



# **ENVIRONMENTAL AND SOCIAL SAFEGUARD STANDARDS**

2018

# Acknowledgements

This document was developed by the Environmental Analysts, Investment Support Unit, Chief Investment Officer Division and the Social Analysts, Portfolio Management Unit, Financing Operations Division, DBSA. The DBSA acknowledges contributions drawn from World Bank, the AfDB, the GEF and GCF policies and procedures to inform this document.

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Environmental and Social Standard Standards

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## Preface

The document provides a reference guide to assist DBSA clients manage project environmental and social risks and impacts, and enhance project environmental and social performance. By considering the standards applicable to infrastructure projects when preparing infrastructure projects for investment, clients are better assured of meeting DBSA social and environmental financing conditions, and thereby speeding up the approval process associated with loan applications.

This document builds on the DBSA 2015 ESSS's. The DBSA believes that the ESSS's will assist Clients to:

- Prepare, implement and deliver project investment outcomes that are environmentally and socially responsible
- Align with good environmental and social international practice
- Apply relevant environmental and social policies, frameworks, legislation and standards at project implementation
- Identify appropriate methods and tools to assess, avoid, manage, minimise and mitigate potential project environmental risks, impacts, dependencies and risks on people and the environment
- Optimise environmental and social development potential
- Undertake transparent stakeholder engagement with key and affected parties

In keeping with the DBSA mandate to support sustainable infrastructure development, the DBSA ESSS's are applied to all investments supported by the DBSA including sovereign, public and private sector project and corporate lending. The ESSS's are considered at all stages of the investment value chain including project preparation, early review, due diligence, monitoring and evaluation.

The ESSS are available for client perusal via the DBSA website.

The DBSA Environmental and Social Safeguard Standards address the following areas:

Standard 1: General Overview: Assessment and Management of Environmental and Social Risks and Impacts

Standard 2: Stakeholder engagement and Information disclosure

Standard 3: Gender Mainstreaming

Standard 4: Indigenous Peoples

Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Standard 6: Labour

Standard 7: Community Health and Safety

Standard 8: Cultural Heritage

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Standard 9: Biodiversity Conservation and Sustainable Management of Living Natural Resources and Resilience  
Standard 10: Resource Efficiency and Pollution Prevention and Management  
Standard 11: Dam Safety

The DBSA ESSS apply from March 2018. The ESSS will be applicable until replaced by updated standards.

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## ACRONYMS

ARAP	Abbreviated Resettlement Action Plan
AfDB	African Development Bank
ADB	Asian Development Bank
BMP	Biodiversity Management Plan
CSO's	Civil Society Organisations
CBD	Convention on Biodiversity
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
DRT	Development Results Template
DUC	Dam under construction
EAF	DBSA Environmental Appraisal Framework
EHS	Guidelines World Bank Group Environmental, Health and Safety Guidelines
ERP	Emergency Response Plan
EIA	Environmental Impact Assessment
ESA	Environmental and Social Audit
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESSS	Environmental and Social Standard Standards (this document)
FI	Category Financial Intermediary Category
FRAP	Full Resettlement Action Plan
FPIC	Free, Prior, and Informed Consent
GAP	Gender Action Plan
GCF	Green Climate Fund
GEF	Global Environmental Facility
GHG	Greenhouse gases
GIIP	Good International Industry Practice
GRM	Grievance Redress Mechanism
HRA	Hazard or Risk Assessment
IDP	Integrated Development Plan
IFC	International Finance Corporation
IPM	Integrated Pest Management
IPP	Indigenous Peoples Plan
IWLRM	Integrated Water and Land Resource Management
NGO	Non-governmental Organisation
O&M	Operation and Maintenance
RAMSAR	Convention on Wetlands
PMP	Pest Management Plan
RAP	Relocation / Resettlement Action Plan
RDB	Red Data Book
RHA	Risk Hazard Assessment
SEP	Stakeholder Engagement Plan
SDGs	Sustainable Development Goals
SESA	Strategic Environmental and social Assessment
TOR	Terms of Reference
WHO	World Health Organisation

## LEGISLATION

Basic Conditions of Employment Amendment Act, No 11 of 2002 (BCEA)  
Basic Employment Equity Act No. 55 of 1998 (EEA)  
Broad Based Black Economic Empowerment Act No. 46 of 2013 (BBBEEA)

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Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (COIDA)  
The Constitution of the Republic of South Africa Act 108 of 1996  
Extension of Security of Tenure Act 62 of 1997 (ESTA)  
Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act 36 of 1947 (FFFARSRA)  
Labour Tenants (Land Reform) Act 3 of 1996 (LRA)  
Municipal Systems Act No. 32 of 2000 (MSA)  
Minerals and Petroleum Resource Development Amendment Act 49 of 2008 (MPRDA)  
Municipal Finance Management Act No. 58 of 2003 (MFMA)  
Municipal Systems Act 32 of 2000 (MSA)  
National Environmental Management Act 107 of 1996 (NEMA)  
National Environmental Management: Air Quality Act 39 of 2004 (NEM: AQA)  
National Environmental Management: Biodiversity Act No. 10 of 2004 (NEM: BA)  
National Environmental Management: Waste Act 59 of 2008 (NEM: WA)  
Heritage Resources Act 25 of 1999 (NHRA)  
National Water Act (Act 36 of 1998)  
Occupational Health and Safety Act No. 181 of 1993 (OHSA)  
Preferential Procurement Act No. 5 of 1996 (PPA)  
Skills Development Act No. 37 of 2008 (SDA)  
South African Labour Relations Act No.66 of 1995 (LRA)  
South African Qualifications Authority Act No.58 of 1998 (SAQA)  
Unemployment Insurance Fund Act No. 63 of 1993 (UIF)



## DEFINITION OF TERMS

<b>Assimilative capacity</b>	The environmental capacity to absorb an incremental load of pollutants while remaining below a threshold of unacceptable risk to human health and the environment.
<b>Associated Facilities</b>	<p>Activities linked to but not funded by the project include:</p> <ul style="list-style-type: none"> <li>• Directly and significantly related to the project; and carried out, or planned to be carried out, contemporaneously with the project</li> <li>• Necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist</li> <li>• Where stakeholders agree on a common approach to project implementation which is applied to Associated Facilities</li> </ul>
<b>Biodiversity</b>	The species diversity, 'species richness', number, variety and variability of genetic species and ecosystems diversity in a site or habitat. Genetic diversity represents the heritable variation within and between organism populations which constitute the genetic code. Ecosystems differ from genes and species as they explicitly include abiotic components, and are partly determined by soil parent material and climate. There is no unique globally accepted ecosystem diversity definition and ecosystems classification. Local or regional ecosystem diversity assessments assist in determining project impacts on vegetation.
<b>The Biodiversity Action Plan</b>	A stand-alone plan that offers additional assurance to the ESIA or the ESMP in areas recognized for their biodiversity value.
<b>Client / Client</b>	The institution applying to the DBSA for financial assistance to undertake a project or programme.
<b>Cartagena Protocol on Biosafety to the Convention on Biological Diversity</b>	An international agreement adopted in 2000 and entered into force in 2003 to ensure safe handling, transport and use of genetically engineered organisms that result from modern biotechnology and that may impact adversely on biological diversity and human health. .
<b>Chance finds</b>	The discovery of previously unknown cultural heritage and archaeological resources encountered during project construction or operation.
<b>Cultural heritage</b>	<p>Resources inherited from the past that people identify with, independently of ownership, to reflect and express evolving values, beliefs, knowledge and traditions and recognised as having local, regional, national or global value.</p> <p><b>Tangible cultural heritage:</b> objects, sites, structures, natural features or landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic or cultural significance.</p> <p><b>Intangible cultural heritage:</b> practices, representations, expressions, knowledge, and skills (and associated instruments, objects, artefacts and cultural spaces) that communities and groups recognize as part of their cultural heritage, transmit from generation to generation, and recreate to respond to their environment, their interaction with nature and their history.</p>
<b>Dam owner</b>	A national or local government, a parastatal, private company, or entity who hold a license to operate a dam, and have the responsibility for its safety.
<b>Dam Panel</b>	A panel of experts with requisite professional and technical expertise and experience able to oversee the appropriate size, complexity, and potential hazard of a dam under construction. For high-hazard dams, the panel should include internationally recognised experts in their field.
<b>Degradation</b>	Modification of a critical or other natural habitat that substantially reduces the habitat's ability to maintain viable indigenous species populations.

<b>Impact</b>	<p><b>Direct Impact:</b> An impact caused by the project, and occurs contemporaneously in the project location.</p> <p><b>Indirect impact:</b> An impact caused by the project and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable, and will not include induced impacts.</p> <p><b>Cumulative impact:</b> The incremental project impact added to impacts from other relevant past, present and reasonably foreseeable developments and unplanned but predictable activities enabled by the project that may occur later or at a different location. Cumulative impacts can result from individually minor but collectively significant activities taking place over a period of time. The environmental and social assessment will consider cumulative impacts which pose scientific concerns and/or which reflect project-affected parties concerns. Potential cumulative impacts should be determined at project concept and scoping stage.</p>
<b>Disadvantaged or vulnerable</b>	<p>Persons who may be more likely to be adversely affected by the project impacts and / or constrained in their ability to take advantage of a project's benefits and likely to be excluded from / unable to participate in the community consultation process. These stakeholders may require specific measures and / or assistance (addressing age, indigenous peoples, land and other considerations) to participate in project stakeholder participation.</p>
<b>Ecosystem services</b>	<p>The benefits that people derive from ecosystems. This includes:</p> <ul style="list-style-type: none"> <li>• Provisioning services, the products people obtain from ecosystems such as food, freshwater, wood, fibre and fuel</li> <li>• Regulating services, the benefits people obtain from regulating ecosystem processes (climate regulation, flood regulation, disease regulation, water purification)</li> <li>• Cultural services - the aesthetic, spiritual, educational, recreational and any nonmaterial benefits people obtain from ecosystems)</li> <li>• Supporting services, the natural processes that maintain other services including nutrient cycling, soil formation, and primary production.</li> </ul>
<b>Empowerment</b>	<p>The expansion of people's capacity to make and act upon decisions (agency) and to transform those decisions into desired outcomes. It entails overcoming all inequalities previously denied to people. Programmatic interventions focus on empowering vulnerable and excluded groups including women and indigenous peoples.</p>
<b>Environment</b>	<p>The natural and built surroundings in which an organisation operates, including air, water, land, natural resources, flora, fauna, and humans..</p>
<b>Environmental Appraisal</b>	<p>Process followed to assess and integrate environmental sustainability considerations into the DBSA-supported programmes and projects appraisal.</p>
<b>Environmental and Social Management Plan (ESMP)</b>	<p>A plan developed at project planning phase to outline proposed mitigation measures to address identified environmental risks and impacts throughout the project life cycle. The plan details responsible parties, resources and time frames to manage and implement environmental and social mitigation measures. The client team, in consultation with the DBSA team, draw up the ESMP early in the project application process to set out the project measures and actions required to comply with the ESSs over a specified timeframe.</p>
<b>Environmental Management System (EMS)</b>	<p>The management system that addresses all project plans, responsibilities activities, organizational structure; practices; procedures; processes and resources for developing, implementing, achieving, reviewing and maintaining the environmental policy. The EMS is adopted for the project operations phase.</p>

<b>Environmental and Social impacts</b>	Any change, potential or actual, to the physical, natural, or cultural environment, and impacts on surrounding community and workers, resulting from the business activity to be supported.
<b>Environmental and Social Impact Assessment</b>	An Instrument to identify and assess a proposed projects potential environmental and social impacts, evaluate alternatives, and design appropriate mitigation, management and monitoring measures.
<b>Environmental &amp; Social Management Framework (ESMF)</b>	An ESMF is applied when a project component or project location remains uncertain. It is used to identify, prepare, and appraise project components and activities, and assess the Client’s track record, institutional capacity and quality of its Environmental Management System.
<b>Gender</b>	The economic, social, political, and cultural attributes and opportunities associated with being women and men. The social definitions of what it means to be a woman or a man vary among cultures and change over time. Gender is a sociocultural expression of particular characteristics and roles associated with certain groups of people with reference to their sex and sexuality.
<b>Gender Analysis</b>	A methodology that describes gender relations, in households firms, communities, ethnic group, or nation. It involves collecting, analysing, organising and interpreting sex-disaggregated data, qualitative and quantitative information about gender relations to make clear the importance of gender differences for achieving development objectives.
<b>Gender Assessment</b>	Examines how a program or project objectives, activities and policies address and respond to gender disparities and inequalities. Gender assessment determines: <ul style="list-style-type: none"> <li>• How the different roles and status of women and men within the community, political sphere, workplace, and household will affect the work to be undertaken.</li> <li>• How women and men will be differently affected by the anticipated work results and how this will impact on their relative status.</li> </ul>
<b>Gender Equity</b>	The process of being fair to women and men by taking measures to compensate for historical and social disadvantages that prevent women and men from operating on a level playing field.
<b>Gender Equality</b>	The state or condition that enables women and men to equally enjoy rights, socially valued goods, opportunities, and resources.
<b>Gender-lens financing</b>	The integration of gender analysis into investment analysis and decision-making.
<b>Gender Mainstreaming</b>	The process of incorporating a gender perspective in a project and organisations policies, strategies, programs, activities, administrative functions and institutional culture.
<b>Good International Industry Practice (GIIP)</b>	The exercise of professional skill, diligence, prudence, and reasonability expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. This approach enables a project to apply the most appropriate technologies to achieve effective outcomes within project-specific circumstances.
<b>Habitat</b>	A terrestrial, freshwater, or marine geographical unit or an airway passage that supports complexities of living organisms and their interactions with the non-living environment. All habitats support complexities of living organisms and vary in terms of species diversity, abundance and importance.
<b>Critical habitat</b>	Defined area of high biodiversity importance or value, including: <ul style="list-style-type: none"> <li>• Habitat of significant importance to critically endangered or endangered species, as listed in the IUCN Red Data List of threatened species or equivalent national record</li> <li>• Habitat of significant importance to endemic or restricted-range species</li> </ul>

