed upon in advance. All construction activities should be carried out within boundaries.	Marking the borders of works site boundaries and usage of warning signs	Contractor/PDe	Site inspection prior to commencement of activities.
	Ensure to stay out of surrounding wetland areas.	Pre-construction survey to make sure that site is not in wetland areas	Contractor/PDe	During site selection
	Ensure to keep the following distances from permanent water course and outside of floodable areas; sensitive	Marking the borders of works site boundaries in line with given	Contractor/PDe	Site inspection prior to commencement of activities.

	urban services and buildings (health centre, school, water supply for populations); any housing;	limits and usage of warning signs		
	After construction, form reshaped land so that it is inherently stable, adequately drained and suitable for the desired long-term land use and allows natural regeneration of vegetation	Visual inspection and comparison with adjacent undisturbed areas.	Contractor/PDe	Regular monitoring
	Minimise visual impacts	Visual inspection and comparison with adjacent undisturbed areas.	Contractor/PDe	Review of grievance records
12. Pollution prevention	Ensure all works carried out minimise pollution risk (e.g. liquid effluents; air emissions; noise and vibration management; vehicle and equipment maintenance and selection; fuel, oil and chemical storage and handling.) including the whole duration of the project.	Ensure that potential pollutants are not stored and handled within 50 meters of sensitive receptors (particularly watercourses).	Contractor/PDe	Regular site inspection Review of grievance records
13. Effluents	Ensure appropriate containment and storage of construction wastewater, including sanitary water. No untreated effluent is discharged.	No untreated wastewater discharge	Contractor/PDe	Regular site inspection Review of grievance records
14. Emissions and dust	Use to the extent possible, vehicles in appropriate technical conditions. Provide emissions control equipment where applicable (e.g. filters).	Technical Specification Sheet	Contractor/PDe	Prior to commencement of works and each time new equipment/vehicle is used at the site. Review of grievance records

				Visual inspection on regular basis
	Use low sulphur content fuels, in line with legal provisions in force as well as local availability.	Technical Specification Sheet	Contractor/PDe	Regular documentation inspection
	Ensure vehicles are switched off when not in use. Sensitise drivers.	Engines switched off	Contractor/PDe	Site inspection
	Best practice to ensure minimisation of dust emissions (e.g. proper stockpiling, watering etc.) during dry and windy conditions and transportation.	Watering conducted, no dust emissions are observed, no workers' grievances	Contractor/PDe	Regular site inspection Review of grievance records
	Ensure speed limits on site. Sensitise drivers.	Speed signs installed Training performed and recorded Accident/incident reports	Contractor/PDe	Random site inspection Review of grievance records Review of accident/incident records Review of training records
15. Noise and vibration	Avoid operations and vehicle movements at night.	No work conducted between 10pm and 7 am/ no grievances received	Contractor/PDe	Random site inspection Review of grievance records Review of accident/incident records Review of training records
	Set traffic speed limits. Sensitise drivers.	Speed limit signs Driver Training Records as part of Induction training	Contractor/PDe	Random site inspection Review of grievance records Review of accident/incident records Review of training records
	Locate stationary equipment (such as power generators)	Distances between	Contractor/PDe	Once prior to commencement of works

	as far as possible from nearby receptors (e.g. worker resting areas, populated areas and environmentally sensitive areas). Make sure that noise levels don't exceed 120db in case of equipment or vehicle use.	equipment and receptors are kept		Monitor noise levels in case equipment is used Review of grievance records
16. Waste	Identify waste management facilities and waste management contractors. Ensure disposal through waste contractors licensed for treatment/removal/recycling of each of the waste types.	Waste management through licensed contractors, if feasible Waste management contracts Waste transfer notes	Contractor/PDe	Inspect waste management facilities Proof of contractors' certifications Review of waste transfer records
	Ensure that all wastes produced are properly collected, segregated, stored, transported and treated	Waste collection areas existent, waste inventories Waste transfer notes	Contractor/PDe	Random site inspection, Review of waste inventories Review of waste transfer records
	Minimise the waste production to the extent possible.	Records of waste production are kept Waste Management Plan Training performed and recorded	Contractor/PDe	Monitor (e.g. monthly) the amount of waste produced Review of training records
	Document all waste related operations (type of wastes, quantities produced etc.).	Storage, transport and treatment of waste is documented Waste transfer notes	Contractor/PDe	Review of waste transfer records Review of waste inventories

