

Environmental & Social Management System (ESMS)

**COVID-19 Adaptation and Recovery Pilot: Supporting Firms Resilience, Access to
Finance and Growth in Iraq (CARP)**

(P174273)

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Abbreviations and Acronyms

CBI	Central Bank of Iraq
COVID-19	Coronavirus Disease 2019
CSOs	Civil Society Organizations
E&S	Environmental and Social
EHS	Environmental, Health and Safety
EPID	Environment Protection and Improvement Directorate
ESF	Environmental and Social Framework
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESCP	Environmental and Social Commitment Plan
ESS	Environmental and Social Standards
GAP	Gender Action Plan
GBV	Gender-based violence
GDP	Gross Domestic Product
GIIP	Good International Industry Practice
GIZ	German Corporation for International Cooperation GmbH Deutsche Gesellschaft für Internationale Zusammenarbeit

GoI	Government of Iraq
GRM	Grievance Redress Mechanisms
GRS	Grievance Redress Service
I3RF	Iraq Reform, Recovery and Reconstruction Fund
IDP	Internally Displaced Persons
IEA	International Energy Agency
IIA	Iraqi Innovation Alliance
ILO	International Labor Organization
IMFN	Iraqi Microfinance Network
IPF	Investment Project Financing
IQD	Iraqi Dinar
ISIL	Islamic State of Iraq and the Levant
ISIS	Islamic State of Iraq and Syria
KPI	Key Performance Indicator
KRG	Kurdistan Regional Government
KRI	Kurdistan Region of Iraq
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa

MF	Microfinance
MFIs	Microfinance Institutions
MGF	Mashreq Gender Facility
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MSMEs	Micro Small and Medium Enterprises
NGO(s)	Non-Governmental Organization(s)
OHS	Occupational Health and Safety
PIA	Project Implementing Agency
PMT	Project Management Team
POM	Project Operation Manual
SEP	Stakeholder Engagement Plan
SGBs	Small and Growing Businesses
SMEs	Small and Medium Enterprises
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
US\$	United States Dollar
WB	The World Bank
WeFi	Women Entrepreneurs Finance Initiative

WHO

World Health Organization

Project Overview

As required by the World Bank (“WB”), this document presents an Environmental and Social Management System (“ESMS”) for the Coronavirus Disease 2019 (“COVID-19”) Adaptation and Recovery Pilot Project: Supporting Firms Resilience, Access to Finance and Growth in Iraq (the “CARP Project” or the “Project”). The proposed Project aims to support the resilience of viable Micro Small and Medium Enterprises (“MSMEs”) and the sustainability of their intermediaries in the aftermath of the COVID-19 pandemic. To realize the Project in a pragmatic manner, this ESMS fully examines and addresses the steps involved in identifying and mitigating the potential Environmental and Social (“E&S”) impacts.

The Project Development Objective (“PDO”) is to test the effectiveness of selected financial and firm-level interventions in providing liquidity, building capacity for targeted small and growing businesses, and mobilizing private investment. The objective will be measured by the following indicators:

1. 1,360 MSMEs receiving financing through the project (disaggregated by gender);
2. Four financial intermediaries improving their operations;
3. 135 beneficiary MSMEs adopting a new business solution or product (disaggregated by gender);
and
4. US\$ 4.35 million of private capital mobilized through the project.

By meeting the PDO and achieving the above indicators, the project is expected to limit firms’ closures, protect employment, help firms recover their revenues, and stimulate innovation in COVID-19 related sectors. The Project will also increase participating firms’ and entrepreneurs’ resilience and their access to liquidity (grants, microfinance, investment) and digitization opportunities (fintech, tech adoption, consumer internet access, digital enterprise solutions) to avoid persistent negative effects of COVID-19 on the private sector.

The key beneficiaries to receive financial and non-financial support in the proposed Project will be MSMEs that currently do not have access to the traditional banking sector. This includes informal firms, micro, small and medium formal firms as well as Small and Growing Businesses (“SGBs”), a subset of Small and Medium Enterprises (“SMEs”) which are small businesses with innovative, scalable business models and significant potential for growth. Critical MSMEs intermediaries will also benefit from Project activities. This includes Microfinance Institutions (“MFIs”), business development services providers, and early-stage investment programs (such as angel networks and seed/early-stage funds managers) who have traditionally had minimal access to finance. The Project can also leverage their expertise and capital to contribute to achieving the PDO.

The Project will consist of the following four main components:

- Component 1: Financial Inclusion (US\$ 3.5 million)
- Component 2: SME Support Measures (US\$ 8.6 million)
- Component 3: Project Management (US\$ 1.9 million)
- Component 4: Contingent Emergency Response Component (*Unfunded*)

Each component is detailed in the ‘Project Components’ subsection of this document.

To identify businesses eligible for the financial scheme, a robust screening process will be conducted to all applicants. This screening checklist is in accordance with the WBG ESF and GIZ’s Safeguards+Gender

Management System, a tool that ensure that all E&S aspects are systematically considered both strategically and operationally in the Project, as well as the exclusion list developed by WB, that classified 14 areas of business involvement that are exempted from funding. The scoring system within the screening checklist requires officials to provide detailed and comprehensive description of the risk and impacts, as well as the extent to which the activities of the subprojects are dependent or independent of these criteria. In cases where the justification or explanation from the official assessment is deemed insufficient, the official(s) responsible for the assessment may be required to undergo an interview process that gathers a deeper understanding of both parties' perspective on E&S risks.

On a quarterly basis, GIZ is responsible for preparing an Environmental and Social Management and Monitoring Report throughout the Project implementation phase in accordance with ESF requirements, and shall identify a senior member of staff to be responsible for the overall implementation of E&S policy. These regular monitoring reports on Environmental, Social, Health and Safety ("ESHS") performance of the Project with aggregate data on number of subproject applications received, number of subprojects assessed according to the ESMF framework, number of subproject eligible after assessment, and total ratio of subproject based on scoring category and total amount of funding based on scoring category. Throughout the lifecycle of the Project, a monitoring and evaluations ("M&E") specialist will be responsible for facilitating the main monitoring activities to regulate and track the progress of ESMS implementation into the sub-projects. Focus will be paid to the reporting of incidents/ accidents, regulatory compliance issues, implementation of the GRM, facilitation of stakeholder engagement, implementation of E&S program during the operation phase and provision of respective recommendations, and training awareness activities.

The following instruments have been prepared and should be used as a reference to all E&S commitments:

- Stakeholder Engagement Plan
- Grievance Redress Mechanism
- Chance Find Procedures
- Labor Management Procedures
- Gender Action Plan

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1. Introduction

Since December 2019, COVID-19 has become an ongoing public health issue. Originating from Wuhan, Hubei Province, China, the pandemic has rapidly spread to over 210 countries and territories and currently emerges as a global health crisis. As of March 21, 2023, the outbreak has resulted in over 761 million cases and nearly 7 million deaths worldwide.¹

The consequences of the COVID-19 pandemic are especially severe for population living in fragile countries where health systems, government structures, and social safety nets are weak. In fragile contexts, such as Iraq, the impacts of COVID-19 both highlight and deepen social inequalities, particularly hitting vulnerable population such as the poor, the refugee population and private sector enterprises. The COVID-19 outbreak is stressing an already strained healthcare and private sector and setting back Iraq's efforts in its fight against poverty. This is coupled by the fact that the country is undergoing high levels of conflict and a drop in oil revenues, which will further devastate livelihoods, raise prices, disrupt essential services such as education and health care, increase extreme poverty, and severely damage the broader macroeconomic environment.² As of March 27 2023, there have been 2,465,545 confirmed cases and 25,375 associated deaths in Iraq.³

The proposed CARP Project aims to test the effectiveness of selected financial and firm-level interventions in providing liquidity, building capacity for targeted small and growing businesses, and mobilizing private investment. It is aimed at supporting the resilience of viable MSMEs and the sustainability of their intermediaries in the aftermath of the COVID-19 pandemic. Mobility restrictions, liquidity pressures and uncertainty have had a devastating effect on private sector livelihoods, particularly for unbanked informal firms and micro and small formal firms. The proposed approach is to therefore focus on firms' recovery from COVID-19 on the one hand, while laying the foundations for a much larger growth program around financial inclusion and SME-support measures on the other hand. The design and implementation of the Project will be further informed or complemented by the ongoing work under the Iraq Reform, Recovery and Reconstruction Fund ("IRRF") bank-executed Financial and Private Sector Technical Assistance.

1.1 Project Components

The CARP Project is comprised of the following components:

Component 1: Financial Inclusion (US\$ 3.4 Million)

This component focuses on two areas of support for the MSME finance sector:

¹ World Health Organization (2023), WHO Coronavirus Disease (COVID-19) Dashboard. Retrieved from [WHO Coronavirus \(COVID-19\) Dashboard | WHO Coronavirus \(COVID-19\) Dashboard With Vaccination Data](#)

² IOM UN Migration. (2020). Impact of COVID-19 on Small and Medium Enterprises in Iraq. Retrieved from : <https://reliefweb.int/sites/reliefweb.int/files/resources/IOM%20Iraq%20Impact%20of%20COVID-19%20on%20Small%20and%20Medium-Sized%20Enterprises%20in%20Iraq.pdf>

³ World Health Organization (2023), WHO Coronavirus Disease (COVID-19) Dashboard. Retrieved from [Iraq: WHO Coronavirus Disease \(COVID-19\) Dashboard With Vaccination Data | WHO Coronavirus \(COVID-19\) Dashboard With Vaccination Data](#)

- Component 1.1 focuses on liquidity support and technical assistance for eligible MFIs – particularly to provide flexibility and immediate relief for the most affected borrowers while helping remaining MFIs stabilize their operations
- Component 1.2 focuses on strengthening the legal and institutional framework for MSME finance in Iraq – this will be done through the creation of an MSME or Non-Banking Financial Institutions⁴ (“NBF”) Unit under the Central Bank of Iraq (“CBI”) to serve as basis for the sustained growth of MSMEs.

Component 2: SME-Support Measures (US\$ 8.6 Million)

This component aims to support the strengthening of the SME sector in Iraq, with a particular focus on SGBs, a subset of SMEs which is key to provide quality employment opportunities and solutions to critical development challenges in Iraq. Two main interventions are being considered: i) enhancing SME capabilities and resilience through blended learning, vouchers, and matching grants; and ii) catalysing private investment into Iraqi SGBs through ecosystem support grants.

Component 3: Project Management (US\$ 3.0 Million)

This component will finance project management costs over the Project life. German Corporation for International Cooperation GmbH Deutsche Gesellschaft für Internationale Zusammenarbeit (“GIZ”) will be the PIA. Costs of the PIA include management and consultancy fees and operations and administrative costs for the management and supervision of the Project activities. Project funds will also support the PIA and public stakeholders’ costs for the following: training and capacity building activities; marketing; conducting assessments and analysis; setting up a coordination mechanism among related national and international programs; outreach specifically to the regions (website, conferences); citizen engagement activities; monitoring and evaluation; safeguards monitoring and review; legal; accounting, auditing, and financial management.

Component 4: Contingent Emergency Response Component

This component is a contingency component to be considered in the case of a relevant emergency event, as it is currently unfunded.

1.2 Objective of ESMS

The ESMS as a tool will be used to help financial intermediaries (specifically MFIs) to whom the Project is providing financing grants to better manage commitments that present potential environmental and social risks through the implementation of environmental and social due diligence prior to the disbursement of funds and by ensuring adequate supervision of projects during the period of investments. In addition, the ESMS will fulfil the following additional objectives:

- To address E&S concerns during the identification, design and implementation phases of all project interventions to ensure that they are environmentally sustainable and socially feasible;

⁴ A non-bank financial institution (NBF) is a financial institution that does not have a full banking license and cannot accept deposits

- To ensure compliance with national laws and regulations and WB requirements;
- To establish clear procedures and methodologies for the E&S planning, categorization and typology, review, approval and implementation of sub-projects to be financed under the Project;
- To specify appropriate roles and responsibilities and to outline the necessary reporting procedures for managing and monitoring E&S concerns related to sub-projects;
- To determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMS;
- To establish the Project funding required to implement the ESMS requirements; and
- To identify practical resources for implementing the ESMS.

To achieve these objectives, this ESMS sets out the principles, guidelines and procedures required to assess the E&S risks and impacts of the CARP Project. It contains measures and plans to reduce or mitigate adverse risks and impacts, provisions for estimating and budgeting the costs of such measures, and information about the agencies responsible for addressing project risks and impacts. It also includes adequate information about the area(s) in which parts of the Project are expected to take place, including any potential E&S vulnerabilities of such locations, as well as the potential impacts that may occur or the mitigation measures that should be adopted. Not only is this ESMS intended to certify compliance with the relevant E&S policies, laws and regulations of Iraq and the WB Environmental and Social Standards (“ESS”), but also to ensure that the proposed Project will be environmentally and socially sound and sustainable.

As outlined above, the ESMS will provide the necessary background research for all E&S considerations, a checklist of potential issues derived from project activities to be considered and built into the design of the Project, as well as step-by-step procedural guidelines on the screening of subprojects and preparation of site-specific plans.

The Project is required to ensure a number of aspects are fulfilled including:

- Specifying who will establish and maintain a unit to take on overall responsibility for both the Project and ESMS implementation. This includes a qualified staff and dedicated resources to support management of the Project’s E&S risks and impacts as well as nomination of both an E&S focal point and senior management representative responsible for the monitoring and implementation of the ESMS; and
- Ensuring that the ESMS of the MFIs will meet the requirements of Environmental and Social Standard (ESS 9) including guaranteeing there is capacity to maintain it.

In addition, the ESMS will provide the following additional components:

- Stakeholder Engagement Plan
- Monitoring and Evaluation Mechanism
- Reporting Mechanism

This ESMS will serve as the reference guide for all E&S issues related to the CARP Project and will be reviewed and updated periodically as needed.

1.3 Applicable Standards and Guidelines

Since October 2018, all WB funded Investment Project Financing (“IPF”) operations are required to follow the Environmental and Social Framework (“ESF”), as a means of better managing E&S risks of projects and improving development outcomes. The ESF consists of ten ESS which set out the E&S requirements and responsibilities of the borrowers throughout the lifecycle of the Project, including the identification and assessment of E&S risks and impacts associated with the Project.

The WB has undertaken an initial screening of the proposed Project activities to determine the Environmental and Social Risk Classification of the Project and to identify the specific ESS that is relevant to the Project. Based on the initial screening, the Environmental risk is rated as Moderate, while the social risk is rated as Substantial. The overall Environmental and Social Risk of this project is rated as Substantial. The initial screening process has also established that six of the ten ESS are relevant to this Project. The relevant ESS and their objectives are given below:⁵

Table 1: The World Bank ESS Relevant to the Project

ESS	Objectives
<p>ESS1: Assessment and Management of Environmental and Social Risks and Impacts</p>	<ul style="list-style-type: none"> • Sets out the Borrower’s responsibilities for assessing, managing and monitoring E&S risks and impacts associated with each stage of a project supported by the WB through IPF, in order to achieve E&S outcomes consistent with the ESS.
<p>ESS2: Labor and Working Conditions</p>	<ul style="list-style-type: none"> • Recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the Project fairly and providing safe and healthy working conditions.
<p>ESS3: Resource Efficiency and Pollution</p>	<ul style="list-style-type: none"> • Recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. This

⁵ The requirements for each ESS can be found in the respective Guidance Notes at <https://www.worldbank.org/en/environmental-and-social-framework/environmental-and-social-standards>.

Prevention and Management	ESS sets out the requirements to address resource efficiency and pollution prevention and management throughout the Project life cycle.
ESS4: Community Health and Safety	<ul style="list-style-type: none"> Addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Borrowers to avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.
ESS9: Financial Intermediaries	<ul style="list-style-type: none"> Recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth, and poverty reduction. The Bank is committed to supporting sustainable financial sector development and enhancing the role of domestic capital and financial markets.
ESS10: Stakeholder Engagement and Information Disclosure	<ul style="list-style-type: none"> Recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the E&S sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation. The Borrower will propose and implement a grievance mechanism, proportionate to the potential risks and impacts of the project, to receive and facilitate resolution of such concerns and grievances.

CARP Project Exclusion List

The WB has classified 14 areas of business involvement that are exempted from funding from this Project. Together, they form the basis of the CARP Project’s exclusion list. For the list of the type of activities are ineligible for financing under this Project please refer to the Project’s exclusion list set out in Section 3.1 and Annex A of this document.

The World Bank Environmental, Health and Safety Guidelines

In addition to the relevant ESS, the WB Environmental, Health, and Safety (“EHS”) Guidelines are also relevant to this Project. The EHS Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (“GIIP”) and contain the performance levels and

measures that are normally acceptable to the WB. The General EHS Guidelines are designed to be used together with the relevant Industry Sector EHS Guidelines which provide guidance to users on EHS issues in specific industry sectors.⁶

The relevant General EHS guidelines are listed below:

Table 2: The World Bank General EHS Guidelines Relevant to the Project

Topic	General EHS Guidelines
Environmental	<ul style="list-style-type: none"> • Air Emissions and Ambient Air Quality • Energy Conservation • Wastewater and Ambient Water Quality • Water Conservation • Waste Management
Occupational Health and Safety (“OHS”)	<ul style="list-style-type: none"> • General Facility Design and Operation • Communication and Training • Personal Protective Equipment • Monitoring
Community Health and Safety	<ul style="list-style-type: none"> • Water Quality and Availability • Life and Fire Safety • Traffic Safety • Disease Prevention • Emergency Preparedness and Response

The following table provides a gap analysis of the requirements set out in ESS9 relating to FIs and the ESMS as well as possible steps to address any existing gaps. A list of the remaining requirements of ESS9 as well as the requirements of all other applicable ESSs is provided in Annex H.

⁶ A complete list of industry-sector guidelines can be found at www.ifc.org/ehsguidelines.

Table 3: ESS9 Gap Analysis

ESS9: Financial Intermediaries	ESMS	Steps to Address Gap
General Requirements		
<p>FIs will put in place and maintain an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis. The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of FI subprojects, the types of financing, and the overall risk aggregated at the portfolio level. Where the FI can demonstrate that it already has an ESMS in place, it will provide adequate documented evidence of such an ESMS, indicating which elements, if any, will be enhanced or modified to meet the requirements of this ESS.</p>	<p>FIs are free to adopt this ESMS or develop their own version. If MFIs prepare and implement a separate ESMS, it must be consistent with this ESMS which meets the general requirements of ESS9. Review and relevant updates of the FI's respective ESMS will occur on a quarterly basis with any updates shared with the WB.</p>	<p>No gaps to address</p>
<p>The FI's ESMS will include the following elements: (i) environmental and social policy; (ii) clearly defined procedures for the identification, assessment and management of the environmental and social risks, and impacts of subprojects; (iii) organizational capacity and competency; (iv) monitoring and review of environmental and social risks of subprojects and the portfolio; and (v) external communications mechanism.</p>	<p>The Project's Environmental and Social Policy is set out in the document's "Project Overview" section. A screening checklist has been developed in accordance with WBG ESF and GIZ's Safeguards+Gender Management system as well as an exclusion list developed by the WB. Organizational capacity and competency is set out in section 2 of this document. The Project's Monitoring and Review practices are set out in section 4 of the document. External communication has been and can be carried out via the Project's stakeholder consultation process and grievance redress mechanism</p>	<p>No gaps to address</p>
<p>Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.</p>	<p>Relevant national laws and regulations are listed in subsection 1.9</p>	<p>No gaps to address</p>
<p>The FI will review and adjust, in a manner acceptable to the Bank, its ESMS from time to time, including when the environmental and social risk profile of its portfolio changes significantly.</p>	<p>GIZ will produce an Environmental and Social Management and Monitoring Report on a quarterly basis detailing the ESHS performance of the Project in conjunction with the FI's</p>	<p>No gaps to address</p>

	own monitoring and reporting activities. Any adjustments will be made in concert with the FI and communicated to the WB.	
The FI will comply with any exclusions in the legal agreement and apply relevant national law for all FI subprojects. In addition, the FI will apply the relevant requirements of the ESSs to any FI subproject that involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.	Relevant national laws and regulations are listed in subsection 1.9. The WB exclusion list is available in section 3 and Annex A.	No gaps to address
An FI may be required to adopt and implement additional or alternative environmental and social requirements, depending on the nature of the FI, its activities, the sector or countries of operation, and the environmental and social risks and impacts of the potential FI subprojects	E&S risks and impacts will be evaluated accordingly through adoption of the ESMS screening checklist. Any additional E&S requirements deemed necessary will be incorporated into the ESMS, the environmental and social procedures, and/or set out in the legal agreement	No gaps to address
The FI will provide a safe and healthy working environment. Accordingly, relevant aspects of ESS2 will apply to the FI itself. The FI will have in place and maintain appropriate labor management procedures, including procedures relating to working conditions and terms of employment, nondiscrimination and equal opportunity, grievance mechanisms, and occupational health and safety. The FI will provide adequate documented evidence of such procedures.	The ESMS strictly follows the WB Environmental, Health and Safety Guidelines set out in subsection 1.3. In addition, the ESMS Labor Management Procedure and Grievance Redress Mechanism are set out in subsection 1.5 and 1.7 respectively	No gaps to address

Potential Projects and Activities to be funded

CARP project is sector agnostic and as such is accepting grant applications from all sectors that have no adverse environmental and social impact. Ideally, the Project aims to direct the Iraqi business community towards integration and adoption of technology-focused solutions that make a positive environmental and social impact.

In addition, all projects and activities should adhere to the requirements of the ESS and WB exclusion list.

Projects receiving funding may exist within one or more of the following areas and industries:

- Education
- New technologies and digitalization
- Financial and private sector development
- Agriculture

Projects and activities that will not receive funding are those that are considered to carry a risk higher than the Project's overall risk rating (outlined below) and those that do not adhere to the requirements of the WB's exclusion list (see Annex A) i.e. any subprojects that carry significant environmental and social risks, the negative risk of which will be considered diverse, varied, irreversible, and unprecedented. The risks of each prospective project will be evaluated with consideration to and by way of the approaches described in the following subsection.

Project Risks

Several E&S risks are expected because of the Project which was given an overall risk rating of Moderate and Substantial, respectively. Given that the Project will not direct or indirectly finance small works, nor require the construction of infrastructure to facilitate the implementation nor include procurement activity, the environmental risks are i) predictable and expected to be temporary and/or reversible, ii) low in magnitude, and iii) low probability of serious adverse effects to human health and/or the environment. On the other hand, the social risks are more apparent and can range in magnitude. This is expected because of weak capacity of MFIs and the current economic and political situation in Iraq that creates a difficult and unstable business environment.