	<ul style="list-style-type: none"> <li>• Habitat supporting globally or nationally significant concentrations of migratory or congregatory species</li> <li>• Highly threatened or unique ecosystems</li> <li>• Ecological functions or characteristics needed to maintain viable biodiversity values</li> <li>• Areas associated with key evolutionary processes</li> <li>• Habitats worthy of local, provincial or national conservation protection</li> <li>• Habitats whose ecosystem functions or species rely on or provide connectivity with other critical or legally protected habitat areas</li> </ul>
<b>Modified habitats</b>	Areas that contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area's primary ecological functions and species composition. These may include areas under agricultural management, forest plantations, reclaimed coastal zones and wetlands. Where a habitat is converted in anticipation of a project, it is not considered a modified habitat.
<b>Natural habitats</b>	Land and water areas of biological, social, and economic value where: <ul style="list-style-type: none"> <li>• Indigenous plant and animal species form the ecosystems' biological communities</li> <li>• Human activity has not essentially modified the area's primary ecological functions</li> </ul>
<b>Homophobia</b>	The irrational fear of, aversion to, or discrimination against homosexuals or homosexual behaviour or cultures. Homophobia refers to self-loathing by homosexuals, and the fear of men or women who do not live up to society's standards of what it is to be a "true man" or "true woman."
<b>Heterosexism</b>	The presumption that everyone is heterosexual and/or the belief that heterosexual people are born superior to homosexual and bisexual people.
<b>Indigenous Peoples</b>	Different terms are used to describe indigenous peoples including "Indigenous ethnic minorities", "aboriginals", "first nations", or "tribal groups". The DBSA uses the term to include a distinct social and cultural group which: <ul style="list-style-type: none"> <li>• self-identify as members of an indigenous cultural group and whose identity is recognised as such by others</li> <li>• Are collectively attached to geographically distinct habitats, ancestral territories and natural resources in the project area</li> <li>• Possess customary cultural, economic, social, or political institutions separate from mainstream society or culture</li> <li>• Utilise a distinct language, different from official languages for the country or region in which they reside</li> </ul>
<b>Institutional Development</b>	Creation or strengthening of the capacity of an organisation to generate, allocate and use human and financial resources effectively to attain public or private development objectives.
<b>Interested and Affected Party</b>	An individual or group of persons interested, concerned with, or affected by, the proposed development.
<b>Involuntary resettlement</b>	When project affected persons or communities are physically and/or economically displaced, lose land tenure rights and / or are restricted from land use due to project implementation.
<b>Labour conditions</b>	Paid work and employment relationships including working time (hours of work, rest periods, and work schedules), remuneration, workplace physical conditions, mental demands, and freedom of association to join a trade union of choice.
<b>Land</b>	Includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
<b>Land acquisition</b>	Methods to obtain land for project purposes including: <ul style="list-style-type: none"> <li>• Purchase</li> </ul>

	<ul style="list-style-type: none"> <li>• Expropriation of property</li> <li>• Acquiring access rights, such as easements or rights of way</li> <li>• Repossessing public land used by individuals or households</li> <li>• Project impacts which render community land unusable or inaccessible</li> </ul>
<b>Land use restrictions</b>	Any limitations, access restrictions or prohibitions imposed on agricultural, residential, commercial, protected areas, common property resources or other land use to implement the project.
<b>Landscape/Seascape</b>	Encompasses areas such as an eco-region or biome, and broadens the zone concept to apply beyond international waters or a zoned area.
<b>Legally protected area</b>	A defined geographical space, recognized, dedicated and managed through legal or other effective means, to achieve long-term nature conservation with associated ecosystem services and cultural values. This includes areas proposed by governments for designation as legally protected and designated areas including IUCN Protected Categories (I-V), including marine areas, and established corridors between such sites.
<b>Like-for-like or better</b>	The design of biodiversity offsets to conserve the same biodiversity values affected by the project (an “in kind” offset). In certain situations, biodiversity areas affected by the project may not be a national or a local priority. Other local, regional or national areas with a higher conservation priority, biodiversity value, and importance for sustainability may be in need of protection or effective management. In these situations, it may be appropriate to consider an “out-of-kind” offset that involves “trading up” (i.e., where the offset targets biodiversity of higher priority than that affected by the project). Any area considered as offsets to address residual adverse impacts in critical habitats will be considered critical habitats.
<b>Livelihood</b>	Means that individuals, families and communities utilize to make a living, including formal wage-based income and any informal means of subsistence.
<b>Measurable conservation outcomes</b>	Demonstrate biodiversity outcomes in natural conditions and at appropriate local, national or regional geographic scale.
<b>Men’s Engagement</b>	A programmatic approach to involve men and boys as clients, beneficiaries, partners and as agents of change, to actively promote gender equality, women’s empowerment and transform inequitable masculinity definitions. In infrastructure projects, this comprises engaging men and boys to address their own, and support their partners’ reproductive, sexual and health needs. Men’s engagement includes efforts to promote equality in caregiving, fatherhood, division of labour, and to end gender-based violence.
<b>Mitigation Hierarchy</b>	Anticipate and avoid risks and impacts. Where this is not possible, minimize or reduce risks and impacts to acceptable levels. Mitigate risks and impacts which have been minimized or reduced. Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.
<b>Natural heritage</b>	Natural physical and biological features of outstanding aesthetic or scientific universal value; geological and physiographical formations and precisely delineated areas that constitute threatened animals and plant species of outstanding science or conservation, universal value natural habitat; and natural sites or precisely delineated natural areas that are of outstanding science, conservation or natural beauty, universal value.
<b>No net loss</b>	The point at which project-related biodiversity losses are balanced by gains resulting from measures taken to avoid and minimize impacts, to undertake on-site restoration and to offset any significant residual impacts.
<b>Net gains</b>	Conservation outcomes that can be achieved for the biodiversity values of the designate natural or critical habitat. Net gains may be achieved by applying the mitigation hierarchy. This includes developing a biodiversity offset, by implementing additional programs on site to enhance the habitat, and by protecting and conserving biodiversity

<b>Offsets</b>	Measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.
<b>Pollutants</b>	Hazardous or non-hazardous chemicals in the solid, liquid or gaseous phases. This includes pests, pathogens, thermal discharge to water, greenhouse gas emissions, nuisance odours, noise, vibration, radiation, electromagnetic energy and potential visual impacts.
<b>Pollution (historical pollution)</b>	Pollution from past activities which affects land and water resources and which no party has assumed or been assigned responsibility to address and carry out remediation measures.
<b>Production (cleaner production)</b>	Mechanisms to integrate pollution reduction into product design and production. The Client must continuously apply an integrated preventive environmental strategy to reduce or eliminate toxic and hazardous raw materials in processes, products, and services to reduce human and the environmental risks.
<b>Primary suppliers</b>	Suppliers who, on an ongoing basis, provide goods or materials essential for the core project functions. Core functions of a project constitute those production and/or service processes essential for a project activity without which the project cannot continue.
<b>Project</b>	The activities for which the Client (as defined in the projects legal agreement between the Client and the DBSA) seeks DBSA support. Project includes all activities (within the DBSA mandate) from preparation to operations & maintenance, to achieve development and investment outcomes.
<b>Project area of influence</b>	<p>The direct site and ancillary area likely to be affected by the project, such as power transmission corridors, pipelines, canals, tunnels, access roads, disposal areas, construction camps, and unplanned project induced developments. This may include:</p> <ul style="list-style-type: none"> <li>• The watershed within the project location</li> <li>• Any affected estuary and coastal zone</li> <li>• Off-site areas needed for resettlement or compensatory tracts</li> <li>• The air shed (airborne areas affected by project related pollution )</li> <li>• Livelihood activity areas used for economic activity, religious or ceremonial purposes</li> </ul>
<b>Project Categorization</b>	Process of classifying proposed development programmes and projects by their potential environmental risks and benefits.
<b>Public Participation</b>	A process to seek and facilitate consultation with and involve potentially affected or interested parties through two-way communication and collaborative problem solving to to achieve inclusive development and investment decisions.
<b>Reclamation</b>	The process of creating new land from sea or aquatic areas for productive use.
<b>Replacement cost</b>	The valuation method to sufficiently compensate affected parties and cover transaction costs to replace assets. In functioning markets, the Client establishes the market value of replacement cost plus transaction costs by undertaking an independent, competent real estate valuation. Where functioning markets do not exist, the Client can calculate land or productive assets output value, or the undepreciated replacement value of material and labour for constructing structures or other fixed assets, plus transaction costs, to determine replacement cost. Where the project physically displaces affected parties and causes them to loose shelter, replacement cost must at least be sufficient to enable affected parties to purchase or construct housing that meets acceptable minimum community quality and safety standards. The Client resettlement planning documents must document the valuation method used to determine replacement cost. Transaction costs include

	administrative charges, registration or title fees, moving expenses, and related costs imposed on affected persons.
<b>Risk assessment</b>	A tool to estimate the probability of harm occurring from the presence of dangerous conditions or materials at a project site. Risk represents the likelihood and significance of a potential hazard being realized. The DBSA routinely requires risk assessment for all projects it supports.
<b>Screening</b>	The high level process to determine whether the proposed project requires an Environmental Assessment, and the appropriate level of depth required.
<b>Security of tenure</b>	Resettled individuals or communities are resettled to a site that they can legally occupy, are protected from the risk of eviction and are provided with socially and culturally appropriate tenure rights. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.
<b>Sex</b>	Universal biologically defined and genetically acquired differences between males and females, according to their physiology and reproductive capabilities or potentialities and unchanging, without surgery.
<b>Sexual orientation</b>	A person's physical, mental, romantic, and/or emotional attraction to members of the same and/or a different gender identity. In different cultural contexts this can be referred to as lesbian, gay, bisexual, heterosexual, transgender, gender non-conforming, or cisgender. Gender identity is a person's internal sense of gender. This may differ from the sex designated at birth. Gender expression refers to socially defined external characteristics and behaviours as either masculine or feminine, such as dress, grooming, mannerisms, speech patterns, and social interactions.
<b>Sexual and gender minorities</b>	People who face structural discrimination because of their sexual orientation, gender identity, or outward gender expression. This includes those whose gender expression does not conform to cultural or social expectations and whose gender identity may differ from the sex they were assigned at birth. The term encompasses all individuals who identify with non-heterosexual identities and non-conforming gender expressions including lesbian, gay, bisexual, transgender, and intersex ("LGBTI") identities without relying upon a cultural understanding of these identities.
<b>Significant conversion or degradation (loss)</b>	Direct or indirect project activities may cause major, long-term changes to land or water use resulting in critical or other natural habitats disappearing or shrinking. This may result from land clearing, natural vegetation replacement, permanent flooding, drainage, dredging, filling, or channelling wetlands; or surface mining. Severe pollution may convert terrestrial and aquatic ecosystems natural habitats.
<b>Species (congregatory species)</b>	Species that gather in globally significant numbers or concentrations at a site at a particular time of their lifecycle for feeding, resting, roosting or breeding.
<b>Species (keystone species)</b>	A species that has a disproportionately large effect on its environment relative to its abundance <sup>1</sup> .
<b>Sustainable Development</b>	The integration of social, economic and environmental sustainability factors into investment decision to ensure that DBSA-supported programmes and projects remain functional over time.
<b>Vulnerable Peoples</b>	Groups that experience a higher risk of poverty, social and economic exclusion than the general population such as indigenous peoples, migrants, disabled people, the homeless, women and children.

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<sup>1</sup> Paine, R.T. (1995), "A Conversation on Refining the Concept of Keystone Species," *Conservation Biology* 9(4): 962–964.

# DBSA ENVIRONMENTAL AND SOCIAL FRAMEWORK





## INTRODUCTION

The Development Bank of Southern Africa (DBSA) is an Infrastructure Development Finance Institution (DFI) that supports financing of infrastructure in the Energy, Water, Transport and ICT sectors in Sub-Saharan Africa. The DBSA's mission is to advance development impact in the region by expanding access to development finance and effectively integrating and implementing sustainable development solutions to:

- Improve the quality of life of people through the development of social infrastructure
- Support economic growth through the investment in economic infrastructure
- Support regional integration
- Promote sustainable use of scarce resource

As a DFI and an organ of state operating in South Africa and Africa, accountable to the National Treasury and the DBSA Board, the DBSA operates within the South African Constitutional legislative and policy mandate, the Sustainable Development Goals (SDG's) and Paris Accord Principles. In addition, the DBSA partners with financial and development institutions to implement its infrastructure finance mandate on the African continent. The DBSA is a Global Environment Fund (GEF) and the Green Climate Change Fund (GCF) project implementing agent.

Integrating environmental and social governance into investments is a responsible investment practice, and generates positive outcomes for public and private sector practices. The SDG's encourage DFI's to promote sustainable infrastructure responses to priority social needs in a transparent and accountable manner. The King IV report requires public and private sector institutions to report on the way in which they conduct business and make profits.

The DBSA supports investments which demonstrate responsible environmental and social practices. Environmental and social considerations are integrated into all DBSA investment decision making processes. Policy documents, guidelines and tools which aim to mainstream environmental and social considerations into DBSA operations to promote sustainable development include:

- DBSA Environmental Sustainability Strategy
- DBSA Climate Change Policy Framework
- DBSA Environmental Appraisal Framework
- DBSA Social and Institutional Guidelines
- DBSA Environmental and Social Safeguard Standards

This document details the standards used by the DBSA to manage social and environmental risks in its investment decision making. The document provides potential DBSA clients with a reference to guide the preparation of infrastructure projects for financing.