		Waste inventories		
	Appropriate and safe storage of fuels, construction materials, wastes and any materials that can cause spills (e.g. batteries from energy generators).	Safe storage of materials Spill response procedure Spill response and remediation equipment in place.	Contractor/PDe	Random site inspection
17. Vegetation clearing	Limit vegetation clearing to areas within the site boundary where it is strictly necessary.	Vegetation clearing minimal Marking the borders of works site boundaries	Contractor/PDe	Site inspection prior to commencement of activities.
	Describe the methods of vegetation clearance. Ensure that no chemicals/pesticides are used, burning of vegetation is restricted etc. Do not clear vegetation more than two months in advance of operations	No use of fires or chemicals on site Marking the borders of works site boundaries Usage of warning signs	Contractor/PDe	Site inspection prior to commencement of activities. Site inspection during site clearance
	Avoid clearing mature trees and endangered species.	No mature trees cleared	Contractor/PDe	Site inspection prior to commencement of activities.
18. Biodiversity	Avoid to the extent possible areas of ecological value.	Areas of ecological value avoided	Contractor/PDe	Site assessment prior to site selection. Ecological value assessment if needed.
	Avoid natural habitats disturbance.	No habitats disturbed	Contractor/PDe	Inspection of construction practices.
19. Erosion and sediment transport	If construction takes place on inclined surfaces/slopes, ensure preventive erosion control measures are applied (e.g. plan to retain trees and other vegetation, use of natural contours for roads	Preventive temporary and permanent erosion control measures in place	Contractor/PDe	Random site inspection to check if measures where applied

	and drainage networks, excavated drainage channels).	Landscape and Bio restoration plan in place		
	Ensure that topsoil is stripped and stored properly. After construction, topsoil will be used for restoration of the area. Topsoil should not be mixed with subsoil, therefore needs to be stored separately.	Topsoil stored and re-used for restoration.	Contractor/PDe	Monitor if topsoil is properly stripped and stored
	Optimal stockpiling.	Stockpile height limited	Contractor/PDe	Random site inspection
20. Site rehabilitation	Ensure revegetation and restoration of cleared areas where possible after construction using native species.	Revegetation completed	Contractor/PDe	One-time inspection after construction
	Ensure that rehabilitated areas don't pose health and safety risks (such as holes, ponds).	Reinstatement completed	Contractor/PDe	Inspection after construction Inspection after heavy rainfalls and snow
	Reinstatement of construction working area to the best possible after construction activities are completed.	Reinstatement completed	Contractor/PDe	One-time inspection after construction Inspection after heavy rainfalls and snow
	Rehabilitate borrow areas, backfill material stockpile sites and access roads, where applicable.	Rehabilitation completed	Contractor/PDe	One-time inspection after construction Inspection after heavy rainfalls and snow
C. Health and Safety				
21. Health and Safety Plan	Develop a Health and Safety Plan.	HS Plan in place	Contractor/PDe	Review of HS Plan
22. Accident reporting procedure	Ensure all H&S related incidents (e.g. observations, accidents) on site are recorded and followed up properly.	Incident recording process in place	Contractor/PDe	Check incident/accident records