The following is a summary of specific impact and risk that will potentially arise from the Project. Please note that contextual risks are those events, factors or dynamics occurring in the broader environment that are beyond the control of organizations or individuals; while effects may be mitigated, they cannot be avoided completely:

Table 4 Potential Environmental Risks and Impacts^{7,8}

Risk	Specific Risk/Impact	Type of Project or Activity Impacted	Can be mitigated by implementation of the ESMS	Mitigation Measures (if possible)
External Environmental Risk				
Land	Extreme drought events could disrupt business continuity	All	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> Investigate the potential to invest in renewable energy generation
Energy	Lack of access to reliable electrical power sources that would disrupt business continuity	Manufacturing; construction; agricultural; infrastructure, etc.	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> Invest in a backup generator in the event of a power outage Implement energy efficient lighting system and use bulbs such as LED, T5 or compact fluorescent lamp with energy labels (i.e. EMSD's Grade 1 and 2 or equivalent) Adopt timer or plug load controller
Climate Change	Impacts of climate change: including frequency of dust storms, lead to increase in epidemiological outbreaks e.g. water-borne or vector-borne diseases	All	Yes	GIZ and Grant recipients: <ul style="list-style-type: none"> Establish workplace procedures to respond to dust storms events and epidemics
Potential Environmental Impact				

⁷ Please note, the potential environmental risks and impacts to be determined will depend on the specific activities of the project

⁸ Tables 4 and 5 taken from Project ESMF

Air and GHG Emissions	Improper management and use of alternative electrical power sources, such as electricity generator	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Train employees in proper ways to use generators and other electrical appliances: <ul style="list-style-type: none"> ○ Perform energy saving practices at the office <ul style="list-style-type: none"> ○ Implement energy efficient lighting system and use energy efficient bulbs ○ Adopt timer or plug load controller ○ Only use equipment when necessary and required ○ Adopt appliances and servers with energy labels
Solid Waste	Improper management and disposal of solid waste stemming from business and Project activity e.g. furniture	Manufacturing; construction; agricultural; infrastructure, etc.	Yes	<ul style="list-style-type: none"> • Implement office waste management plan <ul style="list-style-type: none"> ○ Develop tracking log to monitor incoming and outgoing waste <ul style="list-style-type: none"> ○ Train employees on proper ways to dispose waste and dedicated waste disposal area ○ Set-up designated areas for solid waste recycling bins affixed with clear signs
	Absence of modern, efficient waste handling and disposal infrastructure	Manufacturing; construction; agricultural; infrastructure, etc.	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> • Transportation and disposal of waste should be done through licensed contractors and disposed of in a licensed facility GIZ: <ul style="list-style-type: none"> • Establish waste management procedures
Electronic Waste	Improper management and disposal of end-of-life-equipment stemming	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Set-up designated areas for e-waste recycling bins affixed with clear signs

	from the business and Project activity e.g. hardware infrastructure, network infrastructure			<ul style="list-style-type: none"> • Transportation and disposal of e-waste should be done through proper designated channels
Water	Loss of life; increase in epidemiological outbreaks e.g. water-borne or vector-borne diseases	All	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> • Conduct water supply/accessibility research and analysis on prospective office location(s)
	Water scarcity may lead to business interruption	All	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> • Install rainwater collection system technology to collect and store rainwater GIZ: <ul style="list-style-type: none"> • Explore innovative solutions on water generations, such as atmospheric water generation with solar power

Table 5: Potential Social Risk and Impacts⁹

Potential Risk	Impact	Type of Project or Activity Impacted	Can be mitigated by implementation of the ESMS	Reasoning
Labor Working Conditions	Poor labor working conditions	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Minimum space is allocated per person • Supply of safe water is maintained • Adequate sewage and garbage disposal systems

⁹ As above (footnotes 9 and 10)

				<ul style="list-style-type: none"> • Adequate sanitary and washing facilities, ventilation, cooking and storage facilities and natural and artificial lighting • Maintenance of a high standard of housekeeping at all times
	Hiring of unskilled and unqualified labor	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Conduct thorough hiring checks that considers the individual's education qualification and past work experience
	Exclusion of vulnerable/ disadvantaged groups and/or by unconscious discrimination	All	Yes	GIZ: <ul style="list-style-type: none"> • Establish an equal opportunity and transparent hiring process that does not discriminate based on sex, nationality, marital status, disability or religious belief • Transparently publish the selection criteria for the grant eligibility and use the SEP to inform stakeholders
	Lack of protection of worker's basic rights and lack of free speech (clashing of company's morals and values with the state's)	All	Yes	GIZ: <ul style="list-style-type: none"> • Form unions or participate in other worker's organizations of the employees choosing • Establish and implement a GM for any internal or external stakeholders
Child and Forced Labor	Risk of hiring child and forced labor	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Maintain an employee log that tracks the number of employees, working hours, gender, nationality, age, number of incidents, and trainings conducted • Employment contract to include a clause that ensures that child and forced labor are not hired

				<ul style="list-style-type: none"> • Abide by specific Iraqi labor laws determining the minimum wage and minimum working age of 18 years old and to comply with working conditions and hours • Identification verification checks during recruitment such as Iraqi identity cards and address proof • Avoid hiring “at the gate” to discourage spontaneous influx of job seekers <p>GIZ:</p> <ul style="list-style-type: none"> • In-house rules and policies that prevents hiring of child and forced labor • An internal GRM should be available for employees to express any complaints. • Implement a Code of Conduct in which employees are fully expected to adhere to
Sexual Harassment and Sexual Exploitation and Abuse	Gender-based violence in the workplace	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> • Train all employees on GBV risks, the applicable laws and regulations, and what type of behaviors are inappropriate for work • Ensure that management and security staff are adequately trained to identify and eradicate all forms pertaining to GBV • Introduce strict sanctions (i.e. dismissal) for workers involved in any form of abuse, inappropriate behavior or GBV <p>GIZ:</p> <ul style="list-style-type: none"> • Establish whistle-blowing mechanism and channels, and ensuring it is made known to employees

				<ul style="list-style-type: none"> • Implement a Code of Conduct that includes a commitment to performing adequate workplace behavior that prevents SEA/SH practices • An internal GM should be available for employees to express any complaints • Establish community feedback mechanism on overall service provision that serves to safely and ethically handle SEA/SH external complaints
Data Privacy and Cybercrime	<p>Risk of data security breach that leads to:</p> <ul style="list-style-type: none"> • Theft and exposure of confidential information • Theft of intellectual property 	All (particularly tech-based Projects)	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> • Implement policies detailing systematic approaches to safeguard information using company supplier computer resources including, back up procedures, user account management, software and network access controlling mechanisms <p>GIZ:</p> <ul style="list-style-type: none"> • Explore possibility of placing encryption technology to manage sensitive data transmission
Occupational Health and Safety	<p>Exposure to workplace office hazards including:</p> <ul style="list-style-type: none"> • Fire hazards • Equipment malfunction • Electrocution • Slippage and falling 	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> • Conduct training to be familiarized with the location of fire alarms, fire-fighting equipment, fire escape route and emergency response protocols • Safety equipment including first-aid boxes, earmuffs and trolleys for heavy goods are made accessible in the workplace • Place appropriate signs and instructional banners within the site to inform workers of key rules and regulations to follow

				<ul style="list-style-type: none"> Place notices to remind employees of good OHS practices Materials and equipment are tidily stacked, organized and covered where necessary Workers to abide by a Code of Conduct The health and safety risk on the workers should be covered by appropriate insurance schemes for all types of workers. In addition, the insurance should be covering work related accidents (injuries and fatalities), as well as insurance for third parties, where applicable. Evidence of the coverage is required <p>GIZ:</p> <ul style="list-style-type: none"> Establish and implement a GM for any internal or external complaints
Innovation	Lack of access to international markets for growth and development	Internationally-focused Projects	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> Attend industry-related seminars and networking events Transition to online-remote working services <p>GIZ:</p> <ul style="list-style-type: none"> Provide technical advice and strategy guidance for business owners
Corruption and Security	Management of employees engaged in unethical business behavior	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> Regular training and awareness on corruption, fraud, ethical business behavior
	High cost and time to set-up a business due to	All	Yes (contextual risk)	<p>Grant recipients:</p> <ul style="list-style-type: none"> Ensure all documentation have been completed and filed for future reference

	opaque regulatory environment			<p>GIZ:</p> <ul style="list-style-type: none"> Establish anti-corruption policies and Code of Conduct to ensure employees understand their responsibilities and obligations with respect to their work duties and complies with national laws and regulations
	Lack of consumer protection regulations for financial services	All	Yes (contextual risk)	<p>Grant recipients:</p> <ul style="list-style-type: none"> Regular training and awareness on best practices of handling data <p>GIZ:</p> <ul style="list-style-type: none"> Generate internal policies to regulate consumer data including internal privacy policies, and provision of data privacy handling statement
COVID-19 Pandemic and the Economy	Health risks of transmission of COVID-19 in the workplace	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> Follow latest WHO and national restrictions and guidelines on COVID-19 The enterprise is advised to appoint a dedicated person with responsibility to identify and implement actions that can mitigate the effects of COVID-19 on the enterprise and the community Any staff showing symptoms or confirmed case of workers should stay home Confirm workers are fit for work, to include temperature testing and refusing entry to sick workers Proper hygiene and sanitation practice by all employees including cough etiquette, hand sanitation, mask wearing, and maintaining social distancing guidelines

				<ul style="list-style-type: none"> • The enterprise should provide enough water-soap handwashing facilities in workplaces and disposable tissues and garbage bins or hand sanitizing gel • Ensure clearing and disinfection in the workplace • Consider increasing ventilation or installing high-efficient air filters especially where close personal proximity cannot be prevented <p>GIZ:</p> <ul style="list-style-type: none"> • Provide timely information on COVID-19 status updates and good practices for preventing transmission to all employees
	Impact on labor income through the loss of earnings due to sickness, reduced hours and/or salaries, or unemployment	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> • Provision of medical insurance for workers covering treatment for COVID-19, sick pay for workers who either contract the virus or are required to self-isolate due to close contact with infected workers • Ensure that staff do not feel pressured to attend work even if HR policies should be temporarily revised
	Decrease demand on selected goods and services	All	Yes	<p>Grant recipients:</p> <ul style="list-style-type: none"> • Limit chain supplies to local market as much as possible • Increase marketing and promotional strategies for local products • Transition online service provision including telecommunications or web-based sales page

	Insufficient access to treatment and healthcare	All	Yes (contextual risk)	Grant recipients: <ul style="list-style-type: none"> • Source a list of facilities in Iraq providing vaccination programs and make available to employees • Enterprise to cover healthcare for COVID-19 through medical insurance
	Service disruptions, such as the closure of schools and associated school feeding programmes, a lack of access to public health-care facilities as a result of COVID-19 pressures, and disruptions in the mobility required to access services due to lockdowns	All	Yes	Grant recipients: <ul style="list-style-type: none"> • Prepare procedures for working-from-home arrangements through setting up remote infrastructure

In addition to the specific mitigation measures established for these E&S risks, appropriate risk management mechanisms have been developed aimed at addressing issues that may arise during the Project implementation phase. In line with the prepared Environmental and Social Commitment Plan (“ESCP”), the risk management mechanisms consist of a Stakeholder Engagement Plan (“SEP”), Grievance Redress Mechanism (“GRM”),¹⁰ Chance Find Procedures, Labor Management Procedures (“LMP”), as well as a Gender Action Plan (“GAP”).

1.4 Stakeholder Consultation

Stakeholder consultation throughout the Project is crucial to integrate opinions and concerns into alternative arrangement and mitigation measures. A virtual public consultation was conducted on 16th of November 2021 to gather opinions regarding the Project setup. In addition, concerns were also received through survey and e-mail feedback. Of particular importance, vulnerable groups are identified as relevant as they do not often have the channels to raise their concerns, which includes unemployed women, young jobseekers, low-income population and Internally Displaced Persons (“IDP”). Proposed stakeholder engagement strategies have been developed for maximum engagement throughout the project life cycle, including the enhancement of existing institutional structure headed by CBI, formation of an Iraqi Microfinance Association, collaboration with Iraqi Innovation Alliance (“IIA”) and the Iraqi Microfinance Network (“IMFN”).

Details of the stakeholders engagement plan is found [here](#).

1.5 Grievance Redress Mechanism

The Project will maintain the GRM, through facilitated by GIZ, throughout its operation to provide a channel for stakeholders to file their grievances and seek resolution with no intimidation or coerciveness. Dedicated grievance measures have also been created for Gender-based Violence (“GBV”) concerns. These channels will be communicated to all stakeholders through communication campaigns and training sessions. Example grievances that might arise include occupational health and safety (“OHS”) risks, poor labor working conditions, disputes over breach of contract, discrimination, inappropriate and unfair treatment by staff, sexual harassment, sexual exploitation and abuse, incomplete or no service and use of person data without consent.

The Grievance Mechanism will be managed by the Safeguards specialist In cooperation with the CARP project coordinator and the GIZ country Office in Baghdad.

The Grievance Mechanism Procedure is based on several basic principles:

- The process must be transparent, in harmony with the local culture and conducted in the appropriate language.
- The channels of communication between the claimant and the Project remain open for the duration of the process.
- Each community member or group has access to the Project Grievance Mechanism Procedure.
- All grievances are recorded, regardless of whether the grievance is justified or not (the investigation will determine if the grievance is justified).

¹⁰ To be facilitated by GIZ

- All justified grievances deserve to be discussed with the claimant and require a site visit by the Project Coordinator or safeguards specialist (if applicable).

Who may file a grievance?

- Any individual, local authority, NGO, community group, organization, company or other local stakeholder who is directly affected or who may have an interest in the Project, including activities, laws and regulation implemented.

What channels are available to file a grievance?

- Individuals and/or groups are free to choose the method that best suits them to file a grievance, they may do so in writing or verbally. The following channels of communication are made available to register a grievance.

Contact the GIZ Country Office. Note that, in this case, the grievance can often be resolved on site, especially if it is related to wrong or incomplete information or a perception by the claimant.

- Drop a letter in the Grievance letter box that will be located outside the GIZ Country Office (this allows for anonymous grievance).
- File a grievance by phone (this allows for anonymous grievance) on the following number: +4915204197361
- By email on: carp@giz.de
- Write a letter to the Safeguards Specialist or Project Coordinator based in Iraq and Germany.
- Express the grievance or issue in any of the stakeholder consultation meetings.

Some individuals and groups might feel more comfortable if they can express their problems through a representative. As a result, stakeholders can also contact the following people to file a grievance:

- Iraqi Innovation Alliance (“IIA”)
- CBI
- Iraqi Microfinance Network (“IMFN”)

Steps to Resolve a Grievance

Steps	Measures	Responsibilities
Step 1: Registration of grievances	Description of the grievance, first name and surname of the claimant, Means of contact (or phone number, Date when problem occurred, Gender, Stakeholder Group (e.g. government, NGO, MSME etc.) Once this information is collected, the person receiving the grievance will inform the safeguards specialist. If the grievance has been received in writing an acknowledgement letter will be sent to the claimant.	Safeguard specialist
Step 2-- Investigation	Inform the claimant that the usual time to resolve the grievance is within 30 days.	Project coordinator

of the grievance	<p>Discuss with the claimant the issue and obtain the maximum information from the person who filed the grievance.</p> <p>If it concerns a damage caused by an activity related to the Project, take a photo of the damage (if applicable) and the claimant (except if that person refuses to be photographed), as well as GPS coordinates of the site and other details such as extent of damage.</p> <p>This additional information will allow to i) determine whether the grievance is legitimate; ii) confirm the severity of the grievance iii) determine the frequency of occurrence.</p> <p>The safeguards specialist will classify the grievance by level of severity, as per the Grievance register:</p> <ul style="list-style-type: none"> 0. Non-justifiable 1. Negligible 2. Minimum 3. Moderate 4. Serious 5. Catastrophic 	and safeguard specialist
Step 3 – Treatment of Grievance	<p>If the problem can be solved immediately Grievances of this kind are normally negligible or minor</p> <p>If the grievance is not justified If the object of the grievance or concern is not justified (e.g. unrelated to the Project), the project coordinator or safeguards specialist will inform the claimant. This type of grievance needs to be registered noting that it was not justified, but it is important to keep a record for future reference.</p> <p>If the grievance is legitimate and requires financial or in-kind compensation In this case, project coordinator or safeguards specialist will involve the person and partner responsible for the damage (if applicable) to determine adequate compensation. GPS coordinates and photographs will be taken of the damage. If the claimant is satisfied with the compensation proposed, the case will be closed and archived. A Compensation Payment Form will be filled out and signed by the claimant after the payment.</p> <p>If the claimant is not satisfied with the proposed solution In such a case, the project coordinator or safeguards specialist will contact the country office to identify a solution with the claimant. If the grievance cannot be resolved, the last solution is resorting to the legal system.</p>	Project coordinator and safeguards specialist
Step 4-- Closure	The safeguards specialist will determine if the grievance has been closed to the satisfaction of the claimant. Once it has been closed, the information will be entered in the grievances register and the grievance can be closed.	Safeguards specialist

A GRM shall be established within each of the MFIs to handle complaints and grievances relating to any aspect of the Project carried out by the respective recipient, including adverse social and environmental impacts. MFIs will be required to establish their own system to receive grievances as part of their

commitments to the ESMS. The Project PMU E&S Specialist will follow up on the GRM of each beneficiary and ensure it is adequately functioning.

1.6 Chance Find Procedures

Although there is a low probability of encountering a Chance Find due to lack of construction activities in the nature of the Project, a simplified Chance Find's Procedure has been prepared in the event of an unexpected cultural or heritage resource and has been provided in Annex F of this document.

1.7 Labor Management Procedure

The purpose of the LMP is to facilitate the planning and implementation of the Project by identifying the main labor requirements, the associated risks and to determine the resources necessary to address the Project-related labor issues. Upon highlighting the key labor legislations in Iraq, potential labor risks were identified, including but not limited to unfair or unclear contract terms and conditions regarding wages, overtime, compensation, benefits and working hours; occupational health and safety risks; child or forced labor and hiring of unskilled or unqualified labor, among others. Subsequently, relevant policies, procedures, terms and conditions were drafted, and the key personnel responsible for implementing said items were identified. The LMP can be accessed [here](#).

1.8 Gender Action Plan

With an aim to promote opportunities, drivers of change and positive gender dynamics, the GAP ensures the integration of a consistent gender-perspective in the CARP Project. It contains specific gender elements to be considered in the Project lifecycle and helps to monitor the implementation of gender-related measures and activities. The GAP can be accessed [here](#).

1.9 Relevant Laws in Iraq

National legislation and regulations in Iraq address the majority of the potential E&S issues associated with the Project. The following list provides the key national legislation and regulations in Iraq that are material to the Project:

National Laws and Regulations

- Iraqi Personal Status Law of 1959 (1959)
- Iraqi Penal Code, Law No. 111 of 1969 (1969)
- Maternal Law (1971)
- Iraq Labor Code, Act No. 71 of 1987 (1987)
- Law of Water Conservation Practices No. 2 of 2001 (2001)
- Transitional Administrative Law (2004)
- Constitution of Iraq (2005)
- Law No. 20 of 2008 for Environmental Protection and Improvement in Iraqi Kurdistan Region (2008)
- Law No. 27 of 2009 for Protection and Improvement of the Environment (2009)
- Instructions No.2 of 2014 on Environmental Protection from Municipal Waste (2014)

- Labour Law (2015)
- Instructions No. 12 of 2016 on Occupational Health and Safety Requirement (2016)

International Treaties and Instruments

- International Covenant on Civil and Political Rights (1966)
- International Covenant on Economic, Social and Cultural Rights (1966)
- Convention on the Elimination of all Forms of Discrimination Against Women (1979)
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984)
- Convention on the Rights of the Child (1989)
- International Labor Organization (“ILO”) Maternity Protection Convention, 2000 (No. 183) (2000)
- Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict (2000)
- International Convention for the Protection of All Persons from Enforced Disappearance (2007)

A detailed overview of how these listed laws and regulations relate to key E&S issues in Iraq has been inserted in Annex G of this document.

The direct beneficiaries of CARP will be monitored by the E&S Focal Point from GIZ, the person will ensure that they are adhering to the regulations. The recipients of the grants will ensure appoint an E&S focal point ensuring that the regulations are respected.

2. Roles and Responsibilities

To execute the proposed activities GIZ establishes a well-defined institutional and implementation mechanism for identifying, appraising, managing and monitoring safeguards at all levels. This section discusses the roles, responsibilities of various parties, and the due diligence process that will need to take place from the preparation of an investment through implementation completion.

GIZ is responsible for the overall implementation of the Project as well as the oversight of various grants’ schemes under the Project. GIZ shall maintain capacity, functions, staffing and resources satisfactory to the Ministry of Finance (“MOF”) and the WB including inter alia specialists in procurement, financial management, safeguards and monitoring and evaluation. Where events or conditions are likely to interrupt or interfere with the smooth implementation of the sub-projects, GIZ shall act promptly to deal with or address such events or conditions and inform the beneficiary and the WB accordingly.

The following responsibilities are maintained by GIZ:

- Pre-screen the MFI candidates and other grant applicants in accordance with the exclusion list;
- Prepare and adopt E&S safeguard instruments;
- Monitor safeguards instruments and ensure the Project is executed in strict accordance with such safeguard instruments;
- Technically assist in the selection of the independent consultant, if required;
- Review deliverables submitted by the hired Consultants in line with Project objectives;

- Implement, maintain and facilitate Grievance Redress Mechanisms (“GRM”) throughout the Project, ensuring that mechanisms are consistent/in place.
- Address grievances that arise from the GRM;
- Monitor the implementation of the mitigation measures and recommendations of the ESMF, and conduct site inspection when needed;
- Review and follow up on the implementation of mitigation measures and recommendations during the scaling up and operations;
- Prepare quarterly and annual reports to report WB on the progress;
- Ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as approved by MOF and the WB.
- Ensure that grant recipients implement their ESMS in keeping with the E&S risks and mitigations; assess capacity of grant recipients to implement their ESMS and support them with capacity building.
- Promptly report to the World Bank any significant accident/fatal incident.
- Promptly inform the World Bank of the incident and promptly provide information about the incident to the World Bank as well as further details as they become available.
- For any severe incident such as a fatality, incidents that caused or may cause great harm to the environment, workers, communities, or natural or cultural resources, incidents that may result in high levels of lasting damage or injury, incidents that requires an urgent and immediate response, etc., the GIZ/PMU shall notify the World Bank within 24 hours after it becomes aware of the incident.

In addition, the grant recipient will have the responsibility to adopt the ESMS and assign a senior representative to have overall responsibility over all environmental and social requirements including completion of all related criteria.