## DBSA OVERSIGHT OF APPLICATION OF ESSS'S

DBSA responsibilities towards ensuring that the client complies with the DBSA ESSS's include:

- Reviewing Client information relating to the project environmental and social risks and impacts, and requesting additional relevant information where there are gaps that prevent the DBSA from completing its due diligence.
- Undertaking due diligence of proposed projects, proportionate to the nature and potential significance of project environmental and social risks and impacts.
- Appointing appropriately skilled people to appraise projects and evaluate whether projects meet ESSS's requirements.
- Appraising the nature and significance of the projects potential environmental and social risks and impacts, project implementation timeframes, and client capacity to develop and implement the project.
- Providing guidance to assist the Client develop appropriate measures consistent to address environmental and social risks and impacts in accordance with the ESSS's.
- Undertaking site visits and interacting with relevant key stakeholders, as appropriate.
- Identifying any measures and actions that the client needs to put in place to address identified social and environmental risks and impacts.

## ENVIRONMENTAL AND SOCIAL APPRAISAL PROCEDURES

The DBSA undertakes a rigorous investment appraisal for all programmes and projects which it considers for financing. As evidence of DBSA’s commitment to sustainable and equitable development, the environmental and social appraisal forms a component of the overall investment appraisal and enables the DBSA to mainstream environmental and social principles to investment projects within DBSA’s mandate. The DBSA procedures are aligned with good international industry practice (GIIP) for environmental and social assessment and are implemented by the DBSA’s environmental and social analysts. The Environmental and Social Appraisal Procedure describes how the DBSA conducts a due diligence for any project considered for DBSA financing.

### Environmental Appraisal Procedure

The following describes the environmental appraisal procedure:

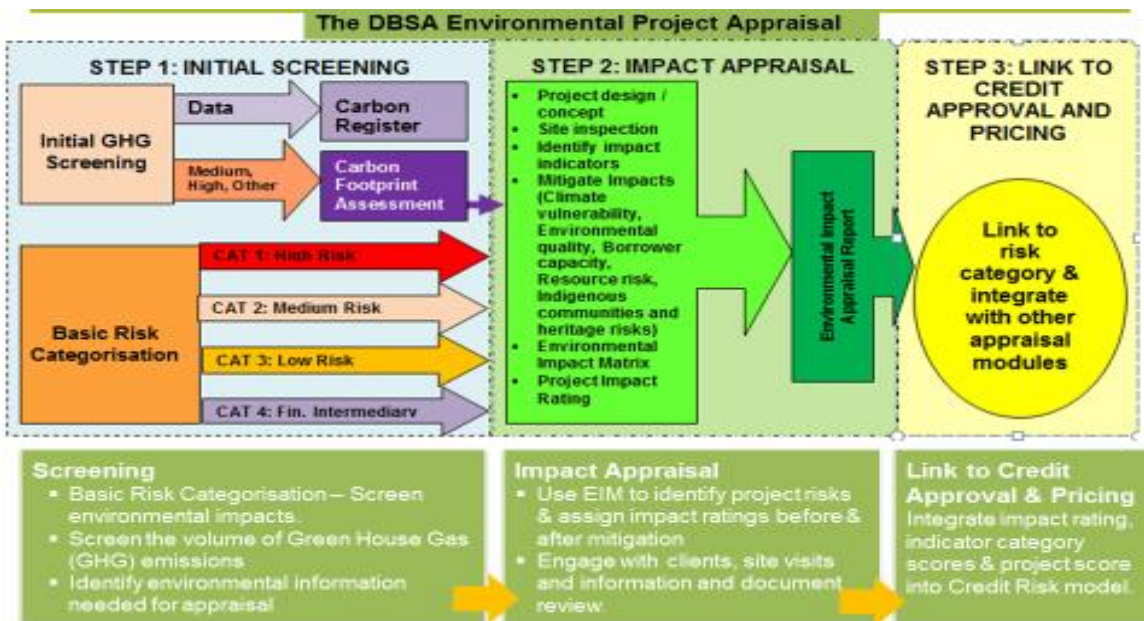
Step one – Initial Screening is undertaken during Early Review Stage and results in an initial project categorization into high, medium and low risk. The analyst assesses if any ESS’s are triggered.

Step two – The Screening process project risk categorisation guides Impact Appraisal and the level of due diligence required to apply the environmental appraisal framework. It involves the detailed ESS’S assessment.

Step three – The Link to Credit Approval and Pricing step ensures that the environmental findings are integrated into the budget and relevant project credit risk rating.

The appraisal report guides project negotiations, implementation, monitoring and review over its life cycle.

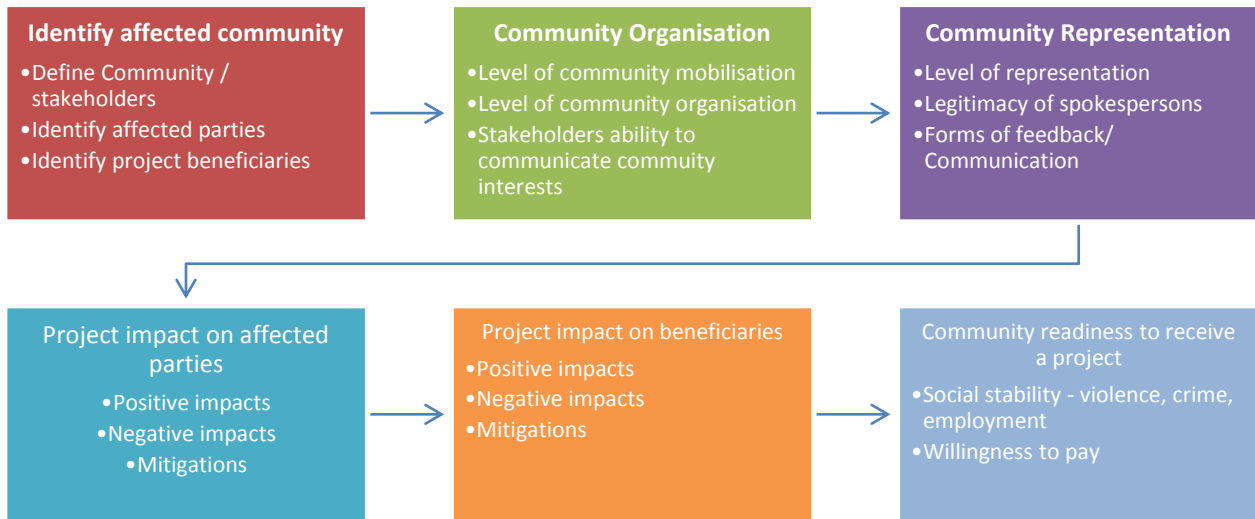
Diagram 1: The Environmental Appraisal Process



### Social and Institutional Impact Assessment

The DBSA social and institutional analysts/specialists follow the DBSA Social and Institutional Guidelines, ensuring close integration with the environmental process described above. The social assessment is described in Diagram 2 below:

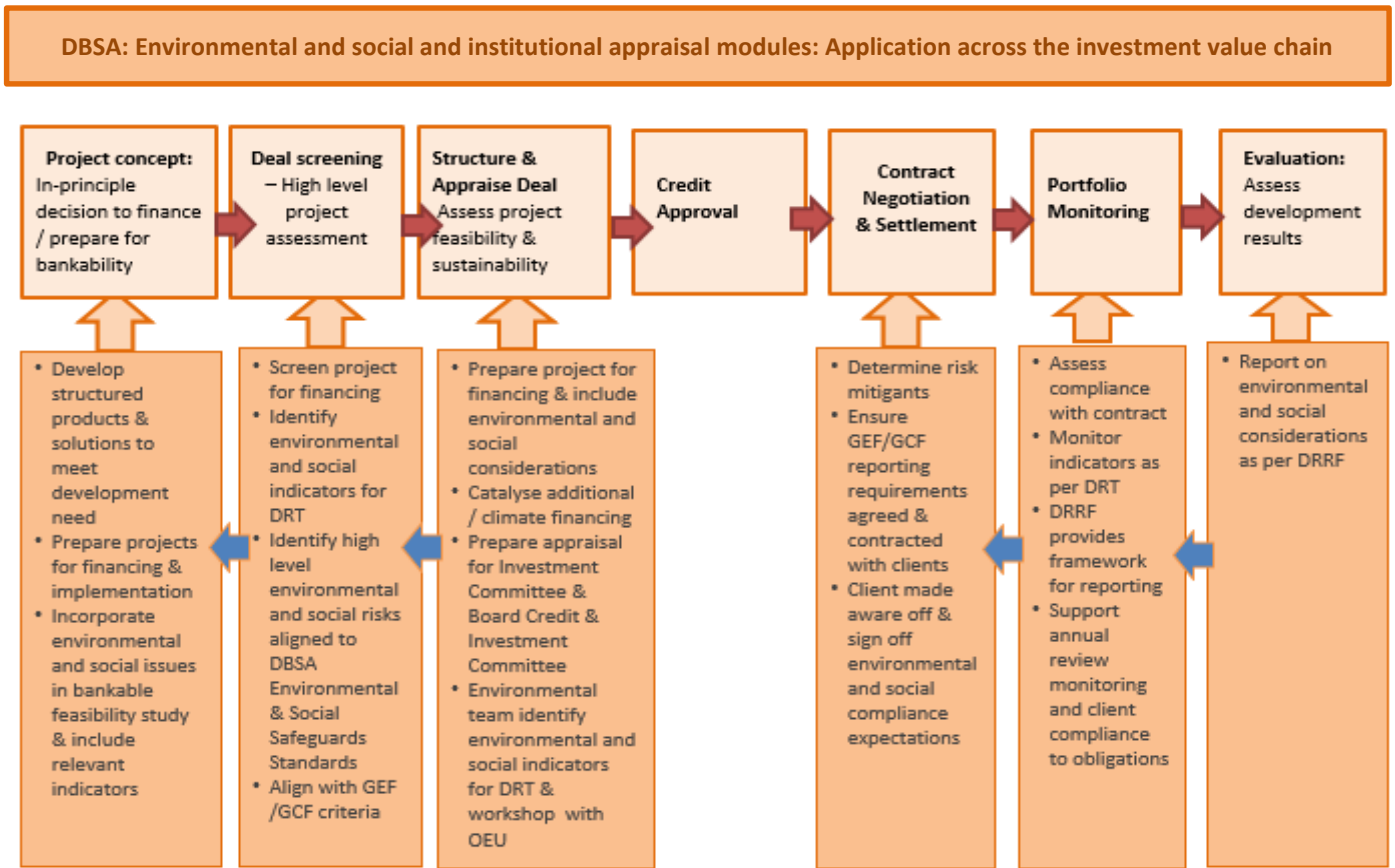
Diagram 2: Social Appraisal Process



**The DBSA Project Cycle contains the following typical stages:**

- Business Development - In principle decision to consider project concept
- Project structuring for financing
- Early Review/Deal Screening – High level assessment of DBSA appetite to invest in project concept
- Appraisal and investment review– Detailed appraisal to consider project feasibility, profitability and sustainability
- Board Review and credit approval
- Contract Negotiation and settlement
- Portfolio monitoring and funds disbursement – Assess project compliance with contractual obligations
- Project evaluation - development outcome tracking and assessment
- Project Close

The DBSA level three credit policy outlines the DBSA approach to environmental, social and institutional appraisal as a component of the integrated infrastructure investment appraisal. The diagramme below outlines the DBSA approach to environmental, social and institutional appraisal of all proposed infrastructure investments.



The DBSA’s environmental and social due diligence process is appropriate to the project nature and scale, and proportionate to the environmental and social risks and impacts, and the mitigation hierarchy. The due diligence will assess whether the project is capable of being developed and implemented in accordance with the ESSS’s.

**Project Information**

The Client is responsible for providing the DBSA with relevant information to enable the DBSA to undertake a comprehensive environmental and social due diligence. The DBSA recognizes that Clients may have different levels of information regarding environmental and social risks and impacts available at the time the DBSA carries out its due diligence. The DBSA will assess the proposed projects risk and impacts based on the project type, context and information available to the DBSA, and the Clients capacity to develop and implement the project in accordance with the ESSS’s. The DBSA will assess the significance of any information gaps, and the potential risk this may present to meeting the ESSS objectives. Where the DBSA is approached to finance a project that is under construction, or where the project has met the necessary national legislative requirements, the DBSA’s due diligence will include a gap analysis and mitigation measures required to meet the ESSS’s. Depending on the potential significance of environmental and social risks and impacts, the DBSA will determine whether the Client will be required to retain independent third party specialists to assess project environmental and social impacts.

**National Legislation**

The legislation cited in the DBSA ESSS is South African. Where a project is implemented outside of South Africa, the project will apply relevant applicable national legislation, or the ESSS principles. When a host country requirements differ from the DBSA ESSS’s, the client must achieve or implement the more stringent. Only where the client is able to justify the use of less stringent measures due to the project circumstances will the DBSA consider alternative environmental and social standards. This justification must demonstrate to the DBSA’s satisfaction that the alternative performance level chosen is consistent with the objectives of the ESSS’s, and is unlikely to result in significant environmental or social harm.

**Access to Information**

As an organ of State the DBSA aligns to relevant national policy and legislation and applies this to all countries it invests in. In South Africa this refers to the Promotion of Access to Information Act. The DBSA annual report discloses DBSA investment portfolio and which is available on the web.

(<http://www.dbsa.org/EN/InvestorRelations/Pages/Sustainability.aspx>)

### **Grievance Mechanism and Accountability**

The DBSA requires that the Client provide a grievance mechanism, process, or procedure to receive and assist resolve project-affected parties concerns and grievances arising from the project. The grievance mechanism should be proportionate to the project risks and impacts.

When interested and affected parties are unable to obtain an adequate response from a Client, then the party can resort to following DBSA grievance procedures. After bringing their concerns directly to the DBSA's attention and giving DBSA Management a reasonable opportunity to respond, project-affected parties may follow the procedures outlined on the web: (<http://www.dbsa.org/EN/InvestorRelations/Pages/Sustainability.aspx>). The Promotion of Access to Information Act 2000 provides the legislative framework for project disclosure for the DBSA.

### **Monitoring and Implementation Support**

DBSA undertakes an annual review of all its high/substantial risk investment projects according to the level of environmental and social risks involved, the ESMP requirements and loan conditionality's involved. Evaluations are done in depth analysis and detailed environmental and social lessons learnt are shared across the organisation to improve future practice.