23. Personal protective equipment	Ensure the provision of Personal Protective Equipment (PPE) for workers (hardhats, masks, safety glasses, safety boots etc. depending on project type).	PPE used by everyone on-site Training performed and recorded	Contractor/PDe	Random site inspection Review training records
24. Emergency scenarios prevention	Ensure immediate cleaning of any spills and remediation of contaminated areas after construction.	Workers trained. Emergency response team (ERT) is in place	Contractor/PDe	Random site inspection after spill events One-time inspection after construction Review of training records Review of ERT
	Provide necessary prevention equipment and teams on site in line with applicable regulations to respond to emergency scenarios e.g. fire, explosion, floods, natural hazards etc.	Prevention equipment and team is in place Training performed and recorded	Contractor/PDe	Regular site inspection Review list of equipment Review of ERT Review of training records
	Maintain high standard in housekeeping on site. Construction materials and light equipment should be stored properly.	Visual verification of good housekeeping on-site	Contractor/PDe	Random site inspection
25. First-aid	Ensure minimum first aid provisions on site. (Suitably stocked first-aid kits; a person, respectively an adequate number of first-aid helpers and ensure that staff and workers are informed about first-aid arrangements)	Suitable first aid kits on site Ensure the presence of first aid helpers in all shifts First aid certificates	Contractor/PDe	Regular monitoring of first aid kits Review of First Aider Certificates Review of number of First Aiders required by local legislation
26. Access to health care and training	Ensure the workforce has access to primary healthcare on site, providing	Healthcare available on site	Contractor/PDe	Random site inspection Review of grievance records

	prescriptions and vaccinations.	Medical surveillance records		Review of medical records (in case not confidential)
	In case more than 35 workers are present on site, ensure that a hospital, medical clinic or a health centre can be reached within a period of 45 minutes.	Medical centres in the proximity of the site.	Contractor/PDe	Medical centres in the proximity of the site identified once prior the commencement of works
27. Hygiene, accommodation and food	Ensure provision of Health and Safety (H&S) and hygienic and sanitary facilities at the site, including shaded welfare areas, bathrooms, changing rooms and potable water. Ensure toilets and changing rooms are separated between male and female employees.	Appropriate H&S and sanitary facilities provided at site	Contractor/PDe	Campsite inspection prior to accommodation of the workers. Regular inspection Review of grievance records
	Ensure the provision of adequate space, supply of water, adequate sewage and garbage disposal system, appropriate protection against heat, cold, damp, fire and disease-carrying animals, adequate sanitary and washing facilities, adequate lighting, and basic medical services, in accordance with all applicable health and safety regulations and norms.	Appropriate conditions for workers on site	Contractor/PDe	Campsite inspection prior to accommodation of the workers. Regular inspection Review of grievance records
	Report any occurrence of any communicable diseases amongst the workforce (STD, HIV/AIDS, TB, malaria and Hepatitis B and C). Sensitise workers.	Communicable Diseases Register Training performed and recorded	Contractor/PDe	Review of diseases register and disease prevention programme if available. Review of training records

D. Local labour and relations with local communities

28. Labour conditions	Ensure minimum legal labour standards as per ILO regulations (child/forced labour, sexual assault, no discrimination, equal opportunities, working hours, minimum wages) are met.	Grievance Mechanism Records, Training performed and recorded	Contractor/PDe	Review of Inspection reports (also from labour authorities), Review of grievance records Review of training records
	Ensure that all direct and indirect workers have access to and are aware about the Grievance Mechanism where they can raise workplace relevant complaints anonymously.	Grievance Mechanism in place and grievances recorded Training performed and recorded	Contractor/PDe	Review of grievance register Review of training records
	Ensure all workers have the same rights and are treated equally.	Non-discrimination policy in place	Contractor/PDe	Random site inspection Review of grievance register
29. Local recruitment	Ensure local communities are preferred for the supply of goods and services to the Project and Project personnel, where appropriate.	Local Procurement and Employment Records	Contractor/PDe	Review procurement and employment rules and records Review of grievance register
30. Transport	Organise carpools/buses for worker transportation where needed.	Carpools/ buses used	Contractor/PDe	Review of grievance register
31. Community interaction	Engage/communicate/inform communities. Ensure consultations with the local authorities and communities regarding the construction. Obtain local knowledge regarding chance finds and land acquisition matters.	Minutes of Meetings Grievance Mechanism	Contractor/PDe	Review of grievance register Minutes of consultation meetings
	Initiate an efficient Grievance Mechanism to	Grievance Mechanism in	Contractor/PDe	Review of grievance register