An ESMS should be reviewed periodically to ensure that it remains relevant and effective over time, and that it incorporates the evolving needs of FIs. This involves identifying the potential difficulties related to the operational aspects of the implementation of the ESMS and making the necessary modifications, examining the scope of the ESMS procedures to ensure that the environmental and social risks and impacts emerging in sub-projects are detected and identified during the due diligence process; and update the ESMS to reflect revisions to applicable national environmental, health and safety laws.

3. ESMS Communication & Disclosure

Ensuring awareness of relevant stakeholders (see the SEP) of the existence of the ESMS which supports its implementation, including to all relevant personnel at the PIA. This includes but is not limited to the Team Leader and Project Coordinator

The ESMS is available here:

- www.carp-iraq.com

The PIA will ensure that the ESMS/ESCP/SEP are disclosed and available to relevant staff. As for the MFIs and other grant recipients, training will be provided to them by the E&S consultant developed on the basis of the World Bank E&S training materials.

3.1 Procedures for the Disclosure and Implementation of ESMS Disclosure

Public disclosure of E&S documents is a requirement of the WB as well as the national environmental impact assessment laws and guidelines, and therefore this ESMS will be available to project affected groups, local NGOs, and the public at large. The ESMS will be announced and published on the websites of the Project implementing entities. The ESMS will subsequently be disclosed on the WB website after in-country disclosure. Disclosure in-country and on the WB website will take place before the board date.

Implementation

As part of the due diligence process in the Project cycle, screening and assessing the social and environmental risk of each must be undertaken. The PMT will be responsible for screening the applicants and ensure that all the necessary criteria are met. The following section lays out the procedures to be applied to all applicants who are eligible for the CARP Project.

Environmental and Social Safeguards PMT

Environmental and social safeguards are introduced and addressed, where all measures and requirements are also set forth. These safeguards include requirements of exclusion from the WB, as well as safeguards required under the Safeguards+Gender Management System of GIZ.

Environmental and Social Procedures

The Environmental and Social Procedures to be completed include:

- Selection of the MFIs
- Screening for Eligibility of Projects Submitted to MFIs
- Screening for Eligibility of Projects Submitted to GIZ
- Assessment of Potential Environmental and Social Risks

World Bank's Exclusion List

The WB has classified 14 areas of business involvement that are exempted from funding from this Project. Together, they form the basis of the CARP Project's exclusion list. The following type of activities are ineligible for financing under this Project:

- i) Any subproject with significant E&S risks, the negative impacts of which will be considered diverse, varied, irreversible and unprecedented.
- ii) Any subproject containing or involving the following:
 - Production or activities involving forced labor / harmful child labor;
 - Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
 - Production or trade in weapons and munitions;

- Gambling, casinos and equivalent enterprises;
 - Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
 - Production or trade in radioactive materials;
 - Production or trade in or use of unbonded asbestos fibers;
 - Production or trade in wood or other forestry products from unmanaged forests;
 - Production or trade in products containing poly-chlorinated biphenyl, or PCBs;
 - Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;
 - Production or trade in pharmaceuticals subject to international phase outs or bans;
 - Production or trade in pesticides / herbicides subject to international phase outs or bans;
 - Production or trade in ozone depleting substances subject to international phase out;
 - Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such people.
- iii) Any subproject that involves civil work including:
- Construction of infrastructure (roads, railways, highways, bridges, etc.);
 - Construction of local amenities (parks, leisure centres, etc.); and
 - Construction of service facilities (schools, hospitals, etc.)

3.2 GIZ's Safeguards+Gender Management System

The Safeguards+Gender Management System is a mandatory minimum standard for all GIZ business sectors and commissioning parties for projects with a commission value of EUR 1 million or more.

In accordance with GIZ's Safeguards+Gender Management System, GIZ's safeguards are designed to protect people and other objects of protection from adverse impacts from risks and unintended negative impacts. The Safeguards+Gender Management System sets out precautionary measures to avoid or mitigate unintended negative impacts in the areas of the environment and climate, human rights, conflict and context sensitivity, as well as gender equality.

The aim of the environment and climate safeguards is to ensure that environmental and climate aspects are systematically considered both strategically and operationally. In concrete terms this means ensuring that, in the planning and implementation of development programmes,

- Unintended negative impacts on the environment and climate are reduced or avoided;
- There are no considerable additional greenhouse gas emissions; and
- The impacts of climate change are taken into account and adaptive capacities are increased.

The human rights safeguard describes how the observance of human rights is assessed and what criteria are used. The assessment reviews the interactions between the programme and its context and the alignment of the Project with human rights standards. In addition – and in particular within contexts that present challenges to upholding human rights – it ensures that projects are designed in a human-rights-sensitive way, possible risks are appropriately addressed, and results are monitored effectively.

The conflict and context sensitivity safeguard are needed to minimize or prevent development measures from having unintended negative impacts on fragile and conflict- or violence-prone contexts. As Iraq is one of the countries that is affected by conflict, fragility, violence or acute crises, this international development project should therefore aim wherever possible to address the causes of conflict, fragility and violence, to improve capacities for non-violent conflict transformation and to create an environment needed for peaceful and inclusive development. It is therefore extremely important to pay attention to a context- and human-rights-sensitive design and implementation of projects, context-specific management of the handling of external risks, and conflict- and context-sensitive monitoring to prevent and/or reduce unintended negative impacts on the context and existing conflicts.

In the area of gender equality, the Safeguards+Gender Management System goes beyond checking for and assessing any unintended impacts in the sense of a do-no-harm approach and requires additionally, as a binding standard, the assessment of potentials for promoting gender equality. Potential for promoting gender equality and women’s rights must be leveraged wherever possible. This involves, among other things:

- Creating equal access to law and justice;
- Enhancing political participation, decision-making and representation of women;
- Promoting equal social and economic participation;
- Enabling equal access to education, to resources and services, to vocational training, to the labor market and to life-long learning;
- Tackling gender-based violence against women and girls; and
- Supporting state institutions and/or non-state stakeholders that actively campaign for gender equality.

Eligibility Screening Criteria

All subproject applications, direct or through MFIs, must undergo a screening process. A screening checklist for applicants (Annex B) and for official use (Annex C) have been prepared. It is prepared with due consideration of the E&S safeguards, including requirements of exclusion from the WB, as well as safeguards required under the Safeguards+Gender Management System of GIZ.

The screening checklist includes two major sections: i) a general eligibility criteria screening that eliminates all projects that are involved in one or more of the exclusion factors, and ii) a screening checklist that has been developed in order to assess the E&S factors set out below:

Table 3: Environmental and Social Eligibility Criteria

Environmental Factors	Social Factors
<ul style="list-style-type: none"> ● Overall environmental assessment ● Water use ● Land use ● Climate / greenhouse gas emissions ● Fuel usage ● Energy consumption ● Solid waste ● E-waste 	<ul style="list-style-type: none"> ● Employment ● Gender rights ● Child and forced labor ● Human rights ● COVID-19 impact ● OHS ● Privacy and data safety ● Corruption

Through the proper use of the screening checklist projects and activities that negatively impact or violate the rights and factors listed above will not be deemed suitable for funding. Projects that may have a positive overall impact but do not adhere to the baseline standards of a single environmental or social factor will also not be eligible for funding. For example, a project that provides innovative energy consumption solutions positively impacting the environment would not be eligible for funding if the potential funding recipient does not have adequate employee protections in place or if there is evidence of forced labour as part of the project operations.

Applicability for undergoing the screening criteria is as follow:

Table 4: Screening Threshold

Threshold for Screening	Part I: Exclusion Screening	Part II: E&S Screening
Subproject funding equal to or below USD XXXX	Required	Optional
Subproject funding above USD XXXX	Required	Required

For the screening checklist, each E&S section is assigned a scoring system, which then requires officials using the screening checklist to provide a detailed and comprehensive description of the risk and impact, as well as the extent to which the activities of the subprojects are dependent or independent of.

The E&S specialist would then be responsible for monitoring and assessing the validity and threshold to which the responses to each factor are sufficient.

In the event that the justification or explanation from the official assessment is deemed insufficient by GIZ, the official(s) responsible for the assessment may be required to undergo an interview process. The interview process would facilitate an understanding from both sides of the E&S risks and impact the subproject applications would encapsulate. GIZ would have the final decision-making power to decide whether the subproject applications would pass the E&S screening process for its funding application.

Social Responsibility and Environmental, Health and Safety Policy

Company policy of subprojects demonstrates the company's commitment to assess and implement certain social and environmental factors. For those that do not have such a policy to guide the company, a template Social Responsibility and Environmental, Health and Safety Policy has been created (Annex 4) to illustrate subprojects' commitment to social responsibility, environmental, and health and safety aspects. It is an optional document for the top management of subprojects to sign, in the event that they do not already have a similar policy in place. It requires their commitment to adhere to certain guiding principles, including operating with integrity, strictly abiding by all material laws and regulations for pollution prevention, and protecting the rights and interests of all employees.

Eligibility Screening

GIZ conducts an initial review of applications to confirm the requisite information and materials have been provided in full – as well as the general eligibility of the applicant.

Applications that pass the eligibility screening will undergo an initial evaluation to identify the environmental and social risks and set the appropriate mitigation measures for project activities, where needed. The assessment is done through the ESMF, which the applicant firm is required to complete as part of the application process.

Application Screening Against Selection Criteria

If the applicant complies with the eligibility screening, an application assessment will be undertaken by the Selection Committee ("SC") to assess the application against selection criteria and to obtain any clarifications. The Committee may also conduct an interview with the applicant.

The Committee members will fill scorecards. The Committee will then prepare a report with the final Committee decision.

Environmental and social risk classification

All projects will be classified into one of four classifications: *High Risk*, *Substantial Risk*, *Moderate Risk* or *Low Risk*. Any projects that are classified above the overall environment risk rating of moderate will not be eligible for funding. In determining the appropriate risk classification relevant issues will be taken into account such as the type, location, sensitivity, and scale of the project; the nature and magnitude of the potential environmental and social risks and impacts; and the capacity and commitment of the Borrower (including any other entity responsible for the implementation of the project) to manage the environmental and social risks and impacts in a manner consistent with the ESSs.

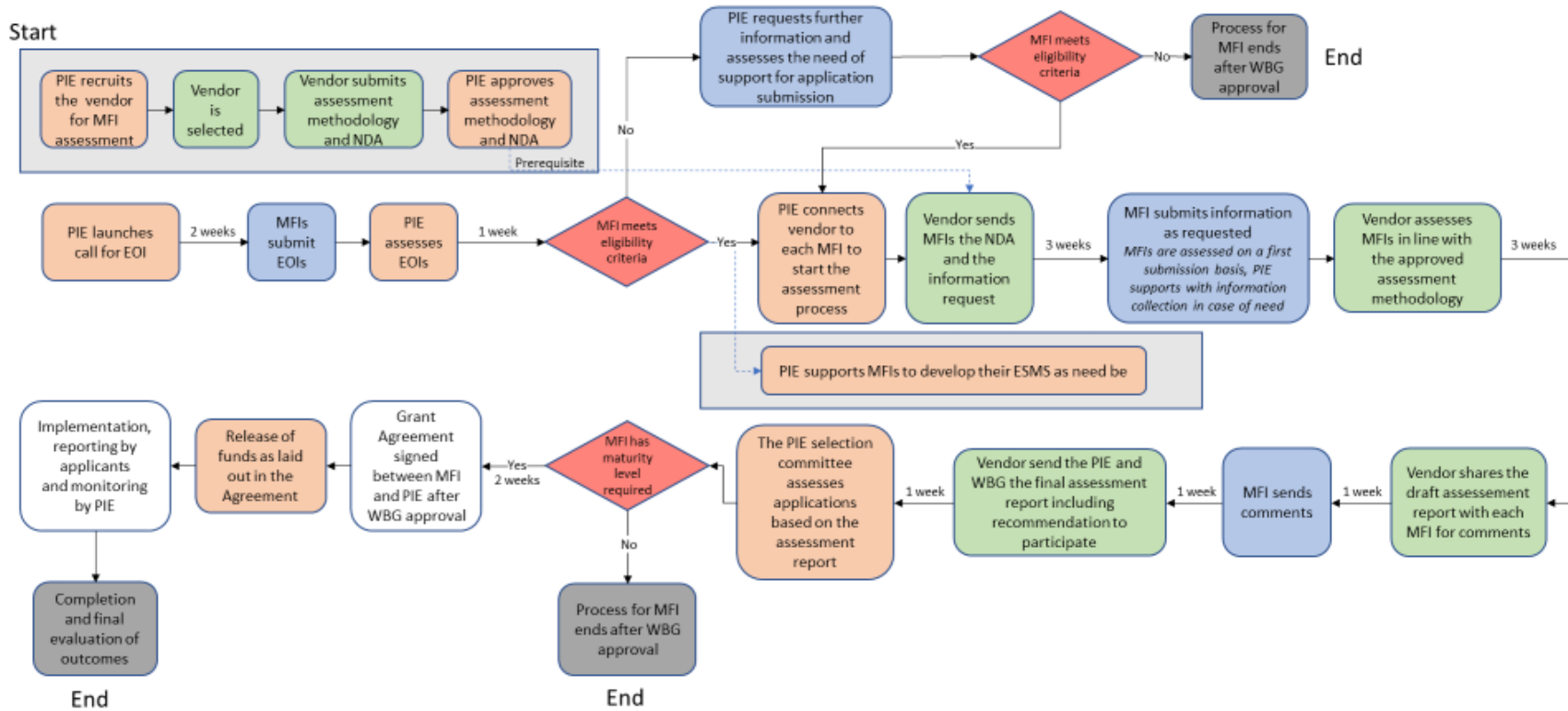
Other areas of risk may also be relevant to the delivery of environmental and social mitigation measures and outcomes, depending on the specific project and the context in which it is being developed. These could include legal and institutional considerations; the nature of the mitigation and technology being proposed; governance structures and legislation; and considerations relating to stability, conflict or security. The Project's classification and the basis for that classification will be disclosed on the related website and in project documents.

Further information as to what will and will not be allowed under the ESMS is outlined in Annexes A, B, and C.

Procedures to review E&S systems / ESMS

On a quarterly basis, GIZ is responsible for preparing an Environmental and Social Safeguards Monitoring Report throughout the Project implementation phase. These regular monitoring reports on ESHS performance of the Project with aggregate data on number of subproject applications received, number of subprojects assessed according to ESMS framework, number of subproject eligible after assessment, and total ratio of subproject based on scoring category and total amount of funding based on scoring category.

E&S System Process Map



Budget for ESMS Implementation

Below is the preliminary cost estimate for the implementation of sub-project specific ESMS.

Table 5: Budget for the Implementation of ESMS

<p><u>Desktop Research</u></p> <p>Legislative and Institutional Framework in Iraq Environmental and Social (E&S) Baseline Data</p> <p><u>Environmental and Social Impact Assessment</u> Identification of Potential E&S Risks and Impacts</p> <p><i>Collaborative Mitigation Measures Proposal</i> E&S Assessment Procedures, including Subproject Screening Checklist Form Monitoring and Reporting Plans, including E&S Monitoring Report Template Stakeholder Consultation Procedures Grievance Redress Mechanism Labour Management Plan</p> <p><u>Environmental and Social Management Framework (ESMF) Report</u> ESMF Report Structure First Draft of the ESMF Final Draft of the ESMF</p> <p>ii Capacity Building Trainings on ESMF Requirements</p> <p><u>E&S Monitoring Reports</u> 1 E&S Monitoring Report Template Review and audit 8 E&S Monitoring Reports (2021-2023)</p>	<p>Up to \$USD 38.000 USD</p>
<p>Contingences</p>	<p>2.000 USD</p>

4. Monitoring and Reporting of ESMS Implementation

The environmental and social performance of the sub-projects will be monitored, re-evaluated and documented and recommendations made accordingly and periodically by E&S focal point of the recipients with support from GIZ in order to guarantee the permanent compliance with the applicable requirements.

4.1 Monitoring

Monitoring is a key component of the ESMS during project implementation, as it helps verify the effectiveness of impact management, including the extent to which mitigation measures are successfully implemented.

More specifically, periodic monitoring of the general project and subproject activities will help to:

- Improve E&S management practices;
- Check the effectiveness of the implementing entities' safety oversight measures;
- Identify problematic areas of the Project at early stages for quick intervention; and
- Provide the opportunity to report the results on safeguards, impacts and the implementation of mitigating measures in time.

GIZ will contract a dedicated M&E specialist who will be responsible for facilitating the M&E activities. The M&E Specialist and a dedicated qualified ESHS supervisor for monitoring environmental, social, health and safety issues, will ensure compliance with the ESMS. The following table presents the main monitoring activities to be undertaken to track the progress of ESMS implementation into the sub-projects.

Table 6: ESMF Monitoring Indicators

Activities/ Issues	Key Performance Indicator ("KPI")	Frequency	Responsibility
Reporting of incidents/ accident	Reporting of incident/accident through the Incident/ Accident Form <ul style="list-style-type: none"> • Number of incidents/ accidents 	Within 48 hours after becomes known	GIZ/M&E specialist
Implementation of GRM	<ul style="list-style-type: none"> • Number of grievances recorded • Number of grievances resolved in the stipulated time frame 	Monthly	GIZ/M&E specialist
Stakeholder Engagement	<ul style="list-style-type: none"> • Numbers of stakeholder (groups) participating to CBI sub-Committees • Number of sub-Committees taking place • Frequency of sub-Committee meetings 	Monthly	GIZ/M&E specialist

Implementation of E&S program during the operation of the Project	Regular monitoring reports on ESHS performance of the Project with aggregate data on: <ul style="list-style-type: none"> • Number of subproject applications received • Number of subprojects assessed according to ESMF framework • Number of subproject eligible after assessment • Total ratio of subproject in each risk level and total amount of funding per risk level 	Quarterly	GIZ/M&E specialist
Implementation of E&S recommendations during the operation of the Project	Reported submitted by the industry Observation during site visit	Yearly	GIZ/M&E specialist
Training and awareness for grants recipients	<ul style="list-style-type: none"> • Number of awareness sessions on ESHS and GBV issues • Number of project beneficiaries attending these sessions 	Once according to time operated	GIZ/M&E specialist

4.2 Reporting

A long-term safeguard, gender and Monitoring and Evaluation (“M&E”) specialist as well as a national expert who will support the safeguard, gender and M&E specialist, will be embedded into the programme. They will be responsible for overseeing, guiding and coordinating gender-related measures within the programme, and ensure the successful implementation of the GAP. Their responsibilities will also include monitoring, evaluating and reporting the GAP.

With a focus on gender, their specific duties will include the following (among others):

- Liaison with all program stakeholders;
- Responsibility for overseeing program communication and stakeholder engagement on topics related to gender;

- Revision of program documents/publications/guidelines/policies to ensure effective gender-mainstreaming, and that information is gender-sensitive;
- Identification of local and provincial Civil Society Organizations (“CSOs”) and women’s groups for collaboration on community outreach, information dissemination and other program activities;
- Dissemination of information about the grievance mechanism to program partners, local communities, CSOs, among others;
- Overseeing (implementing, monitoring and reporting) the gender action plan; and
- Monitoring program progress, including gender action plan targets, and ensuring adaptive management (as needed).

5. Stakeholder Engagement Plan

During the Project preparation, consultation meetings were conducted by engaging over 200 different stakeholders. According to ESS10, stakeholders are defined as individuals, groups or other entities who:

- Are impacted or likely to be impacted directly or indirectly, positively or adversely, by the Project (also known as “project-affected parties”); and
- May have an interest in the Project (“other interested parties”). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the Project outcomes in any way.

A final high-level consultation of 20 selected organizations, representative of the diversity of all previously consulted stakeholders, took place online, through a survey, e-mail feedback and a virtual consultation session (16th of November 2020). The list of participants include:

Stakeholder	Contact Name	Contact Email
<i>Private sector associations:</i>		
Iraq Britain Business Council:	Ashley Goodall	ashley.goodall@webuildiraq.org
Iraqi Private Banks League	Ali Tariq Mostaf	ali.tariq@ipbl-iraq.org
<i>Intermediaries:</i>		
The Station	Ali Al-Makhzomy Ammar Al-khatib Rasha Albani	makhzomy@the-station.iq ammar@the-station.iq rasha.albani@the-station.iq

Five One Labs:	Patricia Letayf Alice Bosley	patricia@fiveonelabs.org alice@fiveonelabs.org
Sulaimani University Entrepreneurship Program	Pat Cline	pat.cline@auis.edu.krd
Mselect	David Tannourji	david@mselect.iq
Women Empowerment Organization	Suzan Arif	info@weoiraq.org
Kapita	Mujahed Wais Ali Alsuhaib Mohammed Hameed	mujahed@kapita.iq ali.alsuhail@kapita.iq m.hameed@kapita.iq
Innovest	Bassam Falah	bassam.falah@innovest.me
Iraq Tech Ventures	Laura Olivier Mohammed Khudairi	info@iraqtechventures.com mohammed@khudairigroup.com
Northern Gulf Group	Christopher Ruth Zaab Sethna	cr@northerngp.com zs@northerngp.com
Microfinance		
Central Bank of Iraq	Ms Qismah Saleh Ali Moussa	gismah.salih@cbi.iq ali.moussa@cbi.iq
Vitas Iraq	Moustafa Khalife	mkhalifeh@vitasiraq.com
Izdiharona	Ahmed Alsaierafi	aalsaraifi@gmail.com
Al-Thiqa	Abbas Saedy	abbassaedy@yahoo.com

Businesses		
SAP	Hassan Saleh Batoul Husseini Khalidoun Homs	hassan.saleh@sap.com batoul.husseini@sap.com khalidoun.homs@sap.com
Miswag	Ammar Ameen	ammar@miswag.net
Lezzoo	Yadgar Fadhil	Info@Fastwares.com
Sandoog	Mustafa Obaidi	mustafa@sandoog.net
ShopYoBrand	Randi Barznji	randi.barznji@gmail.com

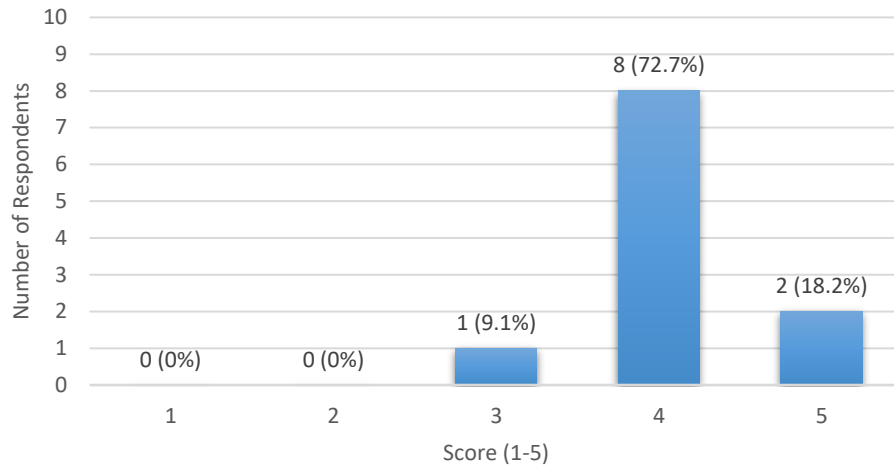
Results

In a two-hour virtual session attended by 34 participants, stakeholders were invited to share their thoughts, questions and concerns regarding the Project setup. The main topics discussed are as follows:

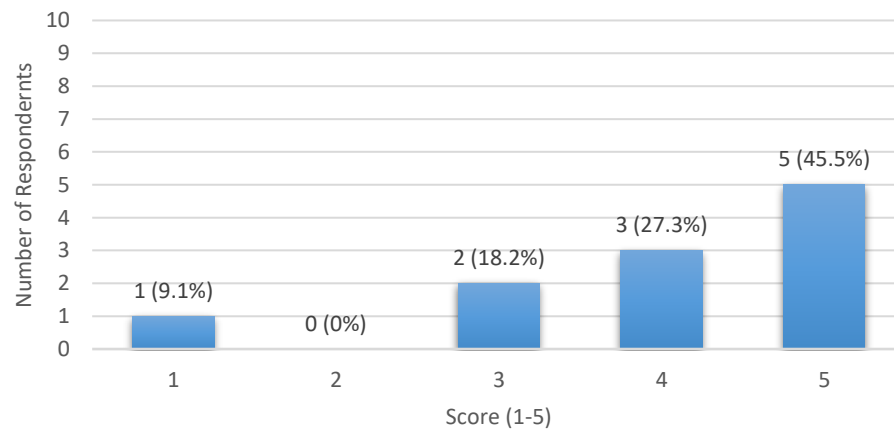
- Need for adequate support to the CBI for setting up a Microfinance Unit (as foreseen under Component 1.2 of the CARP);
- The active consideration of the Kurdish Region (related to different regulations or understandings of regulations applicable to MFIs); and
- The engagement of “actually” interested SMEs in Capacity Development efforts and the clarification of details with regard to the grant schemes.