## STANDARD 1: PROJECT SCREENING: ENVIRONMENTAL AND SOCIAL RISKS, IMPACTS AND OPPORTUNITIES

### 1.1 Introduction

Environmental and Social Safeguard Standard 1 (ESSS1) sets out the Client's responsibilities to assess, manage and monitor environmental and social risks and impacts associated with each stage of a project. Environmental and social assessment carried out under ESSS1 determines whether project operations trigger any risks addressed under Standards 2 -11 and whether the client needs to implement related mitigations. ESSS1 applies to all DBSA public and private sector lending and partnership projects.

### 1.2 Objectives

ESSS 1 applies to all projects seeking DBSA financing and requires the Client to:

- Screen the project as early as possible, to categorise and manage the project according to the degree of environmental and social risk
- Apply appropriate measures to screen for and report on greenhouse gas emissions, climate change impacts, climate change mitigation and adaptation measures and carbon emission estimates
- Develop an Integrated Environmental and Social Management Framework to address and manage project environmental and social risks and impacts/dependencies and promote improved environmental and social outcomes
- Apply appropriate environmental management tools and approaches throughout the project lifecycle)
- Detail alignment to relevant and appropriate applicable international, national laws, regulations and authorisations required to develop and implement the project
- Seek opportunities for positive impact finance outcome
- Outline procedures for natural capital/ecosystem services vulnerability screening

### 1.3 Client Responsibility to implement ESSS1

#### 1.3.1 Screen project according to environmental and social risk categorisation

The DBSA classifies all projects into one of four classifications: *High/Substantial Risk*, *Moderate Risk*, *Low Risk* and *Financial intermediary*. In determining the appropriate risk classification, the DBSA takes into account the project type, location, sensitivity, and scale; nature and magnitude of potential environmental and social risks and impacts including climate change considerations; the impacts on key and affected stakeholders and the Clients capacity to manage the environmental and social risks and impacts in a manner consistent with the ESSS's.

The client working with a suitably qualified environmental practitioner together with the DBSA environmental and social analyst, will screen the project for environmental and social impacts to determine the type and level of environmental and social assessment required. , the client may suggest a category and provide sufficient supporting documentation to allow the DBSA to review and validate the proposed category. The DBSA and client share responsibility for project categorisation based on accurate information disclosed at project due diligence.

#### Category 1 or High and Substantial Risk Category

The environmental impacts generated by these projects are likely to be significant, broad and diverse. They may be irreversible and could lead to significant impacts on the social, physical and biological environment, and changes in land use. Project types include:

- Any project requiring a Resettlement Action Plan (RAP) (ESSS5 and annexure 5.1)
- Large dams and reservoirs, levees or weirs affecting river flow
- Canals and channels, including normal flow of water diversions in a riverbed
- Water transfer schemes between water catchments and impoundments
- Large sewage works and associated infrastructure
- Schemes for the abstraction and utilization of ground or surface water for bulk supply purposes
- Large scale irrigation and drainage schemes
- Large scale sanitation works
- Large scale forestry

- Large scale agro-industries
- Large scale industrial plants
- Major new industrial parks
- Major oil and gas developments including major pipelines
- Large ferrous and non-ferrous metal operations
- Large port and harbour developments
- Electricity generation
- Communication network and access roads to these structures
- Projects with large resettlement components and all projects with major impacts on human populations
- Projects affecting tribal or indigenous populations
- Large thermal and hydropower developments
- Projects that include the manufacture, use or disposal of environmentally significant quantities of pest control products
- Manufacture, transportation and use of hazardous and/or toxic materials
- Domestic and hazardous waste disposal operations
- Projects which pose serious occupational or health risks
- Projects which pose serious socio-economic concerns
- Roads, railways, airfields and associated infrastructure
- Tourist developments (including hotel projects)
- Textile plants
- Manufacture of construction materials that may be hazardous

### Procedures and guidelines for Category I (High and Substantial Risk) projects

For *High and Substantial Risk* projects, the client will provide the DBSA with sufficient project information addressing key environmental and social risks to inform DBSA decision-making. This includes:

- An Environmental and Social Scoping report, (Annexure1.1)
- A comprehensive ESIA (Annexure1.2)
- A detailed ESMP (or similar) and all supporting documentation, setting out the project mitigation measures. Depending on the project scope a Strategic Environmental and Social Assessment and Cumulative Impact Assessment, Environmental / Social Management System and Emergency Preparedness Plan may be required. (Annexure1.3)
- A Stakeholder Engagement Plan (SEP) outlining:
  - The level of stakeholder support for the project
  - the free, prior and informed consultation process to be undertaken with key and affected project parties to disclose project risks, impacts and outcomes
  - How stakeholder participation in key project design and implementation stages is enabled (ESSS2)
- Any special measures necessary to consult with indigenous peoples and vulnerable groups who may be impacted by the project (ESSS4)
- Measures to apply gender mainstreaming practices in project design and implementation (ESSS3)
- Project information disclosure mechanisms (ESSS2)
- Grievance and redress mechanism (appropriate in scale to the project risks and adverse impacts) to address any project related grievances. (Annexure 2.1)

If the DBSA rejects the ESIA or ESMP, the Client has the right to appeal this decision in writing within 15 working days. The Client appeal response letter will include reasons for the appeal and a legal, scientific and technical response to objections raised by DBSA. DBSA will review the facts, justify its rejection and assess any additional evidence and Client response to the DBSA objections. The Director-General of the Department of Environmental Affairs (DEA) is delegated to authorize ESIA reports of NEMA Listed Activities. Should DEA reject the ESIA, the Client can appeal to the Minister. Should the Minister reject the ESIA, the Client can appeal to the Administrative Court for a final decision.

### Category 2 or Medium Risk Category

Category 2 programmes and projects are medium risk projects which may have adverse environmental and social impacts but which are likely to be potentially less severe than those associated with Category 1, high and substantial risk projects. For category 2 projects few impacts are irreversible and mitigation measures can be more easily prescribed. Projects in this category include:

## ENVIRONMENTAL & SOCIAL SAFEGUARD STANDARDS

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- Water supply projects (without impoundments or new river intakes)
- Medium to small scale sanitation projects
- Water purification plants
- Reservoirs for public water supply
- Electrical transmission
- Renewable energy
- Telecommunications
- Small scale rehabilitation, maintenance and modernisation projects
- Pipelines (depending on the route).
- Manufacture of non-hazardous construction materials
- Small-scale industries
- Aquaculture and mari culture projects
- Farmer support projects
- Small scale agro-industries
- General manufacturing
- Greenfield projects in industrial estates

For Medium *Risk* projects, the depth and type of environmental and social impact assessment required will depend on the type of project and the type of environmental and social risks encountered. The client will provide at least the following:

- An Environmental and Social Scoping report, (Annexure1.1)
- An ESIA (Annexure1.2)
- An ESMP containing sufficient detail to assess, manage and mitigate the project's environmental and social risks and outcomes and comply with the DBSA ESS's
- If the project is not a regulated Listed Activity according to relevant country legislation, DBSA requires that the client apply the ESS's stipulated environmental and social assessment requirements
- Any additional impact and / or risk assessments and plans that the DBSA may consider necessary as determined by the project environmental and social screening and appraisal

### Category 3 or Low Risk Category

These projects are unlikely to have adverse environmental impacts as the social, physical and biophysical environments will not be significantly affected. Project types include:

- Health service projects with minimal negative social and environmental impacts
- Internal reticulation of urban developments with minimal negative social and environmental impacts
- Institutional development and capacity-building projects with minimal negative social and environmental impacts
- Advisory assignments (these still need to consider all Standards)
- Technical assistance (these still need to consider all Standards)
- Rights issues (these still need to consider all Standards)
- Securitisation

As programmes and projects in this category are unlikely to have significant adverse environmental impacts, they are therefore readily appraised with limited environmental information. The client will provide at least the following:

- Evidence of project screening undertaken to identify potential environmental and social considerations requiring further investigation
- All permits or approvals required
- Any measures necessary to anticipate and manage affected community impacts (ESS2, 3, 4 and 5)
- Depending on the project scale and scope, a basic ESMP may be required

### Category 4 or FI Category

#### Procedures and guidelines for Category 4 (Financial Intermediary) Projects

Category 4 projects involve DBSA lending to financial intermediaries that on-lend or invest in subprojects that may result in adverse environmental and social impacts. Financial intermediaries include DFIs, insurance, reinsurance and leasing companies, microfinance providers, private equity funds and investment funds that use the DBSA's funds to lend or provide



equity finance to their Clients. Financial intermediaries include private or public sector companies that receive corporate loans or loans for investment projects from the DBSA that are used to finance a set of subprojects. Financial intermediary subprojects equivalent to Category 1 and Category 2 are subject to the relevant ESSS requirements, as if they were directly financed Category 1 or Category 2 projects. However, if a Client will use a DBSA corporate loan to finance high and substantial risk investment projects known at the time of loan approval, the loan will be considered Category 1.

Category 4 financial intermediaries are required to:

- Have adequate corporate environmental and social governance policies, and apply the DBSA's Standards to its Category 1- and Category 2 subprojects, comply with local environmental and social policy and legislation and seek global best practices as applicable to their operational activities
- Develop and maintain an ESMP in line with the DBSA's Standards that is appropriate for the scale and nature of its operations—recognizing that the operations of financial intermediaries vary considerably
- Demonstrate that it has the management capability, organizational capacity, resources and expertise to monitor ESMS sub project implementation

The DBSA carries out due diligence on the ESMP and the financial intermediary's organizational capacity before approving the transaction.

### 1.3.2 Measures to address project related greenhouse gas emissions and implement climate change interventions

The DBSA requires that the client:

- Utilise relevant client climate change appraisal tools commensurate with the project category
- Detail any greenhouse gas emissions, and carbon emission estimates emanating from the project and any associated project activities
- Detail the likely climate change impacts to influence the project and detail appropriate climate change mitigation and adaptation measures to be implemented
- The project ESIA and its ESMP to identify and address project related climate change mitigation and adaptation measures to be undertaken

### 1.3.3 Management tool to address project environmental and social risks

The client will assess, manage and monitor the project's environmental and social risks, impacts and outcomes throughout the project life-cycle in a manner and within a timeframe acceptable to the DBSA. To assist this process, the client will, in consultation with the DBSA, will utilise appropriate methods and tools to including a combination of the following as appropriate to the project circumstances.

- *Environmental and Social Impact Assessment (ESIA)* identifies and assesses high level strategic potential project environmental and social impacts, evaluates alternatives, and outlines appropriate mitigation, management and monitoring measures.
- *Environmental and Social Audit (ESA)* identifies significant environmental and social risks (including legal compliance risks, ESSS risks and loan agreement risks), assesses the current status of project activities and identifies whether activities meet all relevant requirements. It outlines significant findings, identifies any deviations and sets out recommended measures, action and time frames.
- *Hazard or Risk Assessment (HRA)* identifies, analyses, and controls hazards associated with dangerous materials and conditions at a project site. The DBSA requires that the Client implement a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials present in quantities above a specified threshold level. The Client may include the HRA in the environmental and social assessment or the project may require a stand-alone HRA, depending on the risks addressed.
- *Cumulative Impact Assessment* considers cumulative project impacts from relevant past, present, foreseeable developments and unplanned but predictable project related activities that may occur later or at a different location.
- *Social and conflict analysis* assesses the degree to which the project may exacerbate tensions and societal inequality within the project affected communities and between these communities and others, or contribute to any form of conflict and instability within the project area of impact.
- *Environmental and Social Management Plan (ESMP)* outlines measures and actions the Client will apply to assess and manage the potential project environmental and social risks and impacts, and ensure that the project complies with the ESSS's over a specified timeframe. The DBSA will review the plan and where necessary advise the Client of any

gaps / improvements to be addressed. The ESMP will be agreed with the DBSA and other affected funders/stakeholders and will form part of the legal agreement requirements. The Client will implement diligently the measures and actions as identified in the ESMP.

- *Environmental and social management framework (ESMF)* examines the principles, rules, guidelines and procedures to assess program and/or series of sub-projects risks and includes relevant available information on proposed subprojects. The ESMF outlines measures and plans to reduce, mitigate and/or offset adverse risks and impacts, a budget to implement identified measures, the parties responsible and their capacity.
- *Regional ESIA* examines potential cumulative environmental and social risks and impacts associated with a strategy, policy, plan, or program, or with a series of projects or multiple activities in a region, with the client required to provide supplemental regional information beyond site-specific project analysis. It evaluates and compares project impacts against alternative options; assesses legal and institutional aspects relevant to the risks and impacts and recommends measures to strengthen regional environmental and social management.
- *Sectoral ESIA* examines sectoral environmental and social cumulative risks and impacts in a region or country arising from multiple activities; evaluates and compares sectoral impacts against alternative options; assesses relevant legal and institutional considerations; and recommends measures to strengthen regional environmental and social management. A Sectoral ESIA may need to be supplemented with project- and site-specific information.
- *Strategic Environmental and Social Assessment (SESA)* outlines environmental and social risks and impacts of national or regional policy, plans or programs. As SESAs do not include location-specific assessments, the Client may need to augment a SESA with project and site specific studies to assess specialized project risks and impacts. Depending on the nature of the project, this may include a Resettlement Plan, Livelihood Restoration Plan, Indigenous Peoples Plan, Biodiversity Action Plan, or Cultural Heritage Management Plan as agreed with the DBSA.

**1.3.4 Monitor project environmental and social performance**

The client will monitor the project environmental and social performance in accordance with the legal agreement (including the ESMP). The client and DBSA will agree on the extent and mode of monitoring in proportion to the project type, the project’s environmental and social risks and impacts, and ESS’s requirements.