	allow potentially affected individuals to raise their concerns.	place, grievances recorded		
	Engage with the local community and potential affected households to understand their needs and identify the risk of damage to their livelihood basis through the Project (e.g. take of pasture land, lack of access to water). Should land acquisition be inevitable, a timely and fair compensation should be given to all affected persons?	Minutes of Meetings Grievance Mechanism records Management Plan for Land Acquisition and Compensation if needed	Contractor/PDe	Review of grievance register and meeting minutes
32. Damage to people and property	Ensure all contractors implement codes of conduct concerning employment and workforce behaviour (including but not limited to safety rules, zero tolerance for substance abuse, environmental sensitivity of the area, dangers of sexually transmissible diseases and HIV/AIDS, gender equality and sexual harassment, respect for the beliefs and customs of the populations and community relations in general).	Workers Code of Conduct Grievance Mechanism records	Contractor/PDe	Worker interviews, Review of grievance log
	Ensure that site areas are provided with appropriate security, fencing, signage and lighting. Use hazard notices/signs/barriers to protect children and other vulnerable people from harm and prevent access to non-workers.	H&S planning of construction site done, items installed	Contractor/PDe	Inspection prior to the activities. Random site inspection Review of grievance register

33. Land acquisition and land take	Avoid to the extent possible land take of both formal and informal land owners/land users. If land take is inevitable, no forced eviction should take place. Owners should be compensated prior to access to land. Engage with the local community to understand the land ownership and land use.	Grievance Mechanism Management Plan for Land Acquisition and Compensation if needed	Contractor/PDe	Once during site selection Review of grievance log Follow up of land acquisition/compensation process
34. Traffic management	Ensure safe driving by Project personnel (e.g. through training/induction).	Driver Training Records as part of Induction training	Contractor/PDe	Review of training records
	Target signage and outreach activities to improve public awareness of traffic changes and potential hazards for high-risk sections of public roads, including near the site and laydown areas.	Warning signs Minutes of Meetings	Contractor/PDe	Inspection if traffic routes, Review of grievance register
35. Fossils/ Archaeological Chance Finds	Establish specific procedures to manage the protection of archaeological and historical sites, chance finds and fossils. Ensure all finds of cultural heritage (e.g. graves, old ceramic, old building fragments) are reported immediately to the relevant authority and avoid excavation in the ultimate neighbourhood of a chance find, fence the chance find and await instructions from the competent authority.	Notification records to relevant authority Training records, Records about chance finds	Contractor/PDe	Site inspection

Topic/ Potential Impact	Mitigation, Management and Enhancement Measures	Means of Verification	Responsibility	Monitoring Procedure	Date of Inspection/ Review/ ESMP Monitoring DD/MM/JJ	
Occupational Health and Safety					Findings/ Observations	Corrective Action
...						
...						
Ambient Air					Findings/ Observations	Corrective Action
...						

Colour Code for Findings/ Observations
Red Flag. Major Non-compliance with ESMP requirements. Urgent Action needed to protect ecological and human environment and avoid risks to the Project schedule.
Minor Non-compliance. Action needed but no immediate threat for ecological and human environment or Project schedule.
In compliance with ESMP commitment.

Annex 9: Contractor Management Plan

The project developer must ensure that contractors⁵ respect FONERWA and BRD's Environmental and Social Safeguards including specific requirements set out in the ESCP and so the project must:

- Assess the environmental and social risks and impacts associated with contracts;
- Ensure contractors engaged with the project are legitimate and reliable and have knowledge and skills to perform project tasks in accordance with commitments;
- Incorporate all relevant aspects of the ESCP into tender documents;

⁵ Further details are set out in the Environmental Guidelines for Contractors Undertaking Construction Activities of FONERWA funded Projects (Annex-7)

- Require contractors to apply relevant aspects of the ESCP and relevant management tools including appropriate and effective non-compliance remedies;
- Monitor contractor compliance with contractual commitments; and
- Ensure contractors have equivalent arrangements with their subcontractors.