Overall, the stakeholders expressed a very clear understanding of the planned project and confirmed the Project have the potential to achieve the planned impact in its current form. The charts below present some feedback gathered through the online survey. 1 represents a low rating while 5 represents a high rating.

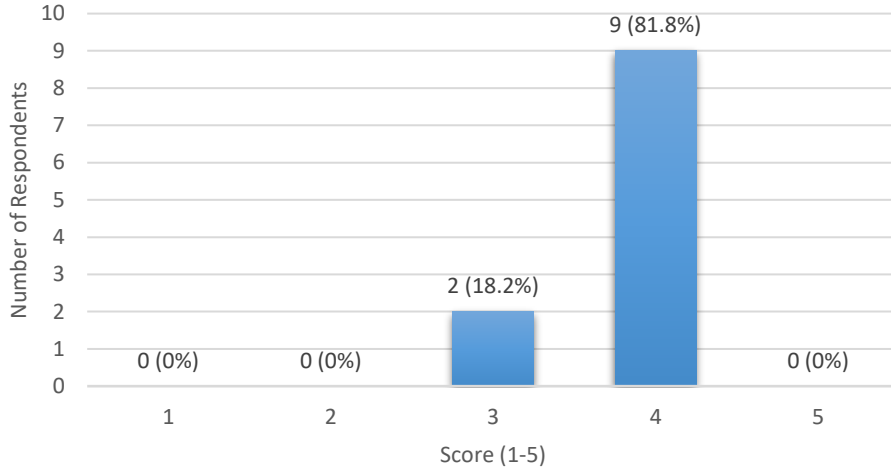
How would you rate the feasibility of the CARP?



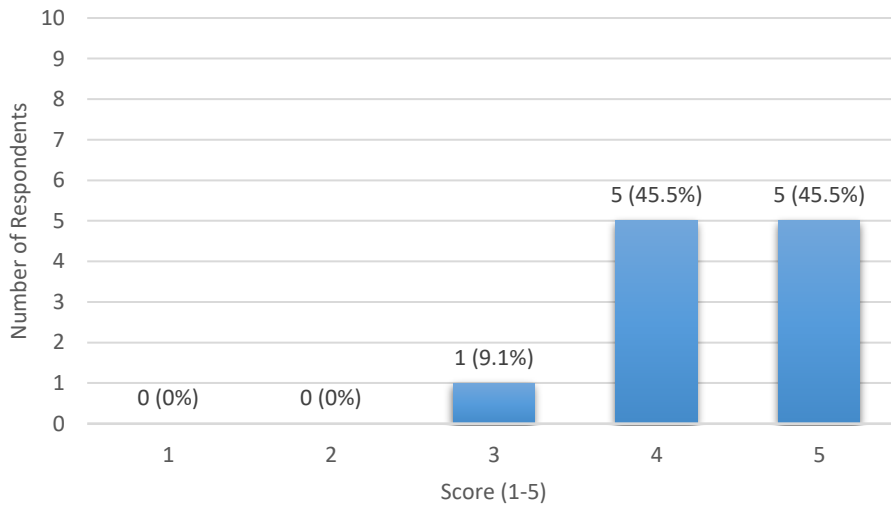
The CARP has the potential to adequately address the needs of my/our organisation/company



All relevant areas for supporting firms' resilience, non-bank access to finance (i.e. microfinance and early-stage finance) and growth in Iraq are being addressed through the project



The two technical project Components (i.e. 1 and 2), including their sub-Components (i.e. 1.1, 1.2, 2.1, 2.2) and intended goals are fully clear to me



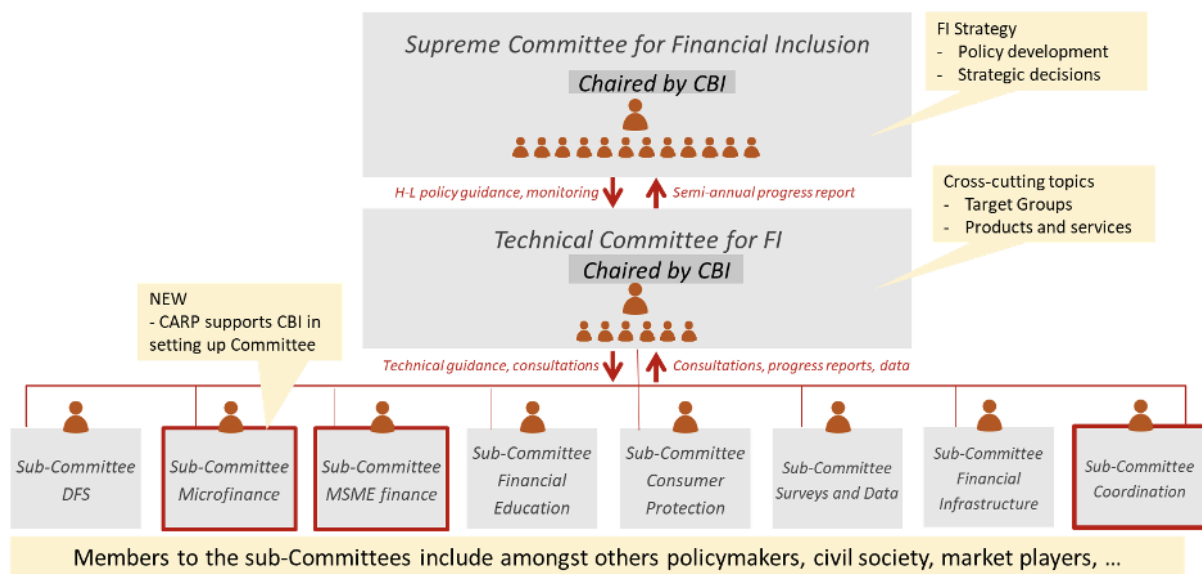
Proposed Strategies

It is essential to facilitate stakeholder engagement throughout the Project life cycle, hence, a series of proposed stakeholder engagement strategies have been developed that ensures the engagement of the largest number of diverse stakeholders as possible. The following provides a summary of the proposed strategies as detailed in the Stakeholder Engagement Plan (“SEP”).

Through the Existing Governance Structure

The Project aims to utilize the existing Governance Framework/Coordination Structure for the National Finance Inclusion Strategy of Iraq as a method for which stakeholders can provide feedback. This framework is led by the CBI, to which the Project will have direct access, due to the support in setting up a Microfinance unit at the CBI. The chart below presents an overview of the structure and indicates the most relevant sub-committees (red framed) that the CARP will engage with/support in order to ensure relevant stakeholders are being informed about the Project progress and have the possibility to provide feedback or raise concerns. For a detailed list of the contributors for each sub-committee, please see the [SEP](#).

Governance Framework for the National Finance Inclusion Strategy of Iraq



Through the Microfinance Association

Similar to approaches taken by other countries such as Jordan and as discussed with the participants/stakeholders for setting up a microfinance unit, it is recommended to set-up an Iraqi Microfinance Association. The establishment of an Association would offer a series of industry-related support such as information of the development of the Microfinance Sector in Iraq, training and coaching to members, administer self-regulation practices, including the Code of Conduct, present market studies and running an Ombudsman, if applicable. Having this non-government led approach would create a more inclusive environment for stakeholders to raise concerns, which is less likely achieved in formal and structured mechanisms.

Through Iraqi Innovation Alliance (IIA)

For meaningful consultations with the MSMEs, the Project proposes to conduct close collaboration with the Iraqi Innovation Alliance. Consisting of seven entrepreneurship organizations, this aims to directly

engage with MSME who provide a nation-wide understanding of MSMEs in Iraq. During the Project preparation phase, close ties have been established with the seven listed members.

Through the Microfinance Network

A crucial channel to facilitate engagement with MFIs is through tapping into the existing IMFN. The IMFN was established in 2013 and is the sole organization that represents all MFIs in Iraq. However, they are at risk of closing their operations due to being severely understaffed. As engaging with IMFN presents significant value to the continuity of the Project, GIZ will closely coordinate with the IMFN to provide MFI related support. The IMFN would be responsible for organizing consultation meetings and advocating and mainstreaming compliance with E&S standards amongst MFIs.

6. Review and Update of the ESMS

The E&S performance of the MFI subprojects will be monitored, re-evaluated and documented with recommendations made accordingly and periodically by the E&S Specialist with the support of GIZ in order to guarantee the permanent compliance with the applicable requirements.

The extent of monitoring will be proportionate to the E&S risks and impacts associated with the project. At a minimum, monitoring requirements and commitments include the review of E&S project reports developed by relevant MFI.

GIZ is responsible for preparing an Environmental and Social Safeguards Monitoring Report on a quarterly basis throughout the Project implementation phase. These regular monitoring reports on ESHS performance of the Project will include aggregate data on number of subproject applications received, number of subprojects assessed according to the ESMF framework, number of subprojects eligible after assessment, and total ratio of subproject based on scoring category and total amount of funding based on scoring category as well as a dissection of the E&S performance information provided by each participating MFI.

In addition feedback gathered from execution of the SEP or through data received from the GM, once assessed by GIZ, will be incorporated into the ESMS.

Any updates or revisions made to the ESMS will be shared with both the WB and MFIs.

Annex A Exclusion List

The WB has classified 14 areas of business involvement that are exempted from funding from this Project. Together, they form the basis of the CARP Project's exclusion list. The following type of activities are ineligible for financing under this Project:

- i) Any subproject with significant E&S risks, the negative impacts of which will be considered diverse, varied, irreversible and unprecedented.
- ii) Any subproject containing or involving the following:
 - Production or activities involving forced labor / harmful child labor;
 - Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
 - Production or trade in weapons and munitions;
 - Gambling, casinos and equivalent enterprises;
 - Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
 - Production or trade in radioactive materials;
 - Production or trade in or use of unbonded asbestos fibers;
 - Production or trade in wood or other forestry products from unmanaged forests;
 - Production or trade in products containing poly-chlorinated biphenyl, or PCBs;
 - Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;
 - Production or trade in pharmaceuticals subject to international phase outs or bans;
 - Production or trade in pesticides / herbicides subject to international phase outs or bans;
 - Production or trade in ozone depleting substances subject to international phase out;
 - Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such people.
- iii) Any subproject that involves civil work including:
 - Construction of infrastructure (roads, railways, highways, bridges, etc.);
 - Construction of local amenities (parks, leisure centres, etc.); and
 - Construction of service facilities (schools, hospitals, etc.)

Annex B Screening and Appraisal Format

MFIs checklist for MSMEs funding

General Information	
Name of the Applicant	
Name of the Company	
Relationship of the Applicant to the Company	
Registration Status	
Legal Status	
Ownership Structure of Company	<input type="checkbox"/> Single owner <input type="checkbox"/> Multiple owners <input type="checkbox"/> Others: _____
Do the Owner/s identify themselves as male or female?	<input type="checkbox"/> Male <input type="checkbox"/> Female
Area of Operation/ Industry	
Location of Companies Headquarter, Area of Business Activities	
Funding Purpose	
Funding Amount (USD)	

Part I: Exclusion Screening	
<i>Please cross out whichever does not apply.</i>	
Is your company involved in the following areas?	Yes / No
• Production or activities involving forced labor / harmful child labor;	Yes / No
• Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;	Yes / No
• Production or trade in weapons and munitions;	Yes / No
• Gambling, casinos and equivalent enterprises;	Yes / No
• Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);	Yes / No
• Production or trade in radioactive materials;	Yes / No
• Production or trade in or use of un-bonded asbestos fibers;	Yes / No
• Production or trade in wood or other forestry products from unmanaged forests;	Yes / No
• Production or trade in products containing poly-chlorinated biphenyl, or PCBs;	Yes / No
• Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;	Yes / No
• Production or trade in pharmaceuticals subject to international phase outs or bans;	Yes / No
• Production or trade in pesticides/herbicides subject to international phase outs or bans;	Yes / No
• Production or trade in ozone depleting substances subject to international phase out;	Yes / No
• Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such people.	Yes / No
<i>(For official use only)</i>	Score

Part II: E&S Screening

Environment	
<i>Please cross out whichever does not apply.</i>	
Overall Assessment	
Will the project potentially have a considerable adverse impact on one or more of the following objects of protection?	
• Human health (e.g. as a result of environmental pollution or non-compliance with industrial health and safety provisions)	Yes / No
• Biodiversity (flora, fauna, genetic diversity, etc.)	Yes / No
• Ecosystems and ecosystem services	Yes / No
• Soil, water, air and landscape	Yes / No
• Cultural assets	Yes / No
• Interactions between the objects of protection mentioned above	Yes / No
Will the project be operating in an environment/sector that entails significant environmental risks although it is not directly responsible for these risks? Example: Advisory services to the management of an industrial park which is also the base of chemicals companies	Yes / No
Is an environmental impact assessment or a strategic environmental assessment required by law in Iraq/Kurdistan for project-based interventions?	Yes / No
<i>(For official use only)</i>	Score

Water Use	
Does the business require water for operation? ♦ If Yes - estimate the weekly amount of water used in Liters: _____	Yes / No
Is the business affected by water scarcity or low water quality?	Yes / No
Is the business affected by unreliable water supply (man-made and natural causes)?	Yes / No
Is the business affected by unreliable water quality (man-made and natural causes)?	Yes / No
<i>For water intensive businesses only</i>	
Does the business have well-structured water use and reduction guidelines? ♦ If Yes - Are all staff trained in understanding implementing the water use and reduction guidelines? ♦ If No - How is the use of water managed? _____ _____	Yes / No Yes / No

<i>(For official use only)</i>	Score
Land Use	
Does the business rely on a separate parcel of land? <ul style="list-style-type: none"> ♦ If Yes - What is the size of land required for the business operations? _____ (square meters) 	Yes / No
Does the business rely on the use of chemicals?	Yes / No
Does the business require the use of pesticide in its operations? <ul style="list-style-type: none"> ♦ If Yes - What type(s) of pesticide is used? _____ 	Yes / No
<i><u>For chemical intensive businesses only</u></i>	
Are all staff trained in the storage, use and disposal of chemicals?	Yes / No
Does the business have a well-defined protocol in the storage, use and disposal of chemicals? <ul style="list-style-type: none"> ♦ If No - How is the use of chemicals controlled/managed? _____ _____ _____ 	Yes / No
<i><u>For agricultural businesses only</u></i>	
Does the business have a well-defined protocol in the storage, use and disposal of pesticide? <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the protocol? ♦ If No - How is the use of pesticide controlled/managed? _____ _____ _____ 	Yes / No Yes / No
<i>(For official use only)</i>	Score

Air Emissions and Air Quality <i>Please cross out whichever does not apply.</i>
Climate/ Greenhouse Gas Emissions
Risk of immediate negative effects/impacts (Carbon Footprint) Note: Immediate negative effects are those, which are co-financed or implemented by the project and taking place during the project period. Are there one or more of the following measures or activities directly implemented or financed by the project during the project period:

<ul style="list-style-type: none"> • Infrastructure measures (new construction, renovation and/or restoration): <ul style="list-style-type: none"> ○ Buildings, such as medical wards, education centers, etc. ○ Streets or other traffic routes ○ Agricultural infrastructure, such as irrigation infrastructure, warehouses, greenhouses ○ Plants such as water treatment plants or wastewater treatment plants, recycling plants, waste disposal sites, waste to energy, etc.? 	Yes / No
<ul style="list-style-type: none"> • Agricultural activities: <ul style="list-style-type: none"> ○ Food cultivation, such as rice cultivation ○ Livestock farming and dairy industry ○ Use of fertilizers ○ Intensive land use (monoculture) and accompanying land degradation ○ Other agricultural activities, which could produce GHG emissions 	Yes / No
<ul style="list-style-type: none"> • Activities in the forest sector: <ul style="list-style-type: none"> ○ Deforestation due to infrastructure measures (forest clearing for road construction) or expansion of agricultural areas ○ Forest degradation due to infrastructure measures (forest clearing for road construction) or expansion of agricultural areas 	Yes / No
<ul style="list-style-type: none"> • Economic activities: <ul style="list-style-type: none"> ○ Activities, which are linked to energy production, energy supply and/or energy conversion for industrial/economical processes ○ Activities, which are linked to the emergence and/or release of manufacturing emissions (e.g. methane, technical gases in individual industrial sectors, HFC in cooling processes) ○ Activities in the field of urban mobility (public transport) 	Yes / No
<p>Will there be any expected extensive travel activities by the project in the context of capacity development?</p>	Yes / No
<p>Besides the above-mentioned activities - are there more GHG-intensive activities directly implemented, financed or caused by the project that were not listed yet?</p> <ul style="list-style-type: none"> ◆ If yes, please explain: <p>_____</p> <p>_____</p>	Yes / No
<p>Risks by negative impacts, caused indirectly</p> <p>Note: Negative effects, caused indirectly are those, which are caused within the effect logic of the project but are not co-financed or implemented by the GIZ or caused beyond the project period.</p>	
<p>Are there any indirect GHG emissions through infrastructure measures (new construction, renovation and/or rehabilitation) caused by the project?</p>	Yes / No
<p>Are there any indirect GHG emissions through agricultural activities (use of fertilizers, rice cultivation, livestock farming etc.) caused by the project?</p>	Yes / No

Are there any indirect deforestation or land degradation caused by the project?	Yes / No
Are there any indirect GHG emissions through economical activities, trade, energy production, mobility and other activities caused by the project?	Yes / No
<i>(For official use only)</i>	Score
Is it likely that climate change could have a considerable adverse impact on activities and/or the planned development results of the measure? Impacts of climate change: e.g. temperature change, changes in precipitation or wind, indirect climate-related events such as droughts, extreme weather events, severe flooding, rising sea levels, etc.	Yes / No
Is it likely that the measure will impact adversely on the climate resilience (adaptive capacities) of people and/or ecosystems? Examples: Increased water consumption in agriculture and industry; climate-sensitive cropping methods that result in lost harvests and thus in malnutrition and displacement as a result of climate events (e.g. drought, flooding); infrastructure measures that magnify the impacts of climate events (e.g. storms, heat waves), etc.	Yes / No
<i>(For official use only)</i>	Score
Fuel Usage	
Does the business require the purchase and use of fuel in the production, energy generation and transportation processes of the operations? ♦ If Yes - Are the following type(s) of fuel used? How many liters of fuel are used on a weekly basis for each type of fuel? <input type="checkbox"/> Petroleum _____ <input type="checkbox"/> Propane _____ <input type="checkbox"/> Oil _____ <input type="checkbox"/> Methane _____ <input type="checkbox"/> Natural Gas _____ <input type="checkbox"/> Hydrogen _____ <input type="checkbox"/> Diesel Oil _____ <input type="checkbox"/> Naphtha _____ <input type="checkbox"/> Coal _____ <input type="checkbox"/> Liquid Petroleum Gas _____ <input type="checkbox"/> Others _____	Yes / No
<i>For fuel intensive businesses only</i> Does the business have a fuel use guideline in place? ♦ If Yes - Are all staff trained in understanding and using the guideline? ♦ If No – How is the use of fuel controlled or managed? _____ _____ _____	Yes / No Yes / No
Does the business provide any protective gear or equipment against air pollution for employees?	Yes / No

<i>(For official use only)</i>	Score
Energy Consumption	
Does the business require electricity to operate? ♦ If Yes - estimate the weekly amount of electricity used in kWh. _____	Yes / No
Is the business highly affected by unstable power supply?	Yes / No
Does the company rely on electrical equipment, appliances or machinery to operate?	Yes / No
<u><i>For energy intensive businesses only</i></u>	
Does the business undertake measures to ensure reliable power supply? ♦ If Yes - What measures are undertaken to ensure reliable power supply? _____ _____	Yes / No
Does the business have a well-defined energy reduction guidelines or measures in place? ♦ If Yes - Are all staff trained in understanding and using the energy reduction guidelines or measures? ♦ If No - How is the use of electricity controlled/managed? _____ _____	Yes / No Yes / No
<i>(For official use only)</i>	Score
Solid Waste	
Does the company produce waste? ♦ If Yes - what type of waste is produced in the business (multiple types can be selected)? How much waste is produced on a weekly basis in kilogram for each type of waste? ♦ <input type="checkbox"/> Household waste: _____ <input type="checkbox"/> Commercial waste: _____ <input type="checkbox"/> Industrial waste: _____ <input type="checkbox"/> Agricultural waste: _____ <input type="checkbox"/> Others: _____	Yes / No
♦ If Yes - does the business burn waste?	Yes / No
Does the business produce hazardous waste? ♦ If Yes – what type of hazardous waste is produced (e.g. toxic, flammable, infectious, chemical)? Please state the type and amount in kilogram on a weekly basis.	Yes / No