The client will ensure that adequate institutional arrangements, resources and personnel (including where relevant third parties or other agencies) are in place to carry out monitoring. The client will establish relevant operational controls to track performance, and comply with actions requested by relevant regulatory authorities and stakeholders. The client will document monitoring results to provide an accurate and objective record of project implementation, ESMP compliance and adherence to the ESS’s requirements.

The client will designate senior officials to compile regular project monitoring reports to submit to the DBSA as per the ESMP specifications. Based on the monitoring results, the client will identify any necessary corrective and preventive actions, and incorporate these in an amended ESMP or the relevant management tool, in a manner acceptable to the DBSA. The client will implement the agreed corrective and preventive actions in accordance with the amended ESMP or relevant management tool, and monitor and report on these actions.

The client will facilitate site visits by DBSA staff or consultants acting on the DBSA’s behalf as necessary. The client will notify the DBSA promptly of any incident or accident relating to the project which has the potential to have a significant adverse effect on the environment, the affected communities, the public or workers. The client will take immediate measures to address the incident or accident and to prevent any recurrence, in accordance with national law and the ESS’s.

**1.4 Responsibilities for Environmental and Social Assessment**

The Table below will apply to Category 1 Projects and where applicable to Category 2, 3 and 4 projects. Where it cannot apply, the Client to provide written reasons and to propose a forward in the Environmental and Social Commitment Plan to the satisfaction of DBSA.

INSTITUTION		ROLE AND RESPONSIBILITIES Category 1 Projects				
	ELEMENT	SCREENING	PROJECT APPRAISAL	AGREEMENT	IMPLEMENTATION	CLOSURE
DBSA	Actions	<ul style="list-style-type: none"> <li>• Screen project according to DBSA Environmental Appraisal Framework and Social and</li> </ul>	<ul style="list-style-type: none"> <li>• Scope and prepare project appraisal ensuring it aligns with DBSA policy, procedures and ESS’s</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure terms and conditions comply with DBSA Policy, procedures and address the ESS requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Surveillance</li> <li>• Monitor the Agreement &amp; ESMP or ESMF</li> <li>• In the event that client comply,</li> </ul>	<ul style="list-style-type: none"> <li>• Include relevant analysts in the completion monitoring team and prepare completion report</li> </ul>

**ENVIRONMENTAL & SOCIAL SAFEGUARD STANDARDS**

		<p>Institutional Guidelines and ESS's</p> <ul style="list-style-type: none"> <li>• Categorize Project as per above</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare a TOR for involvement of specialists if required and commission work</li> </ul>	<ul style="list-style-type: none"> <li>• Include the ESIA/ESMP or SESA / ESMF and project documents in loan or grant agreement</li> </ul>	<p>review documents with stakeholders</p> <ul style="list-style-type: none"> <li>• Include relevant sector analysts in site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake desktop audits for select projects</li> <li>• Evaluate select projects</li> </ul>
	<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Screening Report to identify project scope &amp; appraisal &amp; information client needs to provide to DBSA</li> <li>• DBSA &amp; Client agree on Disclosure Document (indicate DBSA intent to engage in appraisal) and place on the internet or other suitable platform.</li> </ul>	<ul style="list-style-type: none"> <li>• Appraise Project</li> <li>• Incorporate Environmental &amp; social report into DBSA Appraisal Report, monitoring plans, budget &amp; loan conditions</li> <li>• Confirm categorisation</li> <li>• Disclose relevant document - ESIA / ESMP / SESA / ESMF on client / DBSA web or other platform.</li> </ul>	<ul style="list-style-type: none"> <li>• Final loan and grant agreement to satisfaction of Client and DBSA</li> </ul>	<ul style="list-style-type: none"> <li>• Site visit Report for DBSA management</li> <li>• Agreed summary report between DBSA and Client for disclosure as per loan/grant agreement and ESMP/ESMF requirements</li> <li>• Reports on payment drawdown for DBSA management</li> </ul>	<ul style="list-style-type: none"> <li>• Completion Report</li> <li>• Desk Audit Reports for select projects</li> <li>• Commission External Independent Evaluation Report for select projects</li> </ul>
	<b>Estimated Timeframe</b>	DBSA sector analysts 5 days depending on information available	DBSA sector analysts 10 days depending on information available	DBSA sector analysts 2 days depending on information available	DBSA sector analysts 2 days depending on information available	DBSA sector analysts 5 days depending on information available
	<b>Actions</b>	<ul style="list-style-type: none"> <li>• Identify and prepare project</li> <li>• Seek finances</li> <li>• Utilise integrated environmental management tools and methods such as a SESA, Cumulative Assessment, certification,</li> <li>• Ensure sound public authority</li> <li>• Engage independent environmental and social specialists</li> <li>• Prepare Terms of Reference (TOR) and commission work</li> </ul>	<ul style="list-style-type: none"> <li>• Provide project information (e.g. SESA, ESIA, ESMP, FRAP, ARAP).</li> <li>• Follow relevant legal process to obtain authorisation / permits and licenses.</li> <li>• Provide DBSA with information including Basic Assessment, Environmental Integrated Report and ESMP.</li> <li>• Update interested &amp; affected party &amp; authorities' inputs.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure Grant / Loan Agreement drafted by DBSA satisfies all legal requirements, Client needs and Authority requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor Project as per contract documentation.</li> <li>• Timeously inform all relevant parties if project documents are insufficient to meet arising needs</li> </ul>	
<b>Client</b>	<b>Output</b>	<ul style="list-style-type: none"> <li>• Provide DBSA with baseline information as per ESS's requirements</li> <li>• Prepare Summary Reports for external interested and affected parties and authorities (such as EIA related reports such as Basic Assessment or Scoping Report if a full EIA is required)</li> <li>• Copy of Organizational EMS submitted to DBSA</li> </ul>	<ul style="list-style-type: none"> <li>• ESIA / ESMP / SESA/ ESMF &amp; summary as agreed with DBSA project team</li> <li>• Submit relevant reports required by legislation such as EIA Procedures, Environmental Impact, Basic Assessment, Scoping Report, or Environmental Management Plan</li> <li>• Confirm with DBSA that client meets legislative requirements (authorisations, permits and licenses)</li> </ul>	Loan or Grant Agreement signed	<ul style="list-style-type: none"> <li>• Monitoring Reports at regular intervals and annually Audit reports as per contract documentation</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake final Closure report</li> <li>• Client Project Closure Report submitted to DBSA</li> </ul>

**ENVIRONMENTAL & SOCIAL SAFEGUARD STANDARDS**

Interested and affected parties	<b>Actions</b>	<ul style="list-style-type: none"> <li>• Input into project concept via relevant meetings</li> <li>• Provide project input through legislation, public engagement processes, Environmental Impact Assessment (EIA) procedures,</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with client on project concept</li> <li>• Participate in project public engagement processes such as s SESAs / ESIA,</li> </ul>	<ul style="list-style-type: none"> <li>• Inputs into project plans via ESIA</li> <li>• Participate in project client liaison structures such as Steering Committees, task teams and Forums</li> </ul>	<ul style="list-style-type: none"> <li>• Input into project client liaison structures such as the Client: Project Steering Committee, Monitoring Committee, Stakeholder Forum</li> </ul>	<ul style="list-style-type: none"> <li>• Respond to project report via Project Steering Committee, Stakeholder Forum and Monitoring Committee</li> </ul>
	<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Participate, on Client invitation, in project engagement, conceptual design &amp; planning</li> <li>• Engage in strategic environmental processes</li> </ul>	<ul style="list-style-type: none"> <li>• Comments via Client invitation on strategic level</li> <li>• Provide inputs on legal procedures such as ESIA regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project process and substance as per legislation governing public participation and as per Client engagement mechanisms such as Steering Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project process and or substance as per legislation governing public participation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project process and or substance as per legislation governing public participation and as per Client invitation to engage</li> </ul>
		<ul style="list-style-type: none"> <li>• National Frameworks, Policy, Legislation and Standards</li> <li>• Establish Incentive mechanisms such as green and blue drop systems, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Authorisation / permits and licenses</li> <li>• Provide inputs to project via Steering Committee, Forums or task teams</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss with Client a staged / milestone / developmental approach to achieving required permits / licenses and authorisations</li> </ul>	<ul style="list-style-type: none"> <li>• Permitting/ licensing and authorisations</li> <li>• Monitoring and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project impact and lessons learnt</li> <li>• Ongoing Permitting/ licensing and authorisations</li> <li>• Monitoring and enforcement</li> </ul>
Authority National	<b>Actions</b>	<ul style="list-style-type: none"> <li>• Monitor and enforce law</li> <li>• Ensure project promotes Environmental and social policy</li> </ul>	<p>Guide project on applicable legislation &amp; comment on project as per legislation and as per Client invitation to engage</p>	<ul style="list-style-type: none"> <li>• Comment on project as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on as per legislation and as per Client invitation to engage</li> </ul>
	<b>Output</b>	<ul style="list-style-type: none"> <li>• Comment on project as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate project into government priority action plans</li> </ul>	<ul style="list-style-type: none"> <li>• Agree on phasing and developmental approach with key interested &amp; affected parties</li> </ul>		
Regional and Local Authorities	<b>Activities</b>	<ul style="list-style-type: none"> <li>• Ensure local Bylaws and standards Integrated Development and Sector Plans</li> </ul>	<ul style="list-style-type: none"> <li>• As above but on a local scale</li> </ul>	<ul style="list-style-type: none"> <li>• As above but on a local scale</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and participate in Steering Committee, forums and task teams as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on project impact and quality of process and lessons learnt</li> <li>• Ongoing monitoring and reporting</li> </ul>
	<b>Output</b>	<ul style="list-style-type: none"> <li>• Comment on project as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comments on project process and or substance as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on as per legislation and as per Client invitation to engage</li> </ul>	<ul style="list-style-type: none"> <li>• Comment on as per legislation and as per Client invitation to engage</li> </ul>

**1.5 Documentation Required from the Client**

**Screening report**

Categorises the project as a category 1, 2, 3 or 4 project

**Category 1 Projects**

- Environmental and Social Scoping Report, (Annexure 1.1)
- Strategic Environmental Assessment for projects with high strategic and or cumulative risk
- ESIA report in accordance with Annexure 1.2
- ESMP
- Any sector documentation and sector guidelines that apply to the project (Sector Guidelines)

**Category 2 Projects**

## ENVIRONMENTAL & SOCIAL SAFEGUARD STANDARDS

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- Environmental and Social Scoping Report, (Annexure 1.1)
- A basic ESIA containing the following as a guideline:
  - An executive summary in English and, if necessary, a local language applicable to the project area
  - Project description
  - Institutional and legal framework
  - Analysis of technical alternatives
  - Identify Key Environmental and Social Risks
  - Environment and social impact analysis
- An ESMP appropriate to risk the level, dependency or impact
- Minutes of Public Consultation and meeting attendance registers (where applicable)

## STANDARD 2: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

### 2.1 Introduction

As an Infrastructure DFI, and organ of the South African state, the DBSA has a Constitutional obligation to engage with all parties and stakeholders impacted by the Banks developmental and financing mandate. Effective, open and transparent engagement between the Client and project stakeholders is an essential element of any transaction, leading to improved environmental and social project sustainability, enhanced project acceptance, and contributing to successful project design and implementation.

In the South African context, the Constitution (Act No.108 of 1996) and other relevant legislation including the Local Government: Municipal Systems Act No. 32 of 2000 and Municipal Finance Management Act No. 58 of 2003 emphasize stakeholder engagement. The Constitution defines local government objectives and its development mandate on the principle of active community consultation and meaningful participation in development planning and implementation processes. Local government legislation gives emphasis to the rights of citizens to contribute and participate through participatory democratic processes and places a duty on municipalities to encourage and facilitate public participation in municipal decision-making processes. In this regard, the Integrated Development Plan is a legislated process which firmly provides for community consultation and meaningful engagement to identify and prioritise development projects to improve their quality of life.

For the purpose of this ESSS, the term “stakeholder” is used to refer to:

- Project beneficiaries - those who will benefit directly from the project
- Project-affected parties- those who are affected or likely to be affected but not project beneficiaries
- Other interested parties – those who may have an interest(s) in the project

This ESSS applies to all projects that the DBSA supports.

### 2.2 Objectives

- To assist the Client establish a systematic and inclusive approach to stakeholder engagement to build and maintain a constructive relationship with project beneficiaries and project affected parties throughout the project life-cycle.
- To assist the Client create an enabling environment that allows project beneficiaries and project-affected parties to exercise their rights about the project, and to influence project design and environmental and social performance.
- To provide key stakeholders with appropriate project information on environmental and social risks and impacts in an understandable, transparent, and appropriate manner which enables stakeholders to make informed choices.
- To provide project beneficiaries and project-affected parties with accessible and inclusive means to raise their grievances, and allow the Client to effectively respond to concerns raised in a comprehensive manner.

### 2.3 Client Responsibility to Implement ESSS2

ESSS2 outlines the Client’s responsibility to engage stakeholders throughout the project life-cycle. The nature, scope and frequency of stakeholder engagement will be commensurate with the projects nature, scale, potential risks and impact and will involve the following:

#### 2.3.1 Project Preparation Stage

##### Identification and Analysis of Stakeholders

The Client will:

- Identify the key stakeholders in the project area and determine their potential impact on the proposed project
- Identify the key community characteristics, local dynamics and the project environment (e.g. socio-economic investment environment, social and political history, community affordability levels)
- Identify all individuals and groups who may have different concerns and priorities about the project objectives
- Differentiate forms of engagement to meet the needs of the identified groupings
- Compile and keep a list of stakeholders consulted, a summary of feedback received, and an explanation of how stakeholder feedback was considered to prepare the project
- Document all critical project issues to be analysed in detail during the project appraisal stage

Depending on the project nature and scope, significance of potential environmental and social risks and impacts, the Client may need to retain independent third party specialists to assist identify stakeholders, undertake stakeholder analysis, design an inclusive engagement process, and assist with community mobilization and consultation.