Annex 10: Environmental and Social Commitment Plan (ESCP)

RGIF funded Projects must develop and implement an ESCP, to set out measures and actions required to achieve compliance with the ESSs over a specified timeframe and agreed with FONERWA or BRD forming part of the legal agreement.

The draft ESCP must be disclosed before the Project appraisal and must consider ESIA findings, results of the public consultation and disclosure, stakeholder engagement as well as FONERWA or BRD's E&S due diligence. The ESCP is a summary of the measures and actions required to avoid, minimize, reduce or mitigate potential environmental and social risks and Project impacts with completion dates for each action specified in the ESCP. Further, the ESCP must set out a process that allows for adaptive management of proposed Project changes or unforeseen circumstances, how such changes will be managed and reported and any necessary changes will be made to the ESCP and management tools.

The ESCP must describe the different management tools the Project will use to develop and implement agreed measures and actions which will include as necessary, environmental and social management plans, environmental and social management frameworks, operational policies and manuals, management systems, procedures, practices and investments. All management tools must have measures for the Project to meet the requirements of Rwandan laws and regulations and FONERWA's ESMF&RPF.

The management tools must define outcomes against baseline conditions with performance indicators that can be tracked over agreed time adopting a long-term and phased approach, that is responsive to changes in Project circumstances, unforeseen events, regulatory changes and the results of monitoring and evaluation. The Project must notify FONERWA or BRD promptly of any proposed changes to the scope, design, implementation or operation of the project that may cause a negative change in the environmental or social risks or impacts of the Project and, where appropriate, additional assessment and stakeholder engagement, for FONERWA or BRD approval of any changes to the ESCP and management tools which must be disclosed.

The ESCP forms part of the legal agreement and must consolidate into one summary document, the actions required for the Project to achieve compliance with FONERWA and BRD's ESMF&RPF over an agreed timeframe. The ESCP must take into account the ESIA findings, FONERWA or BRD's environmental and social due diligence and the results of public consultation and disclosure and other engagements with stakeholders. The ESCP serve as a tool to facilitate the identification of potential environmental and social risks and impacts and mitigation measures. The draft ESCP will be disclosed as early as possible, and before project appraisal. The ESCPs contents must include:

- **summary of measures and actions to address environmental and social risks and impacts** of the project. It will form the basis for monitoring the environmental and social performance of the project. All requirements must be set out clearly to facilitate compliance, and monitoring. Depending on the project, the ESCP may specify funding to be made available for completion of a measure or action, and include other details relevant to completion;
- **process for adaptive management of proposed project changes or unforeseen circumstances.** The process must set out how such changes or circumstances will be managed and reported and any necessary changes will be made to the ESCP and relevant management tools;
- **summary of the organizational structure** that must be established to implement actions agreed in the ESCP. The organizational structure must consider different roles and responsibilities of the project and agencies responsible for project implementation, and identify specific personnel with clear responsibility and authority;
- **summary of the training needs** to provide to address actions required under the ESCP, identifying the recipients of such training and the required human and financial resources;
- **details of the systems, resources and personnel** the project must put in place to carry out monitoring and others used to complement or verify monitoring activities.

The ESCP's content will differ from project to project. For some, the ESCP will capture all relevant obligations of the Project, and there will be no requirement for additional plans. For other projects, the ESCP will refer to further plans, either plans that already exist or plans that must be prepared (e.g., an ESMP, a resettlement plan, a hazardous waste plan) which set out detailed project requirements. In such circumstances, the ESCP will summarize key aspects of the plans. Where plans are to be developed, the ESCP will set out timeframes for plans completion.