<i>For hazardous waste intensive businesses only</i>	
Does the business have a well-defined hazardous waste management policy / guideline in place?	Yes / No
♦ If Yes - Are all staff trained in understanding and using the hazardous waste management policy / guideline?	
♦ If No –	Yes / No
➤ How is hazardous waste managed? _____	
➤ How is hazardous waste disposed? _____	
<i>(For official use only)</i>	Score
Electronic Waste	
Is the business using the funding to acquire computer equipment and accessories, telecommunications equipment, electrical equipment or medical equipment?	Yes / No
♦ If Yes - please specify the type of appliances or equipment the business is planning to acquire. _____	
Is the business producing e-waste?	Yes / No
♦ If Yes – What type of e-waste is produced and how much is produced on an annual basis in kilogram?	
<input type="checkbox"/> Computer equipment and accessories: _____	<input type="checkbox"/> Electrical equipment: _____
<input type="checkbox"/> Telecommunications equipment: _____	<input type="checkbox"/> Medical equipment: _____
<input type="checkbox"/> Others: _____	
<i>For e-waste intensive businesses only</i>	
Does the business have a well-defined e-waste management policy / guideline in place?	Yes / No
♦ If Yes - Are all staff trained in understanding and using the e-waste management policy / guideline?	Yes / No
♦ If No –	No
➤ How is e-waste managed? _____	
➤ How is e-waste disposed? _____	
<i>(For official use only)</i>	Score

Social*Please cross out whichever does not apply.***Employment Data**Please fill in the following employment data table. *(Full time employees only)*

	Male	Male %	Female	Female %
Senior Management				
Middle Management				
Frontline Staff				
Total		100%		100%

Age	Male	Male %	Female	Female %
Below 15				
15-20				
21-30				
31-40				
41-50				
51-60				
60 and above				
Total		100%		100%

Overall male to female ratio: _____

Is the measure planned in the subproject in which one or more forms of legal, political, economic, social, cultural or other discrimination and disadvantaging on grounds of gender exist? e.g. discriminatory legislation, disadvantaging on the grounds of gender in participation in public life, politics, peace processes or negotiations, in economic life, etc., disadvantaging on the grounds of gender in access to services (e.g. access to education, health care, the law, land, loans, etc.)	Yes / No
If yes, could the measure unintentionally contribute to reinforcing and/or exacerbating existing discrimination and disadvantaging?	Yes / No

Is the subproject planned to take place in a sector / project area in which there are gender-specific risks*, sexual and gender-specific violence** or harmful traditional practices***? * e.g. inadequate or non-existent medical care during pregnancy and childbirth (sexual and reproductive health and rights); multiple discrimination; increased risks in the context of displacement and migration, climate change, etc. ** physical, mental, sexual violence including rape; sexual abuse, sexual harassment, forced prostitution, etc.	Yes / No
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<p>*** <i>female genital mutilation (FGM), child marriage, forced marriage, preference for sons, 'honour killings', femicide, etc.</i></p> <p>If yes, is it possible that the proposed project could unintentionally contribute to these risks and/or forms of violence becoming entrenched and/or aggravated?</p>	Yes / No
Does the measure have significant potentials for making a positive contribution to mitigating and overcoming existing discrimination and disadvantaging on the grounds of gender, and thus for promoting gender equality?	Yes / No
Is there a set of policies and procedures related to anti-discrimination and equality in place?	Yes / No
<i>(For official use only)</i>	Score
Does the business employ part-time employees?	Yes / No
<ul style="list-style-type: none"> • If yes – what's the overall full- to part-time staff ratio: _____ 	
Does the business employ people under the age of 15?	Yes / No
Do all staff members have a work permit?	Yes / No
Is there a set of policies and procedures related to wages, benefits, holidays, and other labor policies in place?	Yes / No
Does the company verify the age of applicants prior hiring?	Yes / No
Does all staff have access to training opportunities via the business, associations or government programs?	Yes / No
Does the business have a confidential reporting channel for complaints and employee support?	Yes / No
<ul style="list-style-type: none"> ♦ If Yes – are all employees aware of the channel? 	Yes / No
<i>(For official use only)</i>	Score
Human Rights	
<p>1) Topic: discrimination</p> <p>Is the subproject planned in a sector/project area in which individual population groups suffer significant discrimination in terms of access to (state) services, productive resources or sources of income, such as corruption, stigmatisation or other access barriers?</p>	Yes / No
<p>2) Topic: Restriction of civil society's freedom to act and infringement of specific participation rights</p> <p>Is the subproject planned in a sector/project area in which civil society organisations, media workers and human rights advocates are intimidated, persecuted or in any other way significantly restricted in their freedom to act?</p>	Yes / No

Are there indications that the participation mechanisms maintained by the subproject do not take sufficient account of the specific participation rights of children, people with disabilities and/or women?	Yes / No
3) Topic: infringement of the rights of indigenous people to consultation/consent Is the subproject planned in a sector/project area in which the rights of indigenous people to consultation/consent regarding measures that affect their land/territory/natural resources and/or their identity are not sufficiently respected?	Yes / No
4) Topic: evictions/forced resettlement Is the subproject planned in a sector/project area in which evictions and/or forced resettlements occur?	Yes / No
5) Topic: infringement of fundamental labour rights Is the subproject planned in a sector/project area in which fundamental labour rights (ILO core labour standards and other labour-related human rights) are significantly infringed?	Yes / No
6) Topic: human-rights-sensitive sector/other serious human rights violations Is the subproject operating in a sector in which serious human rights violations are committed in the country in question which are not already covered by the above topics (e.g. resource governance, nature conservation/ reserve management/ sustainable use of natural resources, security, refugee and asylum policy, migration)?	Yes / No
<i>(For official use only)</i>	Score
Covid-19	
Is COVID-19 a significant concern to the business?	Yes / No
<ul style="list-style-type: none"> ♦ If Yes - <ul style="list-style-type: none"> ➤ Does the business have COVID-19 guidelines at the workplace? <ul style="list-style-type: none"> ▪ If Yes – are all staff trained in understanding the COVID-19 guideline or policy? ♦ If No – <ul style="list-style-type: none"> ➤ Does the business practice social distancing rules at the workplace? ➤ Are employees encouraged to stay at home when feeling sick? ➤ Is wearing a mask at the workplace mandatory? ➤ Is the temperature of staff taken daily upon arrival at the workplace? 	Yes / No Yes / No Yes / No Yes / No Yes / No
Does the business require all staff to be present at the workplace within working hours?	Yes / No
Does the business have a remote work or work from home policy or practice?	Yes / No
Does the business allow visitors at site?	Yes / No
<ul style="list-style-type: none"> ♦ If Yes – <ul style="list-style-type: none"> ➤ Is the number of visitors at site regulated? ➤ Is there a COVID-19 guideline or measures for visitors? 	Yes / No Yes / No

<ul style="list-style-type: none"> ▪ If Yes – are all staff trained in the COVID-19 guideline or measures for visitors? 	Yes / No
<p>Did the business reduce staff or took other measures to minimize labor costs due to Covid-19?</p> <ul style="list-style-type: none"> ♦ If Yes – how many male and female employees left the company? <hr/>	Yes / No
<i>(For official use only)</i>	Score
Occupational Health and Safety	
<p>Is occupational health and safety (OHS) a major concern for the staff?</p> <ul style="list-style-type: none"> ♦ If Yes - <ul style="list-style-type: none"> ➤ Are staff provided with Personal Protective Equipment that is appropriate and functional? ➤ Is there adequate safety equipment, such as fire extinguishers/ hydrants and first aid kits? ➤ Are there sufficient safety drills in case of emergency, such as fire, typhoon, flood, or others that require an evacuation from the building? ➤ Is there a specified person in charge of handling emergency situations, such as injury? ➤ Is there any monitoring or controls in place to reduce physical hazards? ➤ Are there any job hazard assessments conducted routinely? ➤ Have issues submitted through complaint management mechanism been addressed? 	Yes / No Yes / No Yes / No Yes / No Yes / No Yes / No Yes / No
<p>Have any workers been involved in accidents at the facility?</p> <ul style="list-style-type: none"> ♦ If Yes - please describe what happened afterwards: <hr/> <hr/>	Yes / No
<i>(For official use only)</i>	Score
Privacy and Data Safety	
<p>Is the use of IT equipment and software important for the business?</p> <ul style="list-style-type: none"> ♦ If Yes - <ul style="list-style-type: none"> ➤ Are security measures such as anti-virus software and firewalls installed? ➤ Does the business have a well-defined privacy and data safety management policy / guideline in place? 	Yes / No Yes / No Yes / No
<p>Does the business collect online payments or mobile payments?</p> <ul style="list-style-type: none"> ♦ If Yes – are the payments processed by a licensed vendor? 	Yes / No Yes / No

Is customer and employee data collected and stored on site? ♦ If yes – is the storage secured from theft or unauthorized access?	Yes / No Yes / No
<i>(For official use only)</i>	Score
Corruption	
Does the business have a formal or informal code of conduct or staff handbook? ♦ If Yes – Is there any anti-corruption policy or procedures in place?	Yes / No Yes / No
Does the business require all staff to sign a declaration with anti-corruption clauses?	Yes / No
Does the business offer any anti-corruption training to its staff?	Yes / No
<i>(For official use only)</i>	Score

Annex C: Screening Checklist for MSMEs (Official Use)

MFIs checklist for MSMEs funding

General Information	
Name of the Applicant	
Name of the Company	
Relationship of the Applicant to the Company	
Registration Status	
Legal Status	
Ownership Structure of Company	<input type="checkbox"/> Single owner <input type="checkbox"/> Multiple owners <input type="checkbox"/> Others: _____
Do the Owner/s identify themselves as male or female?	<input type="checkbox"/> Male <input type="checkbox"/> Female
Area of Operation/ Industry	
Location of Companies Headquarter, Area of Business Activities	
Funding Purpose	

Funding Amount (USD)	
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<i>(For official use only)</i>	
Assessor category	<input type="checkbox"/> GIZ specialist <input type="checkbox"/> MFIs
Name of official assessor	
Name of organization	
Date of assessment	
Screening requirement	<input type="checkbox"/> Part I: Exclusion Screening <input type="checkbox"/> Part II: E&S Screening
Preliminary assessment result	<input type="checkbox"/> Approve <input type="checkbox"/> Approve with precaution <input type="checkbox"/> Reject
Note for precautions	_____ _____
Signature	
Date	

If applicant answers 'yes' to one or more questions below in the general eligibility criteria, the application will be automatically disqualified.

Part I: Exclusion Screening	
<i>Please cross out whichever does not apply.</i>	
Is your company involved in the following areas?	Yes / No
• Production or activities involving forced labor / harmful child labor;	X / OK
• Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;	X / OK
• Production or trade in weapons and munitions;	X / OK
• Gambling, casinos and equivalent enterprises;	X / OK
• Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);	X / OK
• Production or trade in radioactive materials;	X / OK
• Production or trade in or use of un-bonded asbestos fibers;	X / OK
• Production or trade in wood or other forestry products from unmanaged forests;	X / OK
• Production or trade in products containing poly-chlorinated biphenyl, or PCBs;	X / OK
• Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;	X / OK
• Production or trade in pharmaceuticals subject to international phase outs or bans;	X / OK
• Production or trade in pesticides/herbicides subject to international phase outs or bans;	X / OK
• Production or trade in ozone depleting substances subject to international phase out;	X / OK
• Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such people.	X / OK
<i>(For official use only)</i>	Disqualified or Proceed

Part II: E&S Screening

Environment	
<i>Please cross out whichever does not apply.</i>	
Overall Assessment	
Will the project potentially have a considerable adverse impact on one or more of the following objects of protection?	
Human health (e.g. as a result of environmental pollution or non-compliance with industrial health and safety provisions)	Yes / No
• Biodiversity (flora, fauna, genetic diversity, etc.)	Yes / No
• Ecosystems and ecosystem services	Yes / No
• Soil, water, air and landscape	Yes / No
• Cultural assets	Yes / No
• Interactions between the objects of protection mentioned above	Yes / No
Will the project be operating in an environment/sector that entails significant environmental risks although it is not directly responsible for these risks? Example: Advisory services to the management of an industrial park which is also the base of chemicals companies	Yes / No
Is an environmental impact assessment or a strategic environmental assessment required by law in Iraq/Kurdistan for project-based interventions?	Yes / No
<p>If applicant answers 'yes' to one or more questions in the screening of the overall environmental assessment safeguards, a description of the potential impact must be drafted below.</p>	

<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Water Use</p>	<p>Yes / No</p>
<p>Does the business require water to operation?</p> <ul style="list-style-type: none"> ♦ If Yes - estimate the weekly amount of water used in Liters: <p>_____</p>	<p>-1 / 0</p>
<p>Is the business affected by water scarcity or low water quality?</p>	<p>-1 / 0</p>
<p>Is the business affected by unreliable water supply (man-made and natural causes)?</p>	<p>-1 / 0</p>
<p>Is the business affected by unreliable water quality (man-made and natural causes)?</p>	<p>-1 / 0</p>
<p><u><i>For water intensive businesses only</i></u></p> <p>Does the business have a well-structured water use and reduction guidelines?</p> <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the water use and reduction guidelines? ♦ If No - How is the use of water managed? <p>_____</p> <p>_____</p> <p>_____</p>	<p>+2 / 0</p> <p>+2 / 0</p>
<p>If overall score in this section is equal to or below -2, a description of the potential impact must be drafted below.</p>	

<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Land</p>	<p>Yes / No</p>
<p>Does the business rely on a separate parcel of land?</p> <p>♦ If Yes - What is the size of land required for the business operations? _____ (square meters)</p>	<p>-1 / 0</p>
<p>Does the business rely on the use of chemicals?</p>	<p>-1 / 0</p>
<p>Does the business require the use of pesticide in its operations?</p> <p>♦ If Yes - What type(s) of pesticide is use? _____</p>	<p>-1 / 0</p>
<p><i>For chemical intensive businesses only</i></p> <p>Are all staff trained in the storage, use and disposal of chemicals?</p> <p>Does the business have a well-defined protocol in the storage, use and disposal of chemicals?</p> <p>♦ If No - How is the use of chemicals controlled/managed?</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>+1 / 0</p> <p>+1 / 0</p>
<p><i>For agricultural businesses only</i></p>	

<p>Does the business have a well-defined protocol in the storage, use and disposal of pesticide?</p> <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the protocol? ♦ If No - How is the use of pesticide controlled/managed? <hr/> <hr/> <hr/>	<p>+1 / 0 +1 / 0</p>
<p>If overall score in this section is equal to or below -2, a description of the potential impact must be drafted below.</p>	
<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>

<p>Air Emissions and Air Quality</p>	
<p><i>Please cross out whichever does not apply.</i></p>	
<p>Climate/ Greenhouse Gas Emissions</p>	
<p>Risk of immediate negative effects/impacts (Carbon Footprint)</p>	
<p>Note: Immediate negative effects are those, which are co-financed or implemented by the project and taking place during project period.</p>	
<p>Are there one or more of the following measures or activities directly implemented or financed by the project during the project period:</p>	
<ul style="list-style-type: none"> • <u>Infrastructure measures</u> (new construction, renovation and/or restoration) 	<p>Yes / No</p>
<ul style="list-style-type: none"> • <u>Agricultural activities</u> 	<p>Yes / No</p>
<ul style="list-style-type: none"> • <u>Activities in the forest sector</u> 	<p>Yes / No</p>
<ul style="list-style-type: none"> • <u>Economic activities</u> 	<p>Yes / No</p>

<p>Will there be any expected extensive travel activities by the project in the context of capacity development?</p> <p>Note: Not all GHG emissions produced by travel activities within the project are being recorded by the GIZ headquarter and through the Corporate Sustainability Handprint. If the travel activities due to workshop attendance will be above average, a specific carbon footprint for the project will be imposed. If not, the project will be charged with a standard amount of 76 tons of CO2 a year (based on a study of 2019, this corresponds to about 10 trainings with 20 local participants and two international participants each, or 200 local trips and 4 international flights per year). An in-depth examination does not then have to be carried out. In this case, there is no need for an in-depth assessment furthermore.</p>	Yes / No
<p>Besides the above-mentioned activities - are there more GHG-intensive activities directly implemented, financed or caused by the project that were not listed yet?</p>	Yes / No
<ul style="list-style-type: none"> If yes, please provide explanation from applicant: 	
<p>Risks by negative impacts, caused indirectly</p> <p>Note: Negative effects, caused indirectly are those, which are caused within the effect logic of the project but are not co-financed or implemented by the GIZ or caused beyond the project period.</p>	
<p>Are there any indirect GHG emissions through infrastructure measures (new construction, renovation and/or rehabilitation) caused by the project?</p>	Yes / No
<p>Are there any indirect GHG emissions through agricultural activities (use of fertilizers, rice cultivation, livestock farming etc.) caused by the project?</p>	Yes / No
<p>Are there any indirect deforestation or land degradation caused by the project?</p>	Yes / No
<p>Are there any indirect GHG emissions through economical activities, trade, energy production, mobility and other activities caused by the project?</p>	Yes / No
<p>If applicant answers 'yes' to one or more questions in the screening of Climate/ Greenhouse Gas Emissions safeguards, a description of the potential impact must be drafted below.</p>	

<p><i>(For official use only)</i></p> <p>Is a climate mitigation impact/risk description necessary?</p> <p>Explanation: <i>The checklist cannot be accepted without a reasonable explanation. You must be able to delineate in detail whether the project could contribute to significant greenhouse gas emissions – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Is it likely that climate change could have a considerable adverse impact on activities and/or the planned development results of the measure?</p> <p>Impacts of climate change: e.g. temperature change, changes in precipitation or wind, indirect climate-related events such as droughts, extreme weather events, severe flooding, rising sea levels, etc.</p>	<p>Yes / No</p>
<p>Is it likely that the measure will impact adversely on the climate resilience (adaptive capacities) of people and/or ecosystems?</p> <p>Examples: Increased water consumption in agriculture and industry; climate-sensitive cropping methods that result in lost harvests and thus in malnutrition and displacement as a result of climate events (e.g. drought, flooding); infrastructure measures that magnify the impacts of climate events (e.g. storms, heat waves), etc.</p>	<p>Yes / No</p>
<p>If applicant answers ‘yes’ to one or more questions in the screening of Climate/ Greenhouse Gas Emissions safeguards, a description of the potential impact must be drafted below..</p>	

<p><i>(For official use only)</i></p> <p>Is a climate adaptation impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to delineate in detail whether the project is dependent on direct climate parameters or whether there are risks of the project having a negative impact on the resilience of humans and/or ecosystems due to climate change. This can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Fuel Usage</p>	<p>Yes / No</p>
<p>Does the business require the purchase and use of fuel in the production, energy generation and transportation processes of the operations?</p> <p>♦ If Yes - Are the following type(s) of fuel used? How many liters of fuel are used on a weekly basis for each type of fuel?</p> <p> <input type="checkbox"/> Petroleum _____ <input type="checkbox"/> Propane _____ <input type="checkbox"/> Oil _____ <input type="checkbox"/> Methane _____ <input type="checkbox"/> Natural Gas _____ <input type="checkbox"/> Hydrogen _____ <input type="checkbox"/> Diesel Oil _____ <input type="checkbox"/> Naphtha _____ <input type="checkbox"/> Coal _____ <input type="checkbox"/> Liquid Petroleum Gas _____ <input type="checkbox"/> Others _____ </p>	<p>-1 / 0</p>

<i>For fuel intensive businesses only</i>	
Does the business have a fuel use guideline in place?	+1 / 0
<ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the guideline? ♦ If No – How is the use of fuel controlled or managed? 	+1 / 0

Does the business provide any protective gear or equipment against air pollution for employees?	+1 / 0
If overall score in this section is equal to or below -1, a description of the potential impact must be drafted below.	
<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	Yes / No
Energy Consumption	
Does the business require electricity to operate?	Yes / No
<ul style="list-style-type: none"> ♦ If Yes - estimate the weekly amount of electricity used in kWh. 	-1 / 0

Is the business highly affected by unstable power supply?	-1 / 0
Does the company rely on electrical equipment, appliances or machinery to operate?	-1 / 0
<i>For energy intensive businesses only</i>	
Does the business undertake measures to ensure reliable power supply?	+1 / 0

<ul style="list-style-type: none"> ♦ If Yes - What measures are undertaken to ensure reliable power supply? _____ _____ <p>Does the business have a well-defined energy reduction guidelines or measures in place?</p> <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the energy reduction guidelines or measures? ♦ If No - How is the use of electricity controlled/managed? _____ _____ 	<p>+1 / 0</p> <p>+1 / 0</p>
<p>If overall score in this section is equal to or below -2, a description of the potential impact must be drafted below.</p>	
<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Solid Waste</p>	
<p>Does the company produce waste?</p> <ul style="list-style-type: none"> ♦ If Yes - what type of waste is produced in the business (multiple types can be selected)? How much waste is produced on a weekly basis in kilogram for each type of waste? <p><input type="checkbox"/> Household waste: _____</p> <p><input type="checkbox"/> Commercial waste: _____</p>	<p>Yes / No</p> <p>-1 / 0</p>

<input type="checkbox"/> Industrial waste: _____ <input type="checkbox"/> Agricultural waste: _____ <input type="checkbox"/> Others: _____ <ul style="list-style-type: none"> ♦ If Yes - does the business burn waste? _____ 	 -1 / 0
Does the business produce hazardous waste? <ul style="list-style-type: none"> ♦ If Yes – what type of hazardous waste is produced (e.g. toxic, flammable, infectious, chemical)? Please state the type and amount in kilogram on a weekly basis. _____ _____ 	-1 / 0
<i>For hazardous waste intensive businesses only</i>	
Does the business have a well-defined hazardous waste management policy / guideline in place? <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the hazardous waste management policy / guideline? ♦ If No – <ul style="list-style-type: none"> ➤ How is hazardous waste managed? _____ ➤ How is hazardous waste disposed? _____ 	+1 / 0 +1 / 0
If overall score in this section is equal to or below -2 , a description of the potential impact must be drafted below.	
<i>(For official use only)</i> Is an impact/risk description necessary? Justification: <i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i>	Yes / No

Electronic Waste	Yes / No
<p>Is the business using the funding to acquire computer equipment and accessories, telecommunications equipment, electrical equipment or medical equipment?</p> <ul style="list-style-type: none"> ♦ If Yes - please specify the type of appliances or equipment the business is planning to acquire. <p>_____</p>	-1 / 0
<p>Is the business producing e-waste?</p> <ul style="list-style-type: none"> ♦ If Yes – What type of e-waste is produced and how much is produced on an annual basis in kilogram? <p><input type="checkbox"/> Computer equipment and accessories: _____</p> <p><input type="checkbox"/> Telecommunications equipment: _____</p> <p><input type="checkbox"/> Others: _____</p> <p><input type="checkbox"/> Electrical equipment: _____</p> <p><input type="checkbox"/> Medical equipment: _____</p>	-1 / 0
<p><i>For e-waste intensive businesses only</i></p> <p>Does the business have a well-defined e-waste management policy / guideline in place?</p> <ul style="list-style-type: none"> ♦ If Yes - Are all staff trained in understanding and using the e-waste management policy / guideline? ♦ If No – <ul style="list-style-type: none"> ➤ How is e-waste managed? _____ ➤ How is e-waste disposed? _____ 	+1 / 0 +1 / 0
<p>If overall score in this section is equal to or below -2, a description of the potential impact must be drafted below.</p>	

<p><i>(For official use only)</i></p> <p>Is an impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the environmental risks to protected goods that the project poses – this can be the case for a wide variety of main objectives. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	Yes / No
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Social
Please cross out whichever does not apply.