**Identification of vulnerable groups and their needs**

The Client will:

- Identify project beneficiaries and project affected parties who because of particular circumstances and conditions are likely to be disadvantaged or vulnerable as a result of the project. This may include the landless, those without legal titles to land, poor, women, female headed households, youth, people living with disabilities, elderly, minority groups, marginalized social groups, indigenous peoples, and some categories of children and child headed households,
- Analyse the factors that cause vulnerability and the impacts it has on the identified groups to express their views about the project, influence project design and implementation arrangements, and develop appropriate mitigation measures.
- Where groups are identified as vulnerable, implement appropriate differentiated measures to ensure that such groups are not disproportionately impacted by adverse impacts and share in project related development benefits and opportunities,
- Where the project environmental and social impacts assessment identifies that vulnerable groups may experience adverse effects, develop a Vulnerable Peoples Plan in collaboration with the identified vulnerable groups, which will specify measures to:
  - Ensure that the affected vulnerable group receives culturally appropriate benefits
  - Avoid, minimize, mitigate or compensate for adverse effects
  - Consult with the identified vulnerable group and outline grievance procedures to be followed
  - Monitor and evaluate project activities and outcomes
  - Provide a budget for implementing planned measures

**Community Mobilisation / Organisation**

The Client will:

- Assess the extent of existing community mobilization and determine how such mobilisation enables key stakeholders to respond to investment and development decisions that may impact on their lives and livelihoods,
- Assess the nature and extent of community mobilization and organization required for the project, enabling beneficiaries and affected stakeholders to participate actively in project deliberations and take advantage of potential project benefits.

The level of community mobilization will be influenced by how community authority leadership structures are arranged ; the extent to which social, cultural or political affiliation and history fosters conflict or promotes conciliation; past experiences in the development activities; the investment environment and ; social and political history; relationships with development agencies; the extent of project information shared; and community groups influence in organising around issues of common interest.

**Stakeholder Engagement Plan (SEP)**

The Client will:

- Develop a Draft SEP proportionate to the project nature and scale and potential environmental and social risks and impacts, and afford stakeholders the opportunity to engage and agree on the SEP to be adopted during the project implementation stage.
- Ensure that the SEP provides the rules of engagement during project preparation and implementation stages; includes the range and timing of information to be communicated to stakeholders and the type of information to be sought from them; describes measures to address potential and identified obstacles to effective community consultation and meaningful participation; and details how the views of differently affected and vulnerable groupings will be responded to.
- In consultation with the DBSA, implement the Final SEP as agreed upon with the stakeholders.

**Free, Prior and Informed Consent (FPIC)**

The concept of FPIC is essential to any investment undertaken in South Africa which is sponsored by public sector institutions.

For purposes of this ESS, FPIC is establishing conditions under which project affected stakeholders negotiate the terms of investment and development policies, programs, and activities that directly affect their livelihoods or wellbeing,. The right

to FPIC enables participatory development and affords affected stakeholders to impact on investment processes and outcomes particularly where investments are of public benefit.

**Free** implies no coercion, intimidation or manipulation. The Client ensures that consultations or negotiations take place at mutually agreed locations and times; the right holders have been informed of their right to negotiate conditional support for the project and are given sufficient time to consider the information provided; the Client commits to proceed on the basis of consent; where consent is not given, the period before which it can be sought or given again is mutually agreed and the conditions under which refusals do not prevent the project or certain project activities from proceeding; and an independent verification process confirms the process was free from undue influence.

**Prior** implies that the Client seeks consent before any project is authorized or project activities commence. The Client seeks consent at project identification and/or at concept stage and consult further at agreed project implementation phases.

**Informed** implies that the Client provide information which covers the proposed project nature, size, place, reversibility and scope, purpose, duration, location including effected areas, a preliminary economic, social, cultural assessment and potential environmental risks, benefits and impacts.

**Consent** is solicited through effective community consultation and meaningful participation in the project development processes. Consent to any agreement should be interpreted to ensure that stakeholders understand the project and its implications, and are aware of what they are giving consent to. The principles of consent include that engagement or consultation to inform is not the same as the consent. The stakeholders and the Client must agree to and respect the process to secure consent.

The Client will:

- Undertake meaningful consultation to provides stakeholders with an opportunity to freely express their views on project design, potential risks and impacts, mitigation measures
- Consider and respond to project beneficiaries and affected parties responses to the project
- Consult with all project affected parties in a culturally appropriate manner which is free of manipulation, interference, coercion, discrimination and intimidation
- Undertaking FPIC procedures does not require the Client to ensure unanimity with all stakeholders. FPIC may be achieved when some groups within the affected community explicitly disagree with the project or certain project activities.

### **Project Information Disclosure**

The Client will:

- Disclose project information to allow stakeholders to understand all project implications, any potential risks and impacts, and any anticipated development opportunities to accrue from it.
- Disseminate information to stakeholders in a transparent, relevant, understandable and accessible format,
- Disclose project information in relevant local languages and in an accessible and culturally appropriate manner
- Provide information responses addressing specific stakeholder interests that may be differently or disproportionately affected by the project including people living with disabilities, illiterate, gender, mobility, differences in languages, and the Indigenous Peoples.
- Provide stakeholders with access to the following information before the DBSA proceeds to project appraisal:
  - The purpose, nature, scale, and duration of proposed project activities;
  - The potential project risks, stakeholder impacts, and proposed mitigation measures to avoid and minimize any adverse impacts;
  - The proposed stakeholder engagement process as defined in the SEP;
  - The time and venue of any proposed public consultation meetings; the process to notify stakeholders of such meetings; how the meetings will be conducted, and how meeting will be disseminated to stakeholders;
  - The process and channels to communicate any grievances and the turnaround time to address these.

### **2.3.2 Project Appraisal Stage**

#### **Community Participation and representation**

South African legislation (National Environmental Management Act (NEMA) No. 107 of 1998 and the Environmental Impact Assessment Regulations (2006)), requires any proposed development with social and/or environmental risks to undertake public consultation as part of any exemption/authorisation. The Client will:

- Comply with NEMA consultation requirements



- Adopt appropriate mechanisms to transmit project communication through relevant public meetings and the local media to enable maximum participation in the development process
- Engage with the local community throughout the project life-cycle in a manner appropriate to their interests and in accordance with potential environmental and social risks and impacts
- Conduct stakeholder engagement in accordance with the SEP utilizing the established stakeholder engagement process communication channels
- If there are significant project changes that result in additional risks and impacts to project beneficiaries and affected parties, divulge such information as early as possible to the stakeholders in a transparent manner and seek their views on how such new risks and impacts can be mitigated. Thereafter, the Client will disclose an updated ESMP setting out any additional mitigation measures as agreed to with the stakeholders.
- The client will report to Affected Communities on a timescale proportionate to the concerns of Affected Communities but at least annually
- Depending on the project scale, utilise community representatives that are identified in consultation with the community to represent broader community views on the project. In such instances, the Client will ensure that communication measures are appropriate to provide regular feedback to the broader community
- The Client will ensure that community consultation and participation is sufficient to implement the project successfully and that adequate processes are in place to sustain consultation and active participation throughout the project life-cycle
- When undertaking investments outside South Africa, ascertain whether applicable legislation promoting community participation meets the ESSS standards
- Where the host government is responsible for stakeholder engagement, collaborate with the responsible government agency, to achieve outcomes that are consistent with this ESSS's

**Assess project impact and develop mitigation measures**

The DBSA aims to achieve the optimum development impact in any proposed project investment. In assessing the project, the Client will consider:

- The direct and indirect impacts on project beneficiaries' quality of life e.g. through job creation, improved access to infrastructure, improved health standards; improved safety and wellbeing for women; affordability and financial implications on the community if the project will result in the community paying for services rendered; social stability as a result of influx of people into the area due to increased job opportunities arising from the project.
- The project ability to provide employees and project participants (disaggregated by gender and age) with training opportunities; enable community trusts; provide small local contractors and entrepreneurs opportunities and for Broad-based Black Economic Empowerment (in South Africa) and women-led and owned businesses.
- The ability of the investment to contribute to meaningful corporate social responsibility by impacting positively on the project social and natural environment. The assessment will focus on the Clients ability to:
  - Instil good corporate citizenship as an integral part of the business culture
  - Improve local livelihoods by implementing Corporate Social Responsibility policy and programmes
  - Implement strategies to treat and share economic, social and environmental resources responsibly

Based on the nature and extent of the identified projects risks and adverse impacts, the Client will engage stakeholders to develop appropriate mitigation measures to address identified areas of potential risks and negative impacts.

**Grievance mechanisms**

The Client will:

- Respond to project beneficiaries and affected parties expressed concerns and grievances related to the project environmental and social performance
- In consultation with stakeholders, develop an appropriate grievance mechanism (proportionate to the identified potential project risks and impacts) to receive and assist resolve such concerns and grievances
- Where feasible and suitable, project grievance mechanisms to utilise existing formal or informal grievance mechanisms, supported by project arrangements where necessary. The grievance mechanism will:
  - Address concerns promptly and effectively at no cost and without retribution
  - Not prevent access to judicial or administrative remedies where necessary
  - Handle project beneficiaries and project affected parties' grievances in a culturally appropriate, discreet, objective, transparent, sensitive and responsive manner
  - Allow for anonymous complaints to be raised and addressed

The Client will explain the grievance process during community engagement activities and publicise a record of concerns raised, the responses to all grievances received, and the status of reported grievances.

### **Community readiness to receive the project**

The Client will assess community readiness to receive the project prior to the DBSA disbursing project finances. This will take into account the following:

- The social soundness of the project which refers to the ‘fit’ between the project and the social environment under which it will operate
- The degree to which the project is compatible to the local socio-cultural and political environment, and links to local development needs
- The nature and extent of agreed upon community consultation and participation arrangements with the project beneficiaries and affected parties
- The extent to which project beneficiaries and affected parties agreed with the identified proposed and potential environmental and social risks, impacts and mitigation measures
- The extent to which the stakeholders actively participated in developing the project grievance mechanisms and implementation arrangements including the Grievance Plan
- The Client’s ability to manage stakeholders’ commitments

### **2.3.3 MONITORING STAGE**

#### **Reporting and monitoring arrangements**

The Client will:

- Define roles, responsibilities and personnel responsible for implementing and monitoring stakeholder engagement and disseminating information to stakeholders.
- In consultation with stakeholders agree on representatives to participate in the Project Steering Committee to oversee project implementation. The Project Steering Committee will represent stakeholder interests in key decision-making processes, and disseminate accurate project information to the broader community.

DBSA Social Analysts will monitor Clients commitment to comply with stakeholder consultation arrangements, implement the SEP, Vulnerable Group Plan, apply Grievance Mechanisms, allocate project benefits equitably, and address project mitigation measures during project implementation.

### **2.4 Documentation Required from the Client**

- Socio-economic Assessment
- Stakeholder Engagement Plan
- Vulnerable Group Plan
- Grievance Mechanism

## STANDARD 3: GENDER MAINSTREAMING

### 3.1 Introduction

The business case for gender inclusive financing has been made by institutions like the World Bank, the World Economic Forum and McKinsey Global Institute. These institutions argue that women have power as business owners, consumers and investors and therefore represent an opportunity that could contribute as much as \$28 trillion annually to the global GDP by 2025. In South Africa, the market is much smaller but by financing an entire value-chain of men and women consumers, suppliers and investors, the development agenda could have more impact than it has with a narrow client base.

*Gender-lens financing* introduces new products into a market that is saturated with conventional financing products thereby leading to innovation in finance and operation systems. The DBSA has committed itself to gender-lens investing and to gender equality in the infrastructure financing sector.

As a Development Finance Institution, the DBSA is mandated with creating an inclusive and sustainable society through improving the quality of life of all its clients and beneficiaries. To achieve this, the DBSA employs a gender lens to all investments and interventions across all its projects. Gender equality is an important international continental, regional and national goal that is recognised in SDG 5 and which the DBSA aims to achieve through its role in infrastructure financing.

The DBSA recognizes that gender inequality exposes individuals to different types of risks and impacts from development projects, especially in areas of health, education, labour, water and sanitation, energy, transport, ICT and access to, benefits from and control of resources.

As social groups with distinct views, experiences, needs, and preferences, women, girls, and sexual and gender minorities are more frequently among the most marginalized and vulnerable segments of the population due to cultural and structural inequalities in Africa. As a result, their economic, social, and legal status can limit their ability to participate in and benefit from development initiatives. At the same time, DBSA recognizes that all marginalized groups play a vital role in achieving sustainable and inclusive development. Therefore, Gender equality is relevant to the success of infrastructure investments.

This safeguard was adapted from the GEF, AfDB, and ADB that have years of experience mainstreaming gender into their operations and supporting clients in their efforts to become more gender sensitive and responsive in their work.

### 3.2 Objectives

This safeguard helps ensure that the development process respects the dignity, human rights, economies, and cultures of all individuals, regardless of their gender, sexual orientation, or gender identity. This safeguard ensures that DBSA investments:

- Protect women's human rights and comply with international women's and human rights standards and treaties,
- Increase knowledge and insights about gender and vulnerable group's (including people living with disabilities) into project concepts and governance;
- Identify strategies to increase women's and marginalized groups' participation and representation in sustainable infrastructure project solutions;
- Adopt due diligence practices which mainstream gender considerations into project planning and execution thereby ensuring that projects respond to distinct gender needs and proactively address gender inequalities, including men's and women's differential access to assets, property, education, credit, and other resources;
- Identify and prevent potentially direct or indirect project or programme related harm on women, men, girls and boys, including changes in livelihood or environmental degradation and sustainability;
- Incorporate sex-disaggregated data into project reporting to accurately measure and assess investments' gender impacts;
- Proactively engage women and men in culturally appropriate languages, forms and ways throughout the project lifecycle on the basis of FPIC principles; and,
- Provide adequate budgeting for integrating gender empowerment into project execution plans.

The gender mainstreaming guidelines provide a framework for project sponsors or clients to follow to ensure that their proposals are gender sensitive and are ready to be considered fairly and equally by our appraisal process. Clients are advised to discuss these gender frameworks with the project teams and institutional and social specialists at the DBSA to ensure that they understand the Bank's expectations as they relate to gender mainstreaming.