Finally, as part of the ESCP the project must:

- (i) implement all measures and actions identified in the ESCP in accordance with agreed timeframes specified, and will review the status of implementation of the ESCP as part of monitoring and reporting;
- (ii) maintain, and strengthen throughout the project life cycle, the organizational structure to oversee environmental and social aspects of the project. Social and environmental responsibilities should be well defined, and communicated to all project staffs involved. Sufficient high-level commitment, and human and financial resources, will be provided on an ongoing basis to implement the ESCP;
- (iii) ensure that those directly responsible for activities relevant to ESCP implementation are adequately qualified and trained so that they have the knowledge and skills necessary to perform and meet E&S standards. The project, must provide training to address the specific measures and actions required by the ESCP, and to support effective and continuous social and environmental performance;

- (iv) notify FONERWA or BRD promptly of any proposed changes to scope, design, implementation or operation of the project that may cause adverse change in the environmental or social risks or impacts of the project;
- (v) carry out additional assessment and stakeholder engagement in accordance with FONERWA and BRDs' ESSs, and propose changes, for FONERWA or BRD's approval in accordance with any assessment and/or consultation findings. The updated ESCP must be disclosed.

Template of Environmental and Social Commitment Plan⁶

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/ AUTHORITY	DATE OF COMPLETION
I. MONITORING AND REPORTING			
REGULAR REPORTING [Environmental, social, health and safety (ESHS) performance need to be monitored and reported. This needs to be reflected in the ESCP.] Prepare and submit to FONERWA the regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S documents required under the ESCP, stakeholder engagement activities, functioning of the grievance mechanism(s).	<i>[Indicate frequency of reporting, e.g. quarterly, six-monthly, annual throughout Project implementation].</i>		
II. SUMMARY ASSESSMENT (IFC PSI-8)			
II.1. Assessment and management of environmental and social risks and impacts			
[Type here]	[Type here]	[Type here]	[Type here]
[Type here]	[Type here]	[Type here]	[Type here]
[Type here]	[Type here]	[Type here]	[Type here]
[Type here]	[Type here]	[Type here]	[Type here]
III. Capacity Support			
Specify Training to be provided	Specify Targeted Groups and Timeframe for Delivery	Specify Training Completed	

⁶ World Bank ESCP template, version 2, July 2019

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/ AUTHORITY	DATE OF COMPLETION
[Type here]	[Type here]		[Type here]
[Type here]	[Type here]		[Type here]
[Type here]	[Type here]		[Type here]

Annex 11: Annual Climate, Environment & Social Report Form

This is to be completed by FONERWA Environmental and Social Safeguard Specialist for RGIF PPF Funded projects, and BRD Environmental and Social Safeguard Specialist for RGIF Credit Facility Funded projects

Project reference year:

Reporting year:

Date of report:

I) PROJECT SUMMARY

Please enter projects by category in the following table

PROJECT CATEGORY	Approved this year	Application included a Climate, E & S screening checklist	Full ESIA study and other Recommended specific study	Partial ESIA or ESMP	RAP or ARAP	Field Appraisal
CATEGORY A (IL3)						
Ex: Large-scale irrigation scheme						
.....						

PROJECT CATEGORY	Approved this year	Application included a Climate, E & S screening checklist	Full ESIA study and other Recommended specific study	Partial ESIA or ESMP	RAP or ARAP	Field Appraisal
.....						
CATEGORY B+, B (IL2)						
Ex: Medium and Small-scale irrigation schemes projects, Forest management or reforestation, Rehabilitation of wetlands, Riverbank stabilization, etc....						
.....						
.....						
CATEGORY C (IL1)						
.....						
.....						
Total						

II) CATEGORY A – Results of full ESIAs, RAPs etc

Type of projects that have been subjected to ESMP, RAPs, etc	Impacts identified included:	Are mitigation or monitoring measures being carried out adequately? If not, why ?
[type here]	[type here]	[type here]

Describe key unforeseen Environmental and /or social problems associated with any projects:

Problem	Actions taken	Actions to be taken
[type here]	[type here]	[type here]

III) CATEGORY B- Results of partial ESIA's, ESMP's

Type of projects that have been subjected to partial ESIA's or	Impacts identified included:	Are mitigation or monitoring measures being carried out adequately? If not, why?
[type here]	[type here]	[type here]

Describe key unforeseen Environmental and /or social problems associated with any projects:

Problem	Actions taken	Actions to be taken
[type here]	[type here]	[type here]

IV) CATEGORY C- No ESIA's or ESMP's needed but require some E&S measures for project sustainability

Please Summaries the key Environmental and social issues that have been identified from screening processes

[type here]

Describe key unforeseen Environmental and /or social problems associated with any projects:

Problem	Actions taken	Actions to be taken
[type here]	[type here]	[type here]

V) MANAGEMENT ISSUES

Please summaries key points concerning the activities of the following actors on Climate, Environmental and social issues for FONERWA funded projects

Actors	Activity
Government agencies working with FONERWA on Environmental and/ or social issues (MoE, REMA, RDB, etc.)	[type here]
Private sector and CSOs	[type here]
FONERWA Development partners (DFID, KfW, SIDA, etc..)	[type here]
NGOs in partnership with FONERWA to examine Environmental and / or social issues	[type here]
District Environmental Committee (DEC)	[type here]

Completed by: [type here the name]

Position: [type here the position]

Date: [type here]

Annex 12. Clearance letter of the RGIF Environmental and Social Management System



CLEARANCE LETTER OF THE RGIF ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

The National Fund for Environment (FONERWA) is working with the Rwanda Development Bank (BRD) to set up a facility to spur the country's ability to meet the growing opportunities for climate finance in the private sector. The facility dubbed Rwanda Green Investment Facility (RGIF) is being designed using the "green bank" model with the main objectives are: i) to address local market gaps and crowd in private finance using financial tools, ii) strengthen Rwanda's ownership of climate finance by empowering the country to better access international finance (non-grant) resources, iii) work in partnership with the local banks to build their green finance capacity through innovation, risk transfer and deal arrangement.

The RGIF mandate is to catalyze private investments in Rwanda, with a unique and specific focus on blended finance by providing financial instruments (debt, credit enhancements e.g. sub-debt, tenor extension and collateral support) to projects that are commercially viable – but not yet bankable – in the green sector. The RGIF program will be composed of two parallel and complementary facilities designed to work together in an integrated program to support the Rwanda green sector:

(i) a Project Preparation Facility (PPF) to be implemented by FONERWA, which will provide grants, and (ii) a Credit Facility (CF) to be implemented by BRD, which will provide loans and guarantees.

As the GCF accredited entity (AE) for the RGIF project, the African Development Bank (AfDB) recommended the development of an Environmental and Social Management System (ESMS) to promote sustainable program implementation and guide the process of assessing social and environmental risks as part of the process of evaluating financial risks and project viability. In this regard, FONERWA and BRD collaborated with the AfDB's safeguard team to develop the Environmental and Social Management System (ESMS) to establish management requirements and guidelines for environmental, occupational health and safety, and social issues anticipated throughout the project's life cycle. Furthermore, the manual offers practical advice and commitments on environmental and social policies to support RGIF's investment decisions, and it is important to note that RGIF's environmental and social compliance commitment is confirmed to be intertwined with both the BRD and FONERWA environmental and social policies.

Following the mentioned-above, we hereby certify that the RGIF ESMS was developed in consultation with stakeholders and will effectively serve the intended purpose, as Institutions that will implement the Rwanda Green Investment Facility (RGIF).



Teddy MUGABO MPINGANZIMA
Chief Executive Officer (CEO)
National Fund for Environment – FONERWA



Kampeta SAYINZOGA
Chief Executive Officer (CEO)
Development Bank of Rwanda - BRD

Vincent NGIRIKIRUNGO
Chief Finance Officer