Employment Data

Please fill in the following employment data table. *(Full time employees only)*

	Male	Male %	Female	Female %
Senior Management				
Middle Management				
Frontline Staff				
Total		100%		100%

Age	Male	Male %	Female	Female %
Below 15				
15-20				
21-30				
31-40				
41-50				

51-60				
60 and above				
Total		100%		100%
Overall male to female ratio: _____				

Is the measure planned in the subproject in which one or more forms of legal, political, economic, social, cultural or other discrimination and disadvantaging on grounds of gender exist?	-1 / 0
<ul style="list-style-type: none"> If yes, could the measure unintentionally contribute to reinforcing and/or exacerbating existing discrimination and disadvantaging? 	-1 / 0
<p>Is the subproject planned to take place in a sector / project area in which there are gender-specific risks*, sexual and gender-specific violence** or harmful traditional practices***?</p> <p><i>* e.g. inadequate or non-existent medical care during pregnancy and childbirth (sexual and reproductive health and rights); multiple discrimination; increased risks in the context of displacement and migration, climate change, etc.</i></p> <p><i>** physical, mental, sexual violence including rape; sexual abuse, sexual harassment, forced prostitution, etc.</i></p> <p><i>*** female genital mutilation (FGM), child marriage, forced marriage, preference for sons, 'honour killings', femicide, etc.</i></p> <ul style="list-style-type: none"> If yes, is it possible that the proposed project could unintentionally contribute to these risks and/or forms of violence becoming entrenched and/or aggravated? 	-1 / 0
Does the measure have significant potentials for making a positive contribution to mitigating and overcoming existing discrimination and disadvantaging on the grounds of gender, and thus for promoting gender equality?	+1 / 0
Is there a set of policies and procedures related to anti-discrimination and equality in place?	+1 / 0
<p>If overall male to female ratio is more than 70% OR overall score of this section is equal to or below -2, a description of the gender gap must be drafted.</p>	

<p><i>(For official use only)</i></p> <p>Is a gender gap description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the gender risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Does the business employ part-time employees?</p> <ul style="list-style-type: none"> If yes – what’s the overall full- to part-time staff ratio: _____ 	<p>-1 / 0</p>
<p>Does the business employ people under the age of 15?</p>	<p>-1 / 0</p>
<p>Do all employees have a work permit?</p>	<p>+1 / 0</p>
<p>Is there a set of policies and procedures related to wages, benefits, holidays, and other labor policy in place?</p>	<p>+1 / 0</p>
<p>Does the company verify the age of applicants prior hiring?</p>	<p>+1 / 0</p>
<p>Does all employees have access to training opportunities via the business, associations or government programs?</p>	<p>+1 / 0</p>
<p>Does the business have a confidential reporting channel for complaints and employee support?</p>	<p>+1 / 0</p>
<ul style="list-style-type: none"> If Yes – are all employees aware of the channel? 	<p>+1 / 0</p>
<p>If overall full- to part-time staff ratio is less than 70% OR overall score of this section is equal to or below -1, a description of the employment practice must be stated.</p>	

<p><i>(For official use only)</i></p> <p>Is the employment practice description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the employment practice. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Human Rights</p>	
<p>1) Topic: discrimination</p> <p>Is the subproject planned in a sector/project area in which individual population groups suffer significant discrimination in terms of access to (state) services, productive resources or sources of income, such as corruption, stigmatisation or other access barriers?</p>	<p>-1 / 0</p>
<p>2) Topic: Restriction of civil society's freedom to act and infringement of specific participation rights</p> <p>Is the subproject planned in a sector/project area in which civil society organisations, media workers and human rights advocates are intimidated, persecuted or in any other way significantly restricted in their freedom to act?</p> <p>Are there indications that the participation mechanisms maintained by the subproject do not take sufficient account of the specific participation rights of children, people with disabilities and/or women?</p>	<p>-1 / 0</p> <p>-1 / 0</p>
<p>3) Topic: infringement of the rights of indigenous people to consultation/consent</p> <p>Is the subproject planned in a sector/project area in which the rights of indigenous people to consultation/consent regarding measures that affect their land/territory/natural resources and/or their identity are not sufficiently respected?</p>	<p>-1 / 0</p>
<p>4) Topic: evictions/forced resettlement</p>	<p>-1 / 0</p>

Is the subproject planned in a sector/project area in which evictions and/or forced resettlements occur?	
5) Topic: infringement of fundamental labour rights Is the subproject planned in a sector/project area in which fundamental labour rights (ILO core labour standards and other labour-related human rights) are significantly infringed?	-1 / 0
6) Topic: human-rights-sensitive sector/other serious human rights violations Is the subproject operating in a sector in which serious human rights violations are committed in the country in question which are not already covered by the above topics (e.g. resource governance, nature conservation/ reserve management/ sustainable use of natural resources, security, refugee and asylum policy, migration)?	-1 / 0
If overall score in this section is equal to or below -1, a description of the potential impact must be drafted below.	
<p><i>(For official use only)</i></p> <p>Is a human rights impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the human rights risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	Yes / No
Covid-19	
Is COVID-19 a significant concern to the business?	-1 / 0
<ul style="list-style-type: none"> ♦ If Yes - <ul style="list-style-type: none"> ➤ Does the business have COVID-19 guidelines at the workplace? +1 / 0 <ul style="list-style-type: none"> ▪ If Yes – are all staff trained in understanding the COVID-19 guideline or policy? +1 / 0 ♦ If No – <ul style="list-style-type: none"> ➤ Does the business practice social distancing rules at the workplace? +1 / 0 ➤ Are employees encouraged to stay at home when feeling sick? +1 / 0 ➤ Is wearing a mask at the workplace mandatory? +1 / 0 ➤ Is the temperature of staff taken daily upon arrival at the workplace? +1 / 0 	
Does the business require all staff to be present at the workplace within working hours?	-1 / 0
Does the business have a remote work or work from home policy or practice?	+1 / 0

Does the business allow visitors at site?	-1 / 0
<ul style="list-style-type: none"> ♦ If Yes – <ul style="list-style-type: none"> ➤ Is the number of visitors at site regulated? +1 / 0 ➤ Is there a COVID-19 guideline or measures for visitors? +1 / 0 <ul style="list-style-type: none"> ▪ If Yes – are all staff trained in the COVID-19 guideline or measures for visitors? +1 / 0 	
Did the business reduce staff or took other measures to minimize labor costs due to Covid-19?	-1 / 0
<ul style="list-style-type: none"> ♦ If Yes – how many male and female employees left the company? 	
If overall score in this section is equal to or below -1, a description of the potential impact must be drafted below.	
<p><i>(For official use only)</i></p> <p>Is COVID-19 impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the COVID-19 risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	Yes / No
Occupational Health and Safety	
Is occupational health and safety (OHS) a major concern for the staff?	-1 / 0
<ul style="list-style-type: none"> ♦ If Yes - <ul style="list-style-type: none"> ➤ Are staff provided with Personal Protective Equipment that is appropriate and functional? +1 / 0 ➤ Is there adequate safety equipment, such as fire extinguishers/ hydrants and first aid kits? +1 / 0 ➤ Are there sufficient safety drills in case of emergency, such as fire, typhoon, flood, or others that require an evacuation from the building? +1 / 0 	+1 / 0

<ul style="list-style-type: none"> ➤ Is there a specified person in charge of handling emergency situations, such as injury? ➤ Is there any monitoring or controls in place to reduce physical hazards? ➤ Are there any job hazard assessments conducted routinely? ➤ Have issues submitted through complaint management mechanism been addressed? 	<p>+1 / 0</p> <p>+1 / 0</p> <p>+1 / 0</p>
<p>Have any workers been involved in accidents at the facility?</p> <ul style="list-style-type: none"> ◆ If Yes - please describe what happened afterwards: <hr/> <hr/>	<p>-1 / 0</p>
<p>If overall score in this section is equal to or below -1, a description of the potential impact must be drafted below.</p>	
<p><i>(For official use only)</i></p> <p>Is COVID-19 impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the COVID-19 risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Privacy and Data Safety</p>	
<p>Is the use of IT equipment and software important for the business?</p> <ul style="list-style-type: none"> ◆ If Yes - <ul style="list-style-type: none"> ➤ Are security measures such as anti-virus software and firewalls installed? ➤ Does the business have a well-defined privacy and data safety management policy / guideline in place? 	<p>-1 / 0</p> <p>+1 / 0</p> <p>+1 / 0</p>
<p>Does the business collect online payments or mobile payments?</p> <ul style="list-style-type: none"> ◆ If Yes – are the payments processed by a licensed vendor? 	<p>-1 / 0</p> <p>+1 / 0</p>

<p>Is customer and employee data collected and stored on site?</p> <ul style="list-style-type: none"> ♦ If yes – is the storage secured from theft or unauthorized access? 	<p>-1 / 0 +1 / 0</p>
<p>If overall score in this section is equal to or below -1, a description of the potential impact must be drafted below.</p>	
<p><i>(For official use only)</i></p> <p>Is Privacy and Data Safety impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the Privacy and Data Safety risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	<p>Yes / No</p>
<p>Corruption</p>	
<p>Does the business have a formal or informal code of conduct or staff handbook?</p>	<p>+1 / 0</p>

♦ If Yes – Is there any anti-corruption policy or procedures in place?	+1 / 0
Does the business require all staff to sign a declaration with anti-corruption clauses?	+1 / 0
Does the business offer any anti-corruption training to its staff?	+1 / 0
If overall score in this section is equal to 0, a description of the potential impact must be drafted below.	
<p><i>(For official use only)</i></p> <p>Is corruption impact/risk description necessary?</p> <p>Justification:</p> <p><i>The checklist cannot be accepted without a reasonable explanation. You must be able to provide a detailed and comprehensible description of the corruption risks. Please describe the extent to which the activities of your project are dependent on or independent of this.</i></p>	Yes / No

Annex D Material E&S Incident Report Template

Please fill in this form if there has been a situation that poses or signals immediate threat.

Filling in the form

- Part A of the form is to be completed and signed by the person reporting the event.
- Once Part A is completed:
 - Send a copy of the signed copy to _____ (MFi email)
 - Send a copy of the signed copy to _____ (GIZ email)
 - Retain a copy for your records.
- Part B is to be completed by _____ (GIZ) and agreed by person responsible for the corrective and preventive actions.
- Part C is to be completed by _____ (GIZ).
- Use BLACK or BLUE pen and write in BLOCK LETTERS. Or complete a digital copy and return to _____ (GIZ email).

Ref. no.: <i>(Official use only)</i>	
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Ref. no.: _____

Part A – Incident Report *(To be completed by person witnessing or reporting the incident)*

Full Name	
Title	
Contact Details <i>(Phone number and email address)</i>	
Were you directly involved in this event? (Yes / No) If no, state capacity in completing this form	
Date and Time of Event	
Location of the Event	

<p>Nature of the Event</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Environmental <ul style="list-style-type: none"> <input type="checkbox"/> Fire <input type="checkbox"/> Explosion <input type="checkbox"/> Natural disaster <input type="checkbox"/> Spillage, leakage, or uncontrolled discharge of substance <input type="checkbox"/> Spillage of special, hazardous, or restricted substance, e.g. oil, chemical, paint <input type="checkbox"/> Emission to air of gas, dust, fumes, or other pollutants <input type="checkbox"/> Pollution of water courses, surface water drains, foul water sewers <input type="checkbox"/> Contamination of land, flora, fauna <input type="checkbox"/> Noise, litter, light, odor, vibration or other nuisance <input type="checkbox"/> Other (<i>Please specify</i>): _____ <input type="checkbox"/> Social <ul style="list-style-type: none"> <input type="checkbox"/> Fatality of employees/ customers/ visitors <input type="checkbox"/> Injury or damage to health of employees/ customers/ visitors <input type="checkbox"/> Violence against women and girls <input type="checkbox"/> Civil unrest <input type="checkbox"/> Damage to property <input type="checkbox"/> Other (<i>Please specify</i>): _____
<p>Please describe what happened: <i>Give as much detail as possible. For instance, the names of any substance involved, what happened leading up to the event, the part played by any people including third parties, the names of any witnesses, any action taken at the time of the event.</i></p>	
<p>Your Signature:</p>	<p>Date:</p>

Ref. no.: _____

Part B – Corrective and Preventive Action (*To be completed by MFI representative in collaboration with GIZ*)

Approved _____ by GIZ: <i>(Print Name and Signature)</i>	of
Date of Closure:	

Report on E&S Issues/Incident at a Sub-borrower	
Date of report	DD/MM/YYYY
Name of Sub-borrower	•
Date of transaction and type of financing	•
Amount outstanding/tenor	•
Description of issue	<ul style="list-style-type: none"> Date and time of incident. Type of incident: environmental issue, fatality, spill, etc. Name of person/s involved/injured/deceased, if applicable • Narrative and contextual information. Causes of incident. Status of investigation. Listing of parties involved in investigation (witnesses and staff, unions, police, other authorities, and other parties).
Actions taken by the sub-borrower	<ul style="list-style-type: none"> Reporting if required to any regulator, police, etc. Any internal investigations commenced (indicate contact name of person responsible for investigation). Any external investigations anticipated or commenced (list all entities that have jurisdiction or could reasonably be expected to investigate the incident). Any press releases or other media communications

Follow-up by PFI	<ul style="list-style-type: none"> • Views on the significance of the incident – degree of severity, possible uncertainties, or disputed facts to be investigated. • Status of investigation. • Reports received (and outstanding, if any). • Immediate actions taken by the PFI (including if communications/crisis response to be triggered). • Actions to prevent re-occurrence of incident. • Monitoring/reporting arrangements to follow up on efficacy of actions taken. • Results to date of actions taken.
Conclusion	<ul style="list-style-type: none"> • Broader conclusions for the PFI/PMU

Annex E Grievance Registration Form

The COVID-19 Adaptation and Recover Pilot: Supporting Firms Resilience, Access to Finance and Growth Iraq (the “Project”) is committed to provide a fair and objective channel to raise issues in confidence. This form is designed for all stakeholders to report any related complaints, suggestions, queries and comments regarding the project implementation.

We encourage persons with grievance to provide their name and contact information to enable us to address your concerns effectively. Should you choose to include your personal details but want that information to remain confidential, please select **Yes** in Question 2.

CONTACT INFORMATION

Full Name		Gender	
Salutation	<input type="checkbox"/> Mr., <input type="checkbox"/> Ms., <input type="checkbox"/> Mrs., <input type="checkbox"/> Other salutation (Please specify:_____)		
Stakeholder Group	<input type="checkbox"/> Government, <input type="checkbox"/> NGO, <input type="checkbox"/> MSME., <input type="checkbox"/> Other (Please specify:_____)		
Phone Number			

3. Please describe the complaint / suggestion / comment/ question **that has been caused or might be caused by the Project:**

4. Please include any other information that you consider relevant:

DECLARATION

Signature of complainant _____

Date: _____

FOR OFFICIAL USE ONLY

1. Registered by: (Name of Official Registering Grievance)

2. Reviewed by: (Name and Position of Officials Reviewing Grievances)

3. Level of Severity

0-Non-justifiable, 1-Negligible, 2-Minimum, 3-Moderate, 4-Serious, 5-Catastrophic

4.Action Taken:

5.Whether Action Taken Disclosed

Yes

	<input type="checkbox"/> No
6.Means of Disclosure	

Grievance Tracker Log

SN	Current Status	Details of Complainant				Resolution		
		Name	Date	Description of the Issue	Method to Contact	Contact Details	Action Proposed	Action Taken
001								
002								
003								
004								
005								
006								
007								
008								
009								
010								
011								
012								
013								
014								
015								
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022								
023								
024								
025								

Annex F: Chance Find Procedures

Physical cultural and heritage resources may be unexpectedly identified during the implementation of a project. As such Chance Finds Procedures can be in place to manage any encountered cultural resources.

The likelihood of encountering Chance Finds in the Project is extremely low. It is not expected that the Project will direct or indirectly finance small works, nor require the construction of infrastructure to facilitate the Project.

For precautionary purposes, this simplified Chance Finds Procedure has been developed to guide the public works activities. The following steps will be followed when a Chance Find is encountered:

- In the case of chance find of any sites or artifacts of historical, cultural, archeological or religious significance all construction activity in the vicinity of the find/feature/site will cease immediately.
- The discovery will be clearly delineated and secured, and all found remains will be left in situ.
- The contractor responsible for the site will immediately notify the Coordinator of the Project Management Team. The Coordinator of the Project Management Team will then notify the relevant national authority immediately of the discovery.
- The relevant national authority will take charge of the finding, and institute the appropriate course of actions, including proper documentation, removal, and storage.
- An on-site finds storage area will be provided, allowing storage of any artifacts or other archaeological material recovered during the process.
- Work will only resume after the relevant national agency has completed its work and has given instruction to the Project Management Team for Work to resume. The contractor will then receive instruction from the Project Coordinator of the Project Management Unit or his/her designated officer to resume work.

This Chance Find Procedure will be communicated to all contractors where appropriate. An updated version of this Chance Find Procedure should include contact details of relevant contact details of the Project Management Team and of the respective agencies.

Annex G Relevant Laws and Regulations

It shall be noted that in addition to the Iraqi legislations, this section will also touch upon legislations in the Kurdistan Region of Iraq (“KRI”). According to Article 117 of the 2005 Constitution of Iraq (“Constitution”), it recognizes the KRI as a federal region, while Article 53 of the Transitional Administrative Law (2004) (“TAL”) states that the Kurdistan Regional Government (“KRG”) was recognized as the official government of the governorates of Diyala, Duhok, Erbil, Kirkuk, Nineveh, and Sulaymaniyah. Article 54 of the TAL further stipulates that the KRG had the right to continue to perform its current functions, including its right to exercise executive, legislative, and judicial powers in accordance with the Constitution, except with regard to those powers which fall within the exclusive competence of the federal government. According to Human Rights Watch, in general, the effectiveness in terms of law enforcement in the KRI is higher compared to south and central Iraq.

General Environmental Legislation

Law No.27 of 2009 on the Protection and Improvement of the Environment aims to protect and improve the environment and natural resources, by preserving public health, biodiversity and cultural and natural heritage, and by encouraging sustainable development and international and regional cooperation. The Law establishes a Council for the protection and improvement of the environment by referring to the Ministry of Environment and cooperating with other Ministries. The Law also sets forth provisions for the regulation of air pollution and noise reduction; earth protection; biodiversity protection; management of hazardous waste; protection of the environment from pollution resulting from exploration and extraction of oil wealth and natural gas; establishment of an environmental protection fund; rewards; compensation for damages; and penal provisions.

An environmental protection and improvement law has also been established in the KRI, namely Law No. 20 of 2008. This Law, consisting of 48 Articles and divided into five sections, aims to protect and preserve the environment, particularly considering the problems of urban expansion and population increase and lack of awareness among the population. Main objectives of the Law are: maintaining the environment of the region, protecting, improving and preventing it from pollution; protecting the environment and public health from dangerous activities and harmful works; maintaining and developing the natural resources and rationing their utilization; making the environmental policy a part of general development planning; raising the level of environmental awareness, and establishing individual and community responsibility to environmental protection. To achieve these objectives, rules of protection and improvement of the environment are provided by the Law, banning possible pollutants, radioactive, hazardous and harmful substances, in the following fields: water (surface, ground, and drinking water), air (including noise level), soil, biodiversity, recycling of the wastes and dangerous substances, pesticides and chemical compounds. An Environmental Protection and Improvement Fund in the Region together with an Environmental Protection and Improvement Council in the Region is also required to be established under the Law.

Water Laws

Article 3 of Law No.2 of 2001 stipulates that it is prohibited to discharge or throw any kind or amount of waste into public waters irrespective of the entity (public and private). Entities are prohibited from discharging wastes, unless they obtain an approval to discharge wastes as per the criteria and specifications set out by the Environment Protection and Improvement Directorate (“EPID”). In addition, Article 4 prohibits discharging any polluted items, including toxic or radiated materials, into public waters, while Article 5 authorizes the EPID to issue environmental regulations and restrictions pertaining to the quality of public water as well as the quality of water discharged into public water, sewage systems, or rainwater.

Hazardous Substances and Wastes

Law No. 27 of 2009 provides provisions for the handling of hazardous substances and wastes and stipulates that they should conform to international standards and best practices. Furthermore, consisting of 5 Articles, instruction No. 2 of 2014 aims at protecting the urban environment by organizing the management of hazardous wastes. The instruction stipulates that the Ministry of Municipalities and Public Works and the Municipality of Baghdad are responsible for collecting and transporting waste materials in places for treatment and disposal; for creating the necessary supplies and equipment; for identifying appropriate locations and the development of containers to throw municipal waste; for distributing of special bags for waste producers; and for identifying waste collection dates. The Ministry and Municipality will also need to decide how to treat reusable materials. Special provisions are further established for waste weighing more than 50 kg and for farms owners and investors in farming.

Occupational Health and Safety

Labor Law No.37 of 2015 and Ministerial Instruction No.12 of 2016: Occupational Health and Safety Requirements Regulations are the main OHS legislations. They govern employment relationships in most of the country, however, in the KRI, Law No. 71 of 1987 remains in force, as Law No. 37 of 2015 is pending its endorsement by the local Parliament of the KRI.