### Use of Country Systems

When a host country gender legislation differs from the DBSA ESSS's, the client must achieve or implement the more stringent. Only where the client is able to justify the use of less stringent measures due to the project circumstances will the DBSA consider alternative environmental and social standards. This justification must demonstrate to the DBSA's satisfaction that the alternative performance level chosen is consistent with the objectives of the ESSS's, and is unlikely to result in significant environmental or social harm. The DBSA requires. At a project level, the gender toolkit in this ESS will provide a framework that outlines the Bank's expectations of the project sponsor. The social and institutional specialist will assess legal, regulatory and social frameworks, in relation to the relevant sector and country context to ensure that gender sensitive analysis and implementation is appropriately addressed in the project proposal.

The DBSA undertakes a detailed country risk assessment for all the countries in which it invests. Gender considerations are addressed within the country risk assessment and inform the overall investment proposal. The project sponsor will incorporate any country legislation, regulatory considerations and social frameworks pertaining to gender and the implications for the project in the GAP.

## 3.3 Client Responsibility to Implement ESSS3

### Project Preparation

The project will be screened during the project preparation stage, where the gender mainstreaming considerations of the project will be incorporated into the project concept and implementation plan. If the project is correctly prepared for the DBSA processes, it will most likely be favourably appraised and easily monitored and evaluated. The information provided during the preparation stage will be gathered and confirmed in conjunction with the social and institutional specialists to provide the project sponsor with the requisite support.

All projects proposed for DBSA financing have the potential to either provide positive gender mainstreaming outcomes or impact negatively on gender, depending on the manner in which the project outcomes are structured. To assist in monitoring and evaluating a projects gender impacts throughout the project cycle, the client will utilise Annexure 3.1.1 to formulate baseline gender sensitive indicators. The project sponsor will in addition embed gender considerations in the project concept, and in all measures implemented to support ESSS 1-11 and the financing proposal.

The project preparation phase will address some of the following considerations:

- **Access to Assets:** Includes information on ownership and access to assets related to the project. These include tangible assets such as land, capital, and tools. Intangible assets such as knowledge, education, and information will be included as contextual information.
- **Practices and Participation:** Includes assessment as to whether women are included in decision-making process throughout the project cycle. Do they have input into the selection of the project, are they consulted on the development expectations of the project, are they the beneficiaries or investors on the project and to what extent? This dimension of the framework captures information on men and women's different roles, to determine suitable times and places for meetings and project-related activities. The analysis should also determine women's capacity to participate in relation to their economic political and social activities entrusted to them because of their status as women.
- **Capacity development:** Includes an analysis of what could hamper women's capacity as full participants in relation to education, services, and economic opportunities. Have training programmes been included in the preparation documents to ensure that women are able to participate as equals.
- **Institutions, Laws, and Policies:** This dimension focuses on information about men and women's formal and informal rights, and how they are dissimilarly affected by policies and rules governing institutions.
- **Sponsor role and responsibilities:** Includes all the mitigating factors put in place by the project sponsor to ensure that the product is approved by the affected community; that women are included in decision-making committees, that the financing product addresses the right problem efficiently, that meetings are held at convenient times for men and women, that women are employed on the project and that the development impact of the project is clearly stated beyond just the numbers of women employed. Project sponsors could also endeavour to include women investors in their partner teams.

### Project Appraisal

At the **appraisal stage**, the project sponsor must provide information to the DBSA project team to show that gender has been mainstreamed into the project life cycle.

All projects will be screened at an early review stage for gender inclusivity. The guidelines for the project sponsor and the social and institutional specialists (Annexure 3.1), will assist the client in understanding and providing the relevant information to the Bank.

A social assessment / analysis by the Bank and the project sponsor will consider the gendered project risks and impacts. A social assessment is undertaken to understand the context, risks and gendered effects of different sectors of the society. Project alternatives may be advised where the adverse effects are significant. The project sponsor will need to ensure that at least one project team manager has basic gender training.

A gender-responsive social assessment will:

- Assess how the project is likely to have gender differentiated impacts.
- Identify opportunities for addressing infrastructure requirements of women, girls, and sexual and gender minorities.
- Examine the project's potential to have negative impacts on individuals who are vulnerable due to gender inequalities, and the potential for women, girls, and sexual and gender minorities to be excluded from the full positive project benefits.
- Examine areas of risk including, but not limited to, the possibility of economic discrimination or exploitation, increased risk of negative impacts on health due to lack of access to services, decreased access to education, sexual exploitation and abuse, domestic violence, decrease in personal safety, increase in unpaid workload, reduction or limitation of resources needed to secure individuals or their households livelihoods and wellbeing.
- When the project is likely to have adverse impacts on these marginalized groups, the assessment *identifies appropriate measures* for avoiding or mitigating these impacts.
- Examine areas where the project can contribute positively to and enhance gender mainstreaming to provide improved project outcomes.

Meaningful consultation with all stakeholders related to the project ensures that the sponsors and beneficiaries share an understanding of the project objectives, need for the project and the project implementation process. This process takes into account women's and men's differential access to consultation mechanisms, information preferences, work schedules, and mobility. The project sponsor will prepare a Gender Action Plan (GAP) based on the social assessment and the public consultation results. The GAP will ensure that women and girls are considered in the project planning, implementation and monitoring processes. If there are adverse effects, the project sponsor will need to ensure that they are avoided, minimised, mitigated or compensated for.

### **Project Monitoring and evaluation**

Finally, at the monitoring and evaluation phase (Annexure 3.1.3), the project sponsor will provide the DBSA team with the final information regarding the impact of gender mainstreaming throughout the project lifecycle. This process will be conducted in collaboration with the DBSA institutional and social analysts.

### **Special Considerations**

The DBSA is an accredited Global Climate Facility (GCF) and a Global Environmental Facility project implementing agent. If projects are requesting finance from either of these facilities, they will require the project sponsor to assign one or more gender experts to the project. Annexure 3.2 provides a procurement form for the project sponsor to complete when procuring a gender specialist.

## **3.4 Conclusion**

The DBSA will provide the project sponsors with sufficient, but reasonable, support to complete this process when applying for financing. It is not only important for the Bank to ensure that gender mainstreaming takes place throughout its project process, but for the country in its efforts to quantify the SDGs and for the continent to realise its development objectives mapped out in Agenda 2063.

## STANDARD 4: INDIGENOUS PEOPLES

### 4.1 Introduction

As an Infrastructure DFI, the DBSA has a Constitutional obligation to ensure that in any project it finances which impacts on Indigenous Peoples, that Indigenous Peoples' needs are addressed.

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

ESSS4 applies to any project the DBSA supports which impacts on Indigenous Peoples. The project environmental and social risks and impacts identification process will determine the applicability of this ESSSs. The Client's Environmental and Social Management System, detailed in ESSS1, will outline the implementation actions necessary to meet and manage the Indigenous Peoples Standard.

### 4.2 Objectives

- To assist the Client ensure that the development process respects Indigenous Peoples human rights, dignity, aspirations, culture, and natural resource-based livelihoods
- To anticipate and avoid adverse project impacts on Indigenous Peoples communities, or when avoidance is not possible, to minimize and/or compensate for such impacts
- To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner
- To undertake full FPIC with Indigenous Peoples where projects impact on their livelihood, lands, and natural resources in a manner cognizant of their language, customs and traditions in any investment and development throughout the project's life-cycle
- To ensure that projects respect indigenous knowledge, culture and practices. This includes local knowledge that is unique to a given culture of society or intellectual property rights, local skills, people's experiences and insights, rare indigenous species, arts and culture applied to maintain or improve their livelihood
- To ensure that project implementation acknowledges indigenous peoples socio-economic rights and access to services including social welfare, healthcare, education, water, electricity, housing, economic livelihoods and employment

### 4.3 Defining Indigenous Peoples

The DBSA recognises that there is no universally accepted definition of "Indigenous Peoples," and has for the purpose of this ESSS, adopted the international definition of Indigenous Peoples as comprising a distinct social and cultural group with common characteristics of self-identification to a particular cultural group, collective attachment to geographically distinct habitats, adherence to customary institutions, and practising a distinct dialect or language.

In South Africa, the Constitution of the Republic of South Africa (1996 as amended) enshrines the rights of 'vulnerable groups' which includes Indigenous Peoples, vulnerable indigenous communities and vulnerable ethnic groups. The legislation refers to the Constitutional Founding Values of human dignity, achieving equality, and advancing human rights and freedoms. Also, the African Commission's Working Group of Experts on Indigenous Populations / Communities recognizes the Khoi and San ethnic groups in South Africa as Indigenous Peoples. These groups comprise a small percentage of South Africa's population and are located primarily in the Northern Cape. The Khoi and San comprise the Khomani San (approximately 1000 people), the Khwe San (approximately 1100 people), the Xun San (4500 people), the Nama (Khoehoe) (approximately 10000 people) and the Griquas (approximately 300 000 people). The Traditional & Khoi-San Leadership Bill (B23-2015), currently under consideration by the National Assembly, defines the "Khoi-San" as referring to any person who lives in accordance with the Cape-Khoi, Griqua, Koranna, Nama or San people, or any subgrouping thereof, customs and customary law and is consequentially a member of a particular Khoi-San community.

This ESSS recognises that Indigenous Peoples situation varies from region to region and from country to country. The project environmental and social assessment must consider the Indigenous Peoples distinct historical and cultural backgrounds, and national and regional context.

#### 4.4 South African Legal framework

Through concerted legislative, policy and judicial interventions, the South African government is making strides to recognise Indigenous Peoples rights, and redress the fundamental challenges that Indigenous Peoples are faced with.

- The Constitution of the RSA enshrines in its Bill of Rights, the rights of all people in the country and affirms amongst others the democratic values of human dignity, equality, and freedom. The Constitution provides a legal framework for Indigenous Peoples to espouse their fundamental human rights to express language and culture without discrimination.
- The Constitution provides that courts must have regard to public international laws and have regard to comparable foreign case law when interpreting the Bill of Rights. Therefore, South Africa is obliged to respect the rights of Indigenous Peoples that have crystallized into norms of international customary law and is a party to international human rights instruments which impact on Indigenous Peoples' rights in South Africa.
- Relevant South African state institutions which support constitutional democracy and promote and protect Indigenous Peoples' rights include the Public Protector, Human Rights Commission, Commission of Gender Equality, Commission on the Restitution of Land Rights, Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, and the Electoral Commission.
- The focus of the Traditional & Khoi-San Leadership Bill (B23-2015), currently under consideration by the National Assembly, is to recognize traditional and Khoi-San communities.

#### 4.5 Client Responsibility to Implement ESSS4

Where a project may impact on Indigenous Peoples, the Client will undertake the following measures:

##### Identify & Analyse Stakeholders

The Client will:

- Identify Indigenous Peoples communities within the project area through the environmental and social risks and impacts assessment process, who may be directly or indirectly affected by the project. In certain circumstances, the Client may source advice from competent professionals to ascertain whether a group is considered as Indigenous Peoples for the purpose of this ESSS.
- Develop an understanding of the project social demographic context by analysing the key community characteristics, the project social and political environment, and local socio-economic factors that impact on the project.
- Identify the nature and degree of the potential direct and indirect economic, social, cultural (including cultural heritage), and environmental project impacts on the identified communities of Indigenous Peoples.

##### Community Mobilisation

The Client will:

- Mobilise the affected Indigenous Peoples communities to inform them of the proposed project, and enable them to respond meaningfully. The level of community mobilization will depend on the existence of structures that oversee their livelihoods, historic community involvement in development activities and with project development agencies, and will be commensurate with the project nature and scale.
- Depending on the project nature and scope, engage consulting services and /or government agencies to assist in mobilizing the communities and to prepare them to participate in project planning where necessary.

##### Avoid Adverse Impacts

Based on the project nature and scale, Indigenous Peoples may be more vulnerable to the adverse project impacts than non-indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, and exposure to impoverishment and diseases.

The Client will:

- Avoid any adverse impacts on affected Indigenous Peoples communities.
- Where alternatives have been explored and adverse impacts are unavoidable, minimise, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the affected Indigenous Peoples communities nature, scale, impacts and vulnerability levels.

##### Community consultation and participation

The Client will:

- Consult with Indigenous Peoples present in or having collective attachment to the project area regarding the proposed project, the project design and project implementation arrangements.

- Prepare a consultation strategy outlining how affected Indigenous Peoples will be consulted and participate in the project cycle.
- Detail the proposed consultation strategy in a time-bound plan such as an Indigenous Peoples Plan, (or a broader Community Development Plan containing separate Indigenous Peoples components). The scope and scale of this plan will be commensurate with the potential project risks and impacts. The Client will engage with the affected Indigenous Peoples communities on the following basis:
  - Undertake analysis of and plan engagements with key and affected stakeholders
  - Involve and recognize the Indigenous Peoples traditional leadership, recognised community structures and community representatives and their influence in the consultation process
  - Disclose project related information
  - Undertake culturally appropriate good faith, consultation, stakeholder participation to obtain FPIC with affected indigenous peoples
  - Apply FPIC to project design, implementation, and expected project outcomes impacting on affected Indigenous Peoples communities
  - Ensure the stakeholder consultation process provides sufficient time and resources to involve Indigenous Peoples in effective project related decision-making
  - Document the final agreement and negotiation outcome between all key and affected stakeholders

### **Impacts on Lands and Natural Resources**

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

Indigenous Peoples are particularly vulnerable if their land and resources are transformed, encroached upon, or significantly degraded. Projects may undermine Indigenous Peoples language use, cultural practices, institutional arrangements, and religious or spiritual beliefs.