Law No. 37 of 2015 highlights the rights, duties and commitments of employers and employees. Containing 18 chapters and 171 Articles, its purposes are to protect and support both the work force and employers; to help workers find appropriate work through training; to help employers recruit the right workers for the right job; to protect Trade Unions and Workers Associations; and to organize foreign workers who are interested in working in Iraq

The Law regulates the health and safety of employees and stipulates that the National Center of Occupational Health and Safety is to oversee the planning and inspecting the implementation of health affairs, in a manner that guarantees the safety of employees at work sites from occupational diseases and injuries. Notably, the Law prohibits all types of compulsory and child labor and any discrimination or harassment, whether direct or indirect. Article 6, chapter 3 of the Law states that the minimum age for employment is 15 years old. However, Iraq is also signatory to the 1989 International Convention on the

Rights of the Child, which defines everyone under the age of 18 as a child who must have special protection and care.

Instruction No.12 of 2016 states that a committee shall be established at the National Center for Occupational Health and Safety, called the Engineering Inspection Committee (“EIC”). The EIC shall include the objectives stipulated in Article 115 (2) of Law No. 37 of 2015. The Committee shall also be responsible for examining steam boilers, various pressure vessels, electrical elevators, lifting tools of all types and devices, and shall grant an annual inspection certificate.

Women Employment

Chapter 10 of the Iraqi Labor Law No. 37 of 2015 concentrates on the protection of the female worker. Crucially, the Law aims for gender equality, specifically regarding wages, hiring and working conditions. It requires employers to provide onsite childcare, and increases paid maternity leave to 14 weeks, with the option of additional unpaid leave for up to a year. Employers must also allow women workers to return to their jobs or equivalent positions. Law No. 37 further stipulates that sexual harassment and any other behavior that is offensive or results in intimidation or hostility in employment and occupation, whether at the level of job search, vocational training, recruitment or work conditions and terms is strictly prohibited.

Furthermore, in October 2019, Iraq ratified the International Labor Organization (“ILO”) Convention 183 – Maternity Protection Convention, 2000 (“Convention”). The Convention applies to all employed women, whereas earlier ILO conventions applied only to industrial and commercial undertakings. Of particular note is that the Convention applies to women who are casual, temporary, part-time, sub-contractor and home-based workers, as well as self-employed and family workers. Amongst other things, the Convention prohibits a pregnant or breastfeeding woman from performing work that would pose a risk to her health or that of her child. Moreover, it calls for all employers to implement appropriate measures to ensure that pregnancy and maternity do not form a basis for discrimination in employment.

Human Rights

Adopted by the Transitional National Assembly of Iraq, the Constitution guarantees fundamental rights to all Iraqi citizens, including equality before the Law, equal treatment before the Law (Article 14); treatment with justice in judicial proceedings (Article 19(6)); participation in public affairs (Article 20); right to work (Article 22); and the preservation of the family, the protection of motherhood, childhood and old age, and the prohibition of child labor and violence in the family (Article 29). In particular, the Law proclaims that all Iraqis discrimination based on gender, race, ethnicity, origin, color, religion, creed, belief, opinion, or economic and social status is prohibited. The Constitution also guarantees to all Iraqis, especially women and children, social and health security, basic requirements for living a free and decent life, income and housing (Article 30), health care (Article 31), care for the persons with disabilities (Article 32), and education (Article 34).

Article 2 of the Constitution declares Islam as the official religion of the state. The Constitution stipulates that no law may be enacted that contradicts established provisions of Islam, yet the Constitution also reflects the religious and ethnic diversity of Iraq and stresses the protection of rights among different groups.

Furthermore, the Constitution also stipulates that no law may be enacted that contradicts the principles of democracy (Article 2 (1)). Currently, Iraq is a party to eight of the nine core international human rights instruments, including: the International Covenant on Civil and Political Rights (ICCPR), the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), the Convention on the rights of the Child (CRC) and its Optional Protocol on the involvement of children in armed conflict; the International Convention for the Protection of All Persons from Enforced Disappearance (ICPPED), and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT). The country has further established a Penal Code, Law No. 111 of 1969, which stipulates basic penalties for offences, including death, life imprisonment, imprisonment for specific periods, penal servitude, detention, fines, confinement to a center for young offenders and confinement to a reformatory.

Annex H Key Requirements of the WB ESS

ESS1: Assessment and Management of Environmental and Social Risks and Impact

1. The Borrower will assess, manage, and monitor the environmental and social risks and impacts of the Project throughout the Project life cycle so as to meet the requirements of the ESSs in a manner and within a time frame acceptable to the Bank.
2. The Borrower will:
 - (a) Conduct an environmental and social assessment of the proposed project, including stakeholder engagement;
 - (b) Undertake stakeholder engagement and disclose appropriate information in accordance with the ESS10;
 - (c) Develop an Environmental and Social Commitment Plan (ESCP), and implement all measures and actions set out in the legal agreement including the ESCP; and
 - (d) Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.
3. If the project comprises or includes existing facilities or existing activities that do not meet the requirements of the ESSs at the time of Board approval, the Borrower will adopt and implement measures satisfactory to the Bank so that specific aspects of such facilities and activities meet the requirements of the ESSs in accordance with the ESCP.
4. Where the ESCP requires the Borrower to plan or take specific measures and actions over a specified time frame to avoid, minimize, reduce, or mitigate specific risks and impacts of the project, the Borrower will not carry out any activities in relation to the project that may cause material adverse environmental or social risks or impacts until the relevant plans, measures, or actions have been completed in accordance with the ESCP.
5. The project will apply the relevant requirements of the Environmental Health and Safety Guidelines (EHSGs). When host country requirements differ from the levels and measures presented in the EHSGs, the Borrower will be required to achieve or implement whichever is more stringent. If less stringent levels or measures than those provided in the EHSGs are appropriate in view of the Borrower's limited technical or financial constraints or other specific project circumstances, the Borrower will provide full and detailed justification for any proposed alternatives through the environmental and social assessment. This justification must demonstrate, to the satisfaction of the Bank, that the choice of any alternative performance level is consistent with the objectives of the ESSs and the applicable EHSGs, and is unlikely to result in any significant environmental or social harm.

Use of Borrower's Environmental and Social Framework

6. When a project is proposed for Bank support, the Borrower and the Bank will consider whether to use all, or part, of the Borrower's ES Framework in the assessment, development, and implementation of

a project. Such use may be proposed provided this is likely to address the risks and impacts of the project, and enable the project to achieve objectives materially consistent with the ESSs.

7. If the Borrower and the Bank propose to use all, or part, of the Borrower's ES Framework, the Bank will review the Borrower's ES Framework in accordance with the requirement of paragraph 5. The Borrower will provide information to the Bank in connection with the assessment.
8. If the assessment identifies gaps in the Borrower's ES Framework, the Borrower will work with the Bank to identify measures and actions to address such gaps. Such measures and actions may be implemented during project preparation or project implementation and will include, where necessary, measures and actions to address any capacity development issues pertaining to the Borrower; any relevant national, subnational, or sectoral implementing institution; and any implementing agency. The agreed measures and actions, together with the time frames for their completion, will form part of the ESCP.
9. The Borrower will take all actions necessary to maintain the Borrower's ES Framework, as well as acceptable implementation practices, track record, and capacity, in accordance with the measures and actions identified in the ESCP, throughout the project life cycle. The Borrower will notify and discuss with the Bank any significant changes in the Borrower's ES Framework that may affect the project. If the Borrower's ES Framework is changed in a manner inconsistent with the requirement of paragraph 5 and the ESCP, the Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP.

Environmental and Social Assessment

10. The Borrower will carry out an environmental and social assessment of the project to assess the environmental and social risks and impacts of the project throughout the project life cycle. The assessment will be proportionate to the potential risks and impacts of the project, and will assess, in an integrated way, all relevant direct, indirect, and cumulative environmental and social risks and impacts throughout the project life cycle, including those specifically identified in ESSs2–10.
11. The environmental and social assessment will be based on current information, including an accurate description and delineation of the project and any associated aspects, and environmental and social baseline data at an appropriate level of detail sufficient to inform characterization and identification of risks and impacts and mitigation measures. The assessment will evaluate the project's potential environmental and social risks and impacts; examine project alternatives; identify ways of improving project selection, siting, planning, design, and implementation in order to apply the mitigation hierarchy for adverse environmental and social impacts and seek opportunities to enhance the

positive impacts of the project. The environmental and social assessment will include stakeholder engagement as an integral part of the assessment, in accordance with ESS10.

12. The environmental and social assessment will be an adequate, accurate, and objective evaluation and presentation of the risks and impacts, prepared by qualified and experienced persons. For High and Substantial Risk projects, as well as situations in which the Borrower has limited capacity, the Borrower will retain independent specialists to carry out the environmental and social assessment.
13. The Borrower will ensure that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy framework, national laws, and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSs and other relevant Good International Industry Practice (GIIP). The assessment of the project, and all proposals contained in the assessment, will be consistent with the requirements of this paragraph.
14. The environmental and social assessment will apply a mitigation hierarchy, which will: (a) Anticipate and avoid risks and impacts; (b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels; (c) Once risks and impacts have been minimized or reduced, mitigate; and (d) Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.
15. The environmental and social assessment, informed by the scoping of the issues, will take into account all relevant environmental and social risks and impacts of the project, including: (a) Environmental risks and impacts, including: (i) those defined by the EHSs; (ii) those related to community safety (including dam safety and safe use of pesticides); (iii) those related to climate change and other transboundary or global risks and impacts; (iv) any material threat to the protection, conservation, maintenance, and restoration of natural habitats and biodiversity; and (v) those related to ecosystem services and the use of living natural resources, such as fisheries and forests; and (b) Social risks and impacts, including: (i) threats to human security through the escalation of personal, communal, or interstate conflict, crime, or violence; (ii) risks that project impacts fall disproportionately on individuals and groups who, because of their particular circumstances, may be disadvantaged or vulnerable; (iii) any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable; (iv) negative economic and social impacts relating to the involuntary taking of land or restrictions on land use; (v) risks or impacts associated with land and natural resource tenure and use, including (as relevant) potential project impacts on local land use patterns and tenurial arrangements, land access and availability, food security and land values, and any corresponding risks related to conflict or contestation over land and natural resources; (vi) impacts

on the health, safety, and well-being of workers and project-affected communities; and (vii) risks to cultural heritage.

16. Where the environmental and social assessment of the project identifies specific individuals or groups as disadvantaged or vulnerable, the Borrower will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing any development benefits and opportunities resulting from the project.
17. For projects involving multiple small subprojects that are identified, prepared, and implemented during the course of the project, the Borrower will carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects, as follows: (a) High-risk subprojects, in accordance with the ESSs; (b) Substantial-risk, moderate-risk, and low-risk subprojects, in accordance with national law and any requirements of the ESSs that the Bank deems relevant to such subprojects.
18. If the risk rating of a subproject increases to a higher risk rating, the Borrower will apply the relevant requirements of the ESSs, and the ESCP will be updated as appropriate.
19. The environmental and social assessment will also identify and assess, to the extent appropriate, the potential environmental and social risks and impacts of Associated Facilities. The Borrower will address the risks and impacts of Associated Facilities in a manner proportionate to its control or influence over the Associated Facilities. To the extent that the Borrower cannot control or influence the Associated Activities to meet the requirements of the ESSs, the environmental and social assessment will also identify the risks and impacts the Associated Facilities may present to the project.
20. For projects that are high risk or contentious, or that involve serious multidimensional environmental or social risks or impacts, the Borrower may be required to engage one or more internationally recognized independent experts. Such experts may, depending on the project, form part of an advisory panel or be otherwise employed by the Borrower, and will provide independent advice and oversight to the project.
21. The environmental and social assessment will also consider risks and impacts associated with the primary suppliers as required by ESS2 and ESS6. The Borrower will address such risks and impacts in a manner proportionate to the Borrower's control or influence over its primary suppliers as set out in ESS2 and ESS6.
22. The environmental and social assessment will consider potentially significant project related transboundary and global risks and impacts, such as impacts from effluents and emissions, increased use or contamination of international waterways, emissions of short- and long-lived climate

pollutants, climate change mitigation, adaptation and resilience issues, and impacts on threatened or depleted migratory species and their habitats.

Environmental and Social Commitment Plan

23. The Borrower will develop and implement an ESCP, which will set out measures and actions required for the project to achieve compliance with the ESSs over a specified time frame. The ESCP will be agreed upon with the Bank and will form part of the legal agreement. The draft ESCP will be disclosed as early as possible, and before project appraisal.
24. The ESCP will take into account the findings of the environmental and social assessment, the Bank's environmental and social due diligence, and the results of engagement with stakeholders. It will be an accurate summary of the material measures and actions required to avoid, minimize, reduce or otherwise mitigate the potential environmental and social risks and impacts of the project. A completion date for each action will be specified in the ESCP.
25. Where a common approach has been agreed upon, the ESCP will include all measures and actions that have been agreed by the Borrower to enable the project to meet the common approach.
26. The ESCP will set out a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The process will 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.
27. The Borrower will implement diligently the measures and actions identified in the ESCP in accordance with the time frames specified, and will review the status of implementation of the ESCP as part of its monitoring and reporting.
28. The ESCP will describe the different management tools that the Borrower will use to develop and implement the agreed measures and actions. These management tools will include, as appropriate, environmental and social management plans, environmental and social management frameworks, operational policies, operational manuals, management systems, procedures, practices, and capital investments. All management tools will apply the mitigation hierarchy and incorporate measures so that the project will meet the requirements of applicable laws and regulations and the ESSs in accordance with the ESCP throughout the project life cycle.
29. The management tools will define desired outcomes in measurable terms (for example, against baseline conditions) to the extent possible, with elements such as targets and performance indicators that can be tracked over defined time periods.
30. Recognizing the dynamic nature of the project development and implementation process, the management tools will take a long-term and phased approach, and be designed to be responsive to

changes in project circumstances, unforeseen events, regulatory changes, and the results of monitoring and review.

31. The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation, or operation of the project that are likely to cause an adverse change in the environmental or social risks or impacts of the project. The Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP and relevant management tools, as appropriate, in accordance with the findings of such assessments and consultation. The updated ESCP will be disclosed.

Project Monitoring and Reporting

32. The Borrower will monitor the environmental and social performance of the project in accordance with the legal agreement (including the ESCP). The extent and mode of monitoring will be agreed upon with the Bank, and will be proportionate to the nature of the project, the project's environmental and social risks and impacts, and compliance requirements. The Borrower will ensure that adequate institutional arrangements, systems, resources, and personnel are in place to carry out monitoring. Where appropriate and as set out in the ESCP, the Borrower will engage stakeholders and third parties, such as independent experts, local communities, or nongovernmental organizations (NGOs), to complement or verify its own monitoring activities. Where other agencies or third parties are responsible for managing specific risks and impacts and implementing mitigation measures, the Borrower will collaborate with such agencies and third parties to establish and monitor such mitigation measures.
33. Monitoring will normally include recording information to track performance, and establishing relevant operational controls to verify and compare compliance and progress. Monitoring will be adjusted according to performance experience, as well as actions requested by relevant regulatory authorities and feedback from stakeholders such as community members. The Borrower will document monitoring results.
34. The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs. Such reports will include information on stakeholder engagement conducted during project implementation in accordance with ESS10. The Borrower, and the agencies implementing the project, will designate senior officials to be responsible for reviewing the reports.
35. Based on the results of the monitoring, the Borrower will identify any necessary corrective and preventive actions, and will incorporate these in an amended ESCP or the relevant management tool, in a manner acceptable to the Bank. The Borrower will implement the agreed corrective and

preventive actions in accordance with the amended ESCP or relevant management tool, and monitor and report on these actions.

36. The Borrower will facilitate site visits by Bank staff or consultants acting on the Bank's behalf.
37. The Borrower will notify the Bank promptly of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public, or workers. The notification will provide sufficient detail regarding such incident or accident, including any fatalities or serious injuries. The Borrower will take immediate measures to address the incident or accident and to prevent any recurrence, in accordance with national law and the ESSs.

Stakeholder Engagement and Information Disclosure

38. As set out in ESS10, the Borrower will continue to engage with, and provide sufficient information to stakeholders throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.
39. For High Risk and Substantial Risk projects, the Borrower will provide to the Bank and disclose documentation, as agreed with the Bank, relating to the environmental and social risks and impacts of the project prior to project appraisal. The documentation will address, in an adequate manner, the key risks and impacts of the project, and will provide sufficient detail to inform stakeholder engagement and Bank decision making. The Borrower will provide to the Bank and disclose final or updated documentation as specified in the ESCP.
40. If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP, setting out the mitigation measures.

ESS2: Labor and Working Conditions

Working Conditions and Management of Worker Relationships

1. The Borrower will develop and implement written labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers, including direct workers, and

the way in which the Borrower will require third parties to manage their workers in accordance with paragraphs 23–25.

Terms and Conditions of Employment

2. Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor and employment law (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation, and benefits, as well as those arising from the requirements of this ESS. This information and documentation will be provided at the beginning of the working relationship, and when any material changes, to the terms or conditions of employment occur.
3. Project workers will be paid on a regular basis as required by national law and labor management procedures. Deductions from payment of wages will only be made as allowed by national law or the labor management procedures, and project workers will be informed of the conditions under which such deductions will be made. Project workers will be provided with adequate periods of rest per week, annual holiday, and sick, maternity and family leave, as required by national law and labor management procedures.
4. Where required by national law or the labor management procedures, project workers will receive written notice of termination of employment and details of severance payments in a timely manner. All wages that have been earned, social security benefits, pension contributions, and any other entitlements will be paid on or before termination of the working relationship, either directly to the project workers or where appropriate, for the benefit of the project workers. Where payments are made for the benefit of project workers, project workers will be provided with evidence of such payments.

Nondiscrimination and Equal Opportunity

5. Decisions relating to the employment or treatment of project workers will not be made on the basis of personal characteristics unrelated to inherent job requirements. The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices. The labor management procedures will set out measures to prevent and address harassment, intimidation, and/or exploitation. Where national law is inconsistent with this

paragraph, the project will seek to carry out project activities in a manner that is consistent with the requirements of this paragraph to the extent possible.

6. Special measures of protection and assistance to remedy discrimination or selection for a particular job based on the inherent requirements of the job or the objectives of the project will not be deemed as discrimination, provided they are consistent with national law.
7. The Borrower will provide appropriate measures of protection and assistance to address the vulnerabilities of project workers, including specific groups of workers, such as women, people with disabilities, migrant workers, and children (of working age in accordance with this ESS). Such measures may be necessary only for specific periods of time, depending on the circumstances of the project worker and the nature of the vulnerability.

Workers' Organizations

8. In countries where national law recognizes workers' rights to form and to join workers' organizations of their choosing and to bargain collectively without interference, the project will be implemented in accordance with national law. In such circumstances, the role of legally established workers' organizations and legitimate workers' representatives will be respected, and they will be provided with information needed for meaningful negotiation in a timely manner. Where national law restricts workers' organizations, the project will not restrict project workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. The Borrower should not seek to influence or control these alternative mechanisms. The Borrower will not discriminate or retaliate against project workers who participate, or seek to participate, in such workers' organizations and collective bargaining or alternative mechanisms.

Protecting the Work Force

Child Labor and Minimum Age

9. A child under the minimum age established in accordance with this paragraph will not be employed or engaged in connection with the project. The labor management procedures will specify the minimum age for employment or engagement in connection with the project, which will be the age of 14 unless national law specifies a higher age.
10. A child over the minimum age and under the age of 18 may be employed or engaged in connection with the project only under the following specific conditions: (a) The work does not fall within paragraph 19 below; (b) An appropriate risk assessment is conducted prior to the work commencing;

and (c) The Borrower conducts regular monitoring of health, working conditions, hours of work, and the other requirements of this ESS.

11. A child over the minimum age and under the age of 18 will not be employed or engaged in connection with the project in a manner that is likely to be hazardous, interfere with the child's education, or be harmful to the child's health or physical, mental, spiritual, moral, or social development.

Forced Labor

12. Forced labor, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty, will not be used in connection with the project. This prohibition covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. No trafficked persons will be employed in connection with the project.

Grievance Mechanism

13. A grievance mechanism will be provided for all direct workers and contracted workers (and, where relevant, their organizations) to raise workplace concerns. Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against reprisal for its use. Measures will be put in place to make the grievance mechanism easily accessible to all such project workers.
14. The grievance mechanism will be proportionate to the nature and scale and the potential risks and impacts of the project. It will be designed to address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and will operate in an independent and objective manner. The grievance mechanism may utilize existing grievance mechanisms, providing that they are properly designed and implemented, address concerns promptly, and are readily accessible to such project workers. Existing grievance mechanisms may be supplemented as needed with project-specific arrangements.
15. The grievance mechanism will not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.

Occupational Health and Safety (OHS)

16. Measures relating to occupational health and safety will be applied to the project. The OHS measures will include the requirements of this Section, and will take into account the General Environmental Health and Safety Guidelines (EHSGs) and, as appropriate, the industry-specific EHSGs and other Good

International Industry Practice (GIIP). The OHS measures applying to the project will be set out in the legal agreement and the Environmental and Social Commitment Plan (ESCP).

17. The OHS measures will be designed and implemented to address: (a) identification of potential hazards to project workers, particularly those that may be life-threatening; (b) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (c) training of project workers and maintenance of training records; (d) documentation and reporting of occupational accidents, diseases and incidents; (e) emergency prevention and preparedness and response arrangements to emergency situations; and (f) remedies for adverse impacts such as occupational injuries, deaths, disability, and disease.
18. All parties who employ or engage project workers will develop and implement procedures to establish and maintain a safe working environment, including that workplaces, machinery, equipment, and processes under their control are safe and without risk to health, including by use of appropriate measures relating to chemical, physical, and biological substances and agents. Such parties will actively collaborate and consult with project workers in promoting understanding, and methods for, implementation of OHS requirements, as well as in providing information to project workers, training on occupational safety and health, and provision of personal protective equipment without expense to the project workers.
19. Workplace processes will be put in place for project workers to report work situations that they believe are not safe or healthy, and to remove themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health. Project workers who remove themselves from such situations will not be required to return to work until necessary remedial action to correct the situation has been taken. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for such reporting or removal.
20. Project workers will be provided with facilities appropriate to the circumstances of their work, including access to canteens, hygiene facilities, and appropriate areas for rest. Where accommodation services are provided to project workers, policies will be put in place and implemented on the management and quality of accommodation to protect and promote the health, safety, and well-being of the project workers, and to provide access to or provision of services that accommodate their physical, social, and cultural needs.
21. Where project workers are employed or engaged by more than one party and are working together in one location, the parties who employ or engage the workers will collaborate in applying the OSH requirements, without prejudice to the responsibility of each party for the health and safety of its own workers.
22. A system for regular review of occupational safety and health performance and the working environment will be put in place and include identification of safety and health hazards and risks,

implementation of effective methods for responding to identified hazards and risks, setting priorities for taking action, and evaluation of results.

Contracted Workers

23. The Borrower will make reasonable efforts to ascertain that third parties who engage contracted workers are legitimate and reliable entities and have in place labor management procedures applicable to the project that will allow them to operate in accordance with the requirements of this ESS, except for paragraphs 26–34.
24. The Borrower will establish procedures for managing and monitoring the performance of such third parties in relation to the requirements of this ESS. In addition, the Borrower will incorporate the requirements of this ESS into contractual agreements with such third parties, together with appropriate noncompliance remedies. In the case of subcontracting, the Borrower will require such third parties to include equivalent requirements and noncompliance remedies in their contractual agreements with subcontractors.
25. Contracted workers will have access to a grievance mechanism. In cases where the third party employing or engaging the workers is not able to provide a grievance mechanism to such workers, the Borrower will make the grievance mechanism provided under Section C of this ESS available to the contracted workers.

Community Workers

26. Projects may include the use of community workers in a number of different circumstances, including where labor is provided by the community as a contribution to the project, or where projects are designed and conducted for the purpose of fostering community-driven development, providing a social safety net or providing targeted assistance in fragile and conflict-affected situations. Given the nature and objectives of such projects, the application of all requirements of ESS2 may not be appropriate. In all such circumstances, the Borrower will require measures to be implemented to ascertain whether such labor is or will be provided on a voluntary basis as an outcome of individual or community agreement.
27. Accordingly, where the project includes the provision of labor by community workers, the Borrower will apply the relevant provisions of this ESS in a manner which reflects and is proportionate to: (a) The nature and scope of the project; (b) The specific project activities in which the community workers are engaged; and (c) The nature of the potential risks and impacts to the community workers. Paragraphs 1 to 7 (Working Conditions) and paragraphs 16 to 22 (Occupational Health and Safety) will be assessed in relation to community labor, and will be applied in a manner which reflects (a) to (c)

above. The way in which these requirements will apply in the circumstances of the project will be set out in the labor management procedures.

28. In preparing the labor management procedures, the Borrower will clearly identify the terms and conditions on which community labor will be engaged, including amount and method of payment (if applicable) and times of work. The labor management procedures will also specify the way in which community workers can raise grievances in relation to the project. The Borrower will assess the potential risks and impacts of the activities to be conducted by community workers and, at a minimum, apply the relevant requirements of the General EHSs and industry-specific EHSs.
29. The Borrower will assess whether there is a risk of child labor or forced labor within community labor, identifying those risks consistent with paragraphs 9 to 12 above. The labor management procedures will set out roles and responsibilities for monitoring community workers. If cases of child labor or forced labor are identified, the Borrower will take appropriate steps to remedy them.
30. The review system established pursuant to paragraph 22 will take into account the provision of labor by community workers in the project, and that adequate training is provided to such workers, tailored to their particular needs and the potential risks and impacts of the project.
31. As part of the environmental and social assessment, the Borrower will identify potential risks of child labor, forced labor, and serious safety issues which may arise in relation to primary suppliers.
32. Where there is a significant risk of child labor or forced labor related to primary supply workers, the Borrower will require the primary supplier to identify those risks consistent with paragraphs 9 to 12 above. The labor management procedures will set out roles and responsibilities for monitoring primary suppliers. If child labor or forced labor cases are identified, the Borrower will require the primary supplier to take appropriate steps to remedy them.
33. Additionally, where there is a significant risk of serious safety issues related to primary supply workers, the Borrower will require the relevant primary supplier to introduce procedures and mitigation measures to address such safety issues. Such procedures and mitigation measures will be reviewed periodically to ascertain their effectiveness.
34. The ability of the Borrower to address these risks will depend upon the Borrower's level of control or influence over its primary suppliers. Where remedy is not possible, the Borrower will, within a reasonable period, shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements of this ESS.

ESS3: Resource Efficiency and Pollution Prevention and Management

1. The Borrower will implement technically and financially feasible measures for improving efficient consumption of energy, water, and raw materials, as well as other resources. Such measures will integrate the principles of cleaner production into product design and production processes to

conserve raw materials, energy, and water, as well as other resources. Where benchmarking data are available, the Borrower will make a comparison to establish the relative level of efficiency.

ESS4: Community Health and Safety

Community Health and Safety

1. The Borrower will evaluate the risks and impacts of the project on the health and safety of the affected communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable. The Borrower will identify risks and impacts and propose mitigation measures in accordance with the mitigation hierarchy.

Infrastructure and Equipment Design and Safety

2. The Borrower will design, construct, operate, and decommission the structural elements of the project in accordance with national legal requirements, the EHSGs and other GIIP, taking into consideration safety risks to third parties and affected communities. Structural elements of a project will be designed and constructed by competent professionals, and certified or approved by competent authorities or professionals. Structural design will take into account climate change considerations, as appropriate.
3. Where the project includes new buildings and structures that will be accessed by members of the public, the Borrower will consider the incremental risks of the public's potential exposure to operational accidents or natural hazards, including extreme weather events. Where technically and financially feasible, the Borrower will also apply the concept of universal access to the design and construction of such new buildings and structures.
4. When structural elements or components of a project are situated in high-risk locations, including those with risk of extreme weather or slow onset events, and their failure or malfunction may threaten the safety of communities, the Borrower will engage one or more independent experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation, and decommissioning. Where the project involves a new or existing dam, the Borrower will provide sufficient resources to apply the requirements on safety of dams, as set out in Annex A.

Safety of Services

5. Where the project involves provision of services to communities, the Borrower will establish and implement appropriate quality management systems to anticipate and minimize risks and impacts

that such services may have on community health and safety. In such circumstances, the Borrower will also apply the concept of universal access, where technically and financially feasible.

Traffic and Road Safety

6. The Borrower will identify, evaluate, and monitor the potential traffic³ and road safety risks to workers, affected communities, and road users throughout the project life cycle and, where appropriate, will develop measures and plans to address them. The Borrower will incorporate technically and financially feasible road safety measures into the project design to prevent and mitigate potential road safety risks to road users and affected communities.
7. Where appropriate, the Borrower will undertake a road safety assessment for each phase of the project, and will monitor incidents and accidents, and prepare regular reports of such monitoring. The Borrower will use the reports to identify negative safety issues, and establish and implement measures to resolve them.
8. For vehicles or fleets of vehicles for the purposes of the project (owned or leased), the Borrower will put in place appropriate processes, including driver training to improve driver and vehicle safety, as well as systems for monitoring and enforcement. The Borrower will consider the safety record or rating of vehicles in purchase or leasing decisions and require regular maintenance of all project vehicles.
9. For projects that operate construction and other equipment on public roads or where the use of project equipment could have an impact on public roads or other public infrastructure, the Borrower will take appropriate safety measures to avoid the occurrence of incidents and injuries to members of the public associated with the operation of such equipment.

Ecosystem Services

10. The project's direct impacts on ecosystem services may result in adverse health and safety risks to and impacts on affected communities. With respect to this ESS, ecosystem services are limited to provisioning and regulating services as defined in ESS1. Where appropriate and feasible, the Borrower will identify the project's potential risks and impacts on ecosystem services that may be exacerbated by climate change. Adverse impacts will be avoided, and if they are unavoidable, the Borrower will implement appropriate mitigation measures.

Community Exposure to Health Issues

11. The Borrower will avoid or minimize the potential for community exposure to waterborne, waterbased, water-related, and vector-borne diseases, and communicable and non-communicable diseases that could result from project activities, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups. Where specific diseases are endemic in communities in

the project area, the Borrower is encouraged to explore opportunities during the project life cycle to improve environmental conditions that could help minimize their incidence.

12. The Borrower will take measures to avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor.

Management and Safety of Hazardous Materials

13. The Borrower will avoid or minimize the potential for community exposure to hazardous materials and substances that may be released by the project. Where there is a potential for the public (including workers and their families) to be exposed to hazards, particularly those that may be life threatening, the Borrower will exercise special care to avoid or minimize their exposure by modifying, substituting, or eliminating the condition or material causing the potential hazards. Where hazardous materials are part of existing project infrastructure or components, the Borrower will exercise due care during construction and implementation of the project, including decommissioning, to avoid exposure to the community.
14. The Borrower will implement measures and actions to control the safety of deliveries of hazardous materials, and of storage, transportation, and disposal of hazardous materials and wastes, and will implement measures to avoid or control community exposure to such hazardous material.

Emergency Preparedness and Response

15. The Borrower will identify and implement measures to address emergency events. An emergency event is an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks, or spills, which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather, or lack of early warning. The measures will be designed to address the emergency event in a coordinated and expeditious manner; to prevent it from injuring the health and safety of the community; and to minimize, mitigate, and compensate for any impacts that may occur.
16. Borrowers engaged in projects having the potential to generate emergency events will conduct a Risk Hazard Assessment (RHA) as part of the environmental and social assessment undertaken pursuant to ESS1. Based on the results of the RHA, the Borrower will prepare an Emergency Response Plan (ERP) in coordination with the relevant local authorities and the affected community, and will take into account the emergency prevention, preparedness, and response arrangements put into place with project workers under ESS2.
17. An ERP will include, as appropriate: (a) engineering controls (such as containment, automatic alarms, and shut-off systems) proportionate to the nature and scale of the hazard; (b) identification of and secure access to emergency equipment available on-site and nearby; (c) notification procedures for designated emergency responders; (d) diverse media channels for notification of the affected community and other stakeholders; (e) a training program for emergency responders including drills

at regular intervals; (f) public evacuation procedures; (g) designated coordinator for ERP implementation; and (h) measures for restoration and cleanup of the environment following any major accident.

18. The Borrower will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information, as well as any subsequent material changes thereto to affected communities, relevant government agencies, or other relevant parties. The Borrower will assist and collaborate with affected communities, relevant government agencies, and other relevant parties in their preparations to respond effectively to an emergency event, especially where their participation and collaboration will be an important part of an effective response.
19. The Borrower will review the ERP on a regular basis and confirm that it is still capable of addressing the potential range of emergency events that might arise in connection with the project. The Borrower will support affected communities, relevant government agencies, and other relevant parties through training and collaboration, and will conduct such training in conjunction with the training provided to project workers as part of the OHS requirements under ESS2.

Security Personnel

2. When the Borrower retains direct or contracted workers to provide security to safeguard its personnel and property, it will assess risks posed by these security arrangements to those within and outside the project site. In making such arrangements, the Borrower will be guided by the principles of proportionality and GIIP, and by applicable law in relation to hiring, rules of conduct, training, equipping, and monitoring of such security workers. The Borrower will not sanction any use of force by direct or contracted workers in providing security except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.
3. The Borrower will seek to ensure that government security personnel deployed to provide security services act in a manner consistent with paragraph 20 above, and encourage the relevant authorities to disclose the security arrangements for the Borrower's facilities to the public, subject to overriding security concerns.
4. The Borrower will (i) make reasonable inquiries to verify that the direct or contracted workers retained by the Borrower to provide security are not implicated in past abuses; (ii) train them adequately (or determine that they are properly trained) in the use of force (and where applicable, firearms) and appropriate conduct toward workers and affected communities; and (iii) require them

to act within the applicable law and any requirements set out in the Environmental and Social Commitment (ESCP).

5. The Borrower will review all allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence, and where necessary, report unlawful and abusive acts to the relevant authorities.

ESS9: Financial Intermediaries

1. FIs will put in place and maintain an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis. The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of FI subprojects, the types of financing, and the overall risk aggregated at the portfolio level. Where the FI can demonstrate that it already has an ESMS in place, it will provide adequate documented evidence of such an ESMS, indicating which elements, if any, will be enhanced or modified to meet the requirements of this ESS.
2. The FI's ESMS will include the following elements: (i) environmental and social policy; (ii) clearly defined procedures for the identification, assessment and management of the environmental and social risks, and impacts of subprojects; (iii) organizational capacity and competency; (iv) monitoring and review of environmental and social risks of subprojects and the portfolio; and (v) external communications mechanism.
3. Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.
4. The FI will review and adjust, in a manner acceptable to the Bank, its ESMS from time to time, including when the environmental and social risk profile of its portfolio changes significantly.
5. The FI will comply with any exclusions in the legal agreement and apply relevant national law for all FI subprojects. In addition, the FI will apply the relevant requirements of the ESSs to any FI subproject that involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.
6. An FI may be required to adopt and implement additional or alternative environmental and social requirements, depending on the nature of the FI, its activities, the sector or countries of operation, and the environmental and social risks and impacts of the potential FI subprojects.
7. The FI will provide a safe and healthy working environment. Accordingly, relevant aspects of ESS2 will apply to the FI itself. The FI will have in place and maintain appropriate labor management procedures, including procedures relating to working conditions and terms of employment,

nondiscrimination and equal opportunity, grievance mechanisms, and occupational health and safety. The FI will provide adequate documented evidence of such procedures.

Environmental and Social Management System

Environmental and Social Policy

8. The environmental and social policy of the FI will be endorsed by the FI's senior management and will include organizational commitments, objectives, and metrics with regard to the FI's environmental and social risk management. The policy will clearly state applicable requirements for FI subprojects, and will include the following: (a) All FI subprojects will be prepared and implemented in accordance with relevant environmental and social national and local laws and regulations; (b) All FI subprojects will be screened against exclusions in the legal agreement; (c) All FI subprojects will be screened for environmental and social risks and impacts; and (d) All FI subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.

Environmental and Social Procedures

9. The FI will put in place and maintain clearly defined environmental and social procedures which reflect and implement the FI's Environmental and Social Policy. The procedures will be proportionate to the nature of the FI and the level of potential environmental and social risks and impacts associated with the FI subprojects.
10. The FI's environmental and social procedures will include measures to: (a) Screen all FI subprojects against any exclusions in the legal agreement; (b) Screen, review, and categorize the FI subprojects according to their potential environmental and social risks and impacts; (c) Require that all FI subprojects are assessed, prepared, and implemented to meet national law and, in addition, where an FI subproject involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, the relevant requirements of the ESSs are applied; (d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the FI and the sub-borrower; (e) Monitor, keep, and regularly update environmental and social information on FI subprojects; (f) If the risk profile of an FI subproject increases significantly, apply relevant requirements of the ESSs and document these appropriately; and (g) Monitor the environmental and social risk of the FI portfolio.
11. As part of the environmental and social procedures, the FI will develop and adopt a categorization system for subprojects with clearly defined risk categories. The categorization system will take into account (i) the nature and magnitude of environmental and social risks and impacts of subprojects; (ii) sectoral and geographical context; and (iii) type of financing. The risk categorization will inform the scope and nature of the FI's environmental and social due diligence and risk management of its

subprojects. Such a categorization system will allow for a systematic aggregation and analysis of risk at the portfolio level.

12. As part of its environmental and social risk categorization system, the FIs will categorize any subproject which involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, as high or substantial risk.

Organizational Capacity and Competency

13. The FI will develop and maintain organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. The FI will designate a representative of the FI's senior management to have overall accountability for environmental and social performance of the FI subprojects, including the implementation of this ESS and ESS2 and resources necessary to support such implementation. The representative will: (a) designate a staff member to be responsible for day-to-day implementation of the ESMS, including the environmental and social procedures; (b) ensure that adequate resources are available for management of and training in environmental and social issues; and (c) ensure that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the environmental and social risks of the FI subprojects, including providing implementation support as required.
14. The FI will ensure that the requirements of this ESS and ESS2 are clearly communicated to all relevant FI personnel, and to ensure that relevant personnel have the necessary knowledge and capabilities for managing environmental and social risks in accordance with the FI's ESMS.

Monitoring and Reporting

15. The FI will monitor the environmental and social performance of the FI subprojects in a manner proportionate to the risks and impacts of the FI subprojects, and provide regular progress reports to the FI's senior management. This will include periodic review of the effectiveness of the FI's ESMS.
16. The FI will promptly notify the Bank of any significant accidents or incidents associated with FI subprojects. If the risk profile of an FI subproject increases significantly, the FI will notify the Bank and will apply relevant requirements of the ESSs in a manner agreed upon with the Bank, as set out in the ESMS. The FI will monitor the measures and actions agreed upon, and report to the Bank as appropriate.
17. The FI will submit to the Bank Annual Environmental and Social Reports on the implementation of its ESMS, including its environmental and social procedures, this ESS and ESS2, as well as the environmental and social performance of its portfolio of FI subprojects. The annual report will include

details of how the requirements of this ESS are being met, the nature of the FI subprojects financed through the project, and the overall portfolio risk, profiled by sector.

Stakeholder Engagement

18. The FI will require the FI subproject to conduct stakeholder engagement in a manner proportionate to the risks and impacts of the FI subproject, and which reflects the type of FI subprojects it will finance. The relevant provisions of ESS10 will be included in the FI's environmental and social procedures. In certain circumstances, depending on the risks and impacts of the project and the type of FI subprojects it will finance, the Bank may require the FI to be engaged in stakeholder engagement.
19. The FI will put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the FI subprojects, and the risk profile of the FI's portfolio. The FI will respond to public enquiries and concerns in a timely manner.
20. The FI will disclose through the FI's website, if a website exists, and permit, in writing, the Bank to disclose on the Bank's website, a summary of each of the elements of the FI's ESMS.
21. The FI will require its sub-borrowers to disclose, in relation to FI subprojects, any project-related documents required (a) by the application of the ESSs; (b) for any FI subprojects categorized as high risk in accordance with the FI's own categorization system; and (c) any environmental and social monitoring reports relating to (a) or (b).

ESS10: Stakeholder Engagement and Information Disclosure

1. Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a time frame that enables meaningful consultations with stakeholders on project design. The nature, scope, and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
2. Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, and intimidation.
3. The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
4. The Borrower will maintain, and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders

consulted, a summary of the feedback received, and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

Engagement during Project Preparation

Stakeholder Identification and Analysis

5. The Borrower will identify the different stakeholders, both project-affected parties and other interested parties. Individuals or groups that are affected or likely to be affected by the project will be identified as 'project-affected parties' and other individuals or groups that may have an interest in the project will be identified as 'other interested parties'
6. The Borrower will identify those project-affected parties (individuals or groups) who, because of their particular circumstances, may be disadvantaged or vulnerable. Based on this identification, the Borrower will further identify individuals or groups who may have different concerns and priorities about project impacts, mitigation mechanisms, and benefits, and who may require different, or separate, forms of engagement. An adequate level of detail will be included in the stakeholder identification and analysis so as to determine the level of communication that is appropriate for the project.
7. Depending on the potential significance of environmental and social risks and impacts, the Borrower may be required to retain independent third-party specialists to assist in the stakeholder identification and analysis to support a comprehensive analysis and the design of an inclusive engagement process.

Stakeholder Engagement Plan

8. In consultation with the Bank, the Borrower will develop and implement a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project and its potential risks and impacts. A draft of the SEP will be disclosed as early as possible, and before project appraisal, and the Borrower will seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Borrower will disclose the updated SEP.
9. The SEP will describe the timing and methods of engagement with stakeholders throughout the life cycle of the project as agreed between Bank and Borrower, distinguishing between project-affected parties and other interested parties. The SEP will also describe the range and timing of information to be communicated to project-affected parties and other interested parties, as well as the type of information to be sought from them.
10. The SEP will be designed to take into account the main characteristics and interests of the stakeholders, and the different levels of engagement and consultation that will be appropriate for

different stakeholders. The SEP will set out how communication with stakeholders will be handled throughout project preparation and implementation.

11. The SEP will describe the measures that will be used to remove obstacles to participation, and how the views of differently affected groups will be captured. Where applicable, the SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources may be needed for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them.
12. When the stakeholder engagement with local individuals and communities depends substantially on community representatives, the Borrower will make reasonable efforts to verify that such persons do, in fact, represent the views of such individuals and communities, and that they are facilitating the communication process in an appropriate manner.
13. In certain circumstances, depending on the level of information available about the project, the SEP will take the format of a framework approach, outlining general principles and a collaborative strategy to identify stakeholders and plan for an engagement process in accordance with this ESS that will be implemented once the location is known.

Information Disclosure

14. The Borrower will disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities. The Borrower will provide stakeholders with access to the following information as early as possible before the Bank proceeds to project appraisal, and in a time frame that enables meaningful consultations with stakeholders on project design: (a) The purpose, nature, and scale of the project; (b) The duration of proposed project activities; (c) Potential risks and impacts of the project on local communities, and the proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups, and describing the differentiated measures taken to avoid and minimize these; (d) The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate; (e) The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported; and (f) The process and means by which grievances can be raised and will be addressed.
15. The information will be disclosed in relevant local languages and in a manner that is accessible and culturally appropriate, taking into account any specific needs of groups that may be differentially or

disproportionately affected by the project or groups of the population with specific information needs (such as, disability, literacy, gender, mobility, differences in language or accessibility).

Meaningful Consultation

16. The Borrower will undertake a process of meaningful consultation in a manner that provides stakeholders with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the Borrower to consider and respond to them. Meaningful consultation will be carried out on an ongoing basis as the nature of issues, impacts, and opportunities evolves.
17. Meaningful consultation is a two-way process, that: (a) Begins early in the project planning process to gather initial views on the project proposal and inform project design; (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (c) Continues on an ongoing basis, as risks and impacts arise; (d) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful, and easily accessible information in a time frame that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s), and is understandable to stakeholders; (e) Considers and responds to feedback; (f) Supports active and inclusive engagement with project-affected parties; (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and (h) Is documented and disclosed by the Borrower.

Engagement during Project Implementation and External Reporting

18. The Borrower will continue to engage with, and provide information to, project-affected parties and other interested parties throughout the life cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.
19. The Borrower will continue to conduct stakeholder engagement in accordance with the SEP, and will build upon the channels of communication and engagement already established with stakeholders. In particular, the Borrower will seek feedback from stakeholders on the environmental and social performance of the project, and the implementation of the mitigation measures in the ESCP.
20. If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP, setting out any additional mitigation measures.

Grievance Mechanism

21. The Borrower will respond to concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner. For this purpose, the

Borrower will propose and implement a grievance mechanism to receive and facilitate resolution of such concerns and grievances.

22. The grievance mechanism will be proportionate to the potential risks and impacts of the project and will be accessible and inclusive. Where feasible and suitable for the project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements. Further details on grievance mechanisms are set out in Annex A. (a) The grievance mechanism is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution. The mechanism, process, or procedure will not prevent access to judicial or administrative remedies. The Borrower will inform the project-affected parties about the grievance process in the course of its community engagement activities, and will make publicly available a record documenting the responses to all grievances received; and (b) Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive, and responsive to the needs and concerns of the project-affected parties. The mechanism will also allow for anonymous complaints to be raised and addressed.

Organizational Capacity and Commitment

23. The Borrower will define clear roles, responsibilities, and authority, as well as designate specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with this ESS.