If the Client proposes to locate a project on commercially developed natural resources or lands traditionally owned by, or under customary use of Indigenous Peoples, and adverse impacts can be expected, the Client will take the following steps:

- Identify and review all property interests and traditional resource uses before purchasing or leasing land
- Document efforts undertaken to consider alternative project land areas and affected natural resources and minimise land and natural resources impacts
- Ensure that affected communities are informed of their land rights under national law including any national law recognising customary use rights and in a culturally appropriate manner
- Undertake a gender inclusive assessment which documents affected Indigenous Peoples' communities resource use and management without prejudicing any Indigenous Peoples' land claims
- Offer the affected Indigenous Peoples communities compensation, and / or offer culturally appropriate and sustainable development opportunities and follow due process where their land and natural resources may be commercially developed. This should include the following:
  - Where feasible, ensure continued access to natural resources
  - Provide land-based compensation or compensation in-kind in lieu of cash compensation where feasible and as agreed with the affected Indigenous Peoples communities
  - If project development results in the loss of access to land and natural resources, identify the equivalent replacement resources, provide adequate compensation and identify alternative livelihoods
  - Where the Client intends utilising natural resources that are central to the affected Indigenous Peoples identity and exacerbates the livelihood risk, ensure the affected communities agree to a fair and equitable benefit sharing associated with the project use of community resources
  - Provide affected Indigenous Peoples communities with access, usage, and transit on land in question subject to health, safety, and security considerations

### **Relocation of Indigenous Peoples from lands and natural resources**

The Client will:

- Consider feasible alternative project designs to avoid relocating Indigenous Peoples from communally held lands and natural resources subject to traditional ownership or under customary use. If relocation is unavoidable, the Client will not proceed with the project unless it obtains FPIC from the affected Indigenous Peoples.



- Include relocation agreements and compensation timeframes in the Relocation / Resettlement Action Plan (RAP). Should the cause for relocating affected Indigenous Peoples communities cease to exist, the Client will return the relocated Indigenous Peoples to their traditional or customary lands and normalise their livelihoods practices.

**Critical Cultural Heritage**

The Client will:

- Avoid undertaking project activities which may impact significantly on critical cultural heritage essential to Indigenous Peoples' identity and/or cultural, ceremonial, or spiritual lives. If this is unavoidable obtain affected Indigenous Peoples communities FPIC.
- Where the project may involve use of Indigenous Peoples cultural heritage (knowledge, innovations, or practices) for commercial purposes, inform the affected Indigenous Peoples communities of:
  - Their rights under national laws and utilise an interpreter to thoroughly explain any associated legal and contractual documents in a language understood by the Indigenous Peoples
  - The scope and nature of the proposed commercial development
  - The potential consequences (positive and negative impacts) of such development
  - Obtain their FPIC
  - Align the fair and equitable benefit sharing arrangements arising from commercialisation of such knowledge, innovation, or practice consistent with the customs and traditions of affected Indigenous Peoples communities

**Assess Impacts and Mitigation Measures**

The Client will:

- Together with the affected Indigenous Peoples community, identify relevant mitigation measures and opportunities to realise culturally appropriate and sustainable development benefits.
- Address affected Indigenous Peoples project related living standards and livelihoods opportunities in a culturally appropriate manner and foster long-term resource sustainability of any assets which such communities depend on.
- Determine and reach agreement with the affected Indigenous Peoples communities on the eligibility criteria for compensation. (Individual, collectively-based or a combined approach).
- Base compensation criteria on relevant legislation, institutional practices and Indigenous communities' customs and interaction with mainstream society.
- Implement delivery and distribution measures as agreed to with the affected Indigenous Peoples community.
- Deliver and distribute agreed compensation and other benefit sharing measures to the affected Indigenous Peoples communities timeously and equitably.
- Depending on the project nature, the affected communities context, goals, preferences and vulnerability, determine how project affected Indigenous Peoples should benefit from the project.
- Where necessary and appropriate, collaborate with government agency responsible for managing project related Indigenous Peoples concerns, and support their participation in associated development activities.

**Grievance Mechanisms**

The Client will:

- Provide for project related grievance mechanism
- Ensure that the project grievance mechanism is culturally appropriate, and accessible to project impacted Indigenous Peoples
- Take into account project affected Indigenous Peoples access to judicial recourse and customary dispute settlement mechanisms

**Community Readiness to Receive a Project**

The Client will:

- Determine the level of community readiness to receive the project before the project appraisal stage based on the outcome of the identification process, community mobilization assessment, community consultation and participation.

## STANDARD 5: LAND ACQUISITION, LAND USE RESTRICTIONS AND INVOLUNTARY RESETTLEMENT

### 5.1 Introduction

ESSS5 addresses instances where a client acquires land or restricts access to land to aid project implementation, resulting in project affected communities losing ownership or access to land, housing and related assets, and natural resources essential for their livelihoods and income earning capacity. ESSS5 addresses the client responsibility to mitigate the impacts of such losses to project affected communities.

ESSS5 applies when project activities result in community members being permanently or temporarily physically and economically displaced by project related land ownership / rights / use or restrictions. This includes:

- Expropriation or other compulsory national legal procedures
- Negotiated settlements with property owners or those with legal land rights
- Loss of access to resources by communities with traditional or customary tenure, or recognisable usage rights
- Relocation of community members occupying and / or utilising land without formal, traditional, or recognizable usage rights
- Displacement of community members due to project impacts rendering their land unusable or inaccessible
- Restriction on access to land or use of other resources including communal property and natural resources
- Individuals or communities relinquish land rights or claims to land or resources without full payment of compensation
- Communities using / living on state-owned land are required to vacate the land to enable project implementation
- Displacement of community members, (other than the seller), who occupy, use or claim rights to the land where the land owner undertakes voluntary land transactions

This ESSS does not apply to:

- Voluntary, legally recorded market transactions where the seller has a genuine opportunity to retain the land and to refuse to sell it, and is informed about available choices and their implications
- Land titling disputes between private parties
- Land use planning or natural resources regulation to promote regional, national or subnational sustainability
- Management of refugees from, or persons internally displaced by, natural disasters, conflict, crime or violence

### Eligibility Classification

Affected persons may be classified as persons:

- Who have formal legal rights to land or assets
- Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognised or recognisable under national law
- Who have rights to land or access to land through customary or traditional tenure arrangements
- Who have rights to land through adverse possession

### 5.2 Objectives

- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by timeously compensating for loss of assets at replacement cost and assisting displaced persons to improve, or at least restore, their livelihoods and living standards to pre-displacement levels or to levels prevailing prior to project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, by providing adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and affected parties informed participation.
- Where resettlement cannot be avoided, the developer to treat affected parties equitably and provide adequate compensation based on an objective assessment the loss incurred and how it should be reimbursed.

**5.3 South African Legislative and policy principles addressing land acquisition, use and resettlement**

In South Africa resettlement is addressed on a sectorial basis, with sectorial requirements for addressing community resettlement. The South African legislation and regulations provide:

- Objective criteria to value assets and compensate for the assets traded
- Clarifies the applicable legal and administrative procedures available to displaced people
- A framework to identify the laws governing resettlement implementation and to assess whether the resettlement process is conducted correctly and legally
- Security of tenure particularly in respect of Land Claims

Pertinent legislation and regulations to be addressed when implementing projects involving community resettlement includes:

South African Legislation for addressing involuntary resettlement			
Resettlement Component	Legislation	Departments responsible for executing relevant legislation	Other institutions responsible for executing relevant legislation
Communication and Public Participation	The Constitution of the Republic of South Africa, Act 108 of 1996	COGTA - all spheres of Government	Department of Rural Development and Land Reform
	Municipal Systems Act, 32 of 2000.	COGTA	Provincial Government, District, and Local Municipalities
	National Environmental Management Act, 107 of 1996.	Department of Environmental Affairs and Tourism	
Social and environmental impact assessments	Minerals and Petroleum Resource Development Amendment Act, 49 of 2008 National Environmental Management Act, 107 of 1996	Department of Mineral Resources Department of Environmental Affairs	Departments of Rural Development and Land Reform; Agriculture, Water Affairs; Provincial Government, District and Local Authorities
Eviction and Expropriation of Property	The Constitution of the Republic of South Africa, Act 108 of 1996	Department of Justice and Constitutional Development	Commission of Restitution of Land Rights
Compensation	The Constitution of the Republic of South Africa, Act 108 of 1996, Sect.25 (3), (5) & (7)	Department of Justice and Constitutional Development	
	Land Reform Act, 3 of 1996, Sect. 2 (2); and 8 (3-4)	Department of Rural Development and Land Reform	Commission on Restitution of Land Rights
	Extension of Security of Tenure Act, 62 of 1997, Sect. 13&14	Department of Rural Development and Land Reform	
	Minerals and Petroleum Resource Development Amendment Act, 49 of 2008	Department of Mineral Resources	
Ensuring Security of Tenure	The Constitution of the Republic of South Africa, Act 108 of 1996, Sect. 25 (6) & (9)	Department of Justice and Constitutional Development	Commission on Restitution of Land Rights
	Labour Tenants ( Land Reform ) Act,3 of 1996, Sect 16 & 26	Department of Rural Development and Land Reform	
	Extension of Security of Tenure Act, 62 of 1997, Sect.6	Department of Rural Development and Land Reform	

As an infrastructure DFI accountable to the South African government, the DBSA investment decision making framework is informed by the South African governments land acquisition, use and resettlement policy and legislation. Community resettlement in South Africa was a feature of South Africa’s apartheid past. For this reason, the DBSA is reluctant to support projects involving resettlement, and has in its thirty year history, very rarely provided financing for projects involving involuntary community displacement. The DBSA Resettlement Policy Framework is based on the following policy considerations:

- To avoid involuntary resettlement or forced removals and when unavoidable, minimize involuntary resettlement by exploring project design alternatives

- To support the financing of projects involving resettlement only where developers can provide a clear and compelling development case that community resettlement is the only appropriate solution that must be adopted to ensure project implementation
- To assess the associated resettlement (socio-economic, environmental and financial) costs against the benefits of implementing the project
- Developers to provide a strong developmental case for implementing a project where resettlement is involved

## 5.4 Client Responsibility to Implement ESS5

### Community Engagement

The client will undertake a stakeholder engagement process to:

- Engage with all project affected parties impacted by resettlement
- Provide project affected parties with resettlement and livelihood restoration options and alternatives, from which affected persons may choose
- Discuss with project affected communities the proposed impacts of alternative project designs
- Undertake meaningful affected community participation and disclose relevant information during project planning, implementation, monitoring and evaluation
- Consult affected parties in evaluating compensation choices, livelihood restoration activities, and relocation processes
- Where women's and men's livelihoods are affected differently, the client may need to undertake intra-household analysis to address livelihood impacts and to address women's and men's preferred compensation mechanisms

### Project Design: Social, legal and institutional assessment to address land ownership and acquisition

The Client will:

- Undertake a social, legal and institutional assessment to identify any potential risks, adverse impacts, and mitigation measures related to project land titling, determining land rights, and any measures to acquire land
- Consider feasible alternative project designs to avoid or minimise land acquisition or restrictions on land use, especially where this would result in physical or economic displacement
- Balance environmental, social, and financial costs and benefits, when acquiring land
- Pay attention to gender impacts and impacts on the poor and vulnerable
- Prioritise community groups likely to be most negatively impacted by the project, such as vulnerable groups
- Demonstrate that involuntary land acquisition or restrictions on land use are limited to specified project purposes within a specified period of time

### Implement a transparent process to acquire land

Where land acquisition or restrictions on land use are unavoidable, the client will:

- Identify all community members affected by the project
- Establish an inventory of land and assets to be affected
- Determine who will be eligible for compensation and assistance
- Discourage ineligible persons, such as opportunistic settlers, from claiming benefits
- Establish a cut-off date for eligibility
- Inform project affected communities in the project area about the project cut-off date, using relevant communication channels, in relevant local languages
- Issue ownership or occupancy documentation and compensation payments in both spouses names or single / child head of household as relevant
- Where the project negatively impacts women's loss of land rights, ensure adequate measures are in place, in line with the project relocation action plan, to recognize women's rights to hold or contract in property of land ownership
- Negotiate land ownership, use and access settlements with affected persons wherever possible

### Prepare a Resettlement Action Plan (RAP)

- Prepare a RAP addressing project risks, impacts and necessary mitigation measures
- Document all transactions to acquire land rights, provide compensation and other assistance for relocation
- Align the RAP to applicable country legislation and regulations governing resettlement and compensation
- Determine financing arrangements and entitlements for project affected people and host communities affected by land acquisition / use/ resettlement in project budget
- Determine implementation schedule, roles, responsibilities, and arrangements to address land acquisition / resettlement procedures in line with project timeframes

- Establish procedures to monitor and evaluate the plan implementation and take corrective action as necessary
- Where necessary, retain resettlement professionals to provide land acquisition / involuntary resettlement advice and provide any project implementation support as required

The DBSA will sign off Client land acquisition / relocation plan implementation plan in line with ESS5 objectives.

**Apply equitable measures and benefits to compensate project affected persons for land acquisition**

When a client acquires land or restricts project affected people access to land, the client will:

- Offer affected persons compensation at least at replacement cost and in line with relevant country legislation and regulations
- Provide assistance to affected communities to improve or at least restore their standards of living or livelihoods
- Provide assistance (skills training, access to credit, and job opportunities,) to men and women on an equal basis and adapted to their needs
- Wherever possible, avoid destroying structures and symbols of religious and cultural significance
- Disclose and consistently apply compensation standards for land and fixed assets
- Document the basis for calculating compensation
- Offer displaced persons who have land-based livelihoods or who own land collectively, the option of land replacement for compensation, unless it can demonstrate to the DBSA that equivalent replacement land is unavailable
- Compensate project affected economically displaced people for:
  - The cost of identifying a viable alternative location
  - For lost net income during the transition period
  - Transfer and reinstalling plant, machinery, or other equipment
  - Re-establishing commercial activities
  - Temporary loss of wages and, if necessary, provide assistance to identify alternative employment opportunities
  - Replacing agricultural or commercial property
  - Compensating rights or claims to land
  - Compensate with access to alternative land at least equivalent in market and use value to that acquired
- Compensate communities who are without legally recognizable claims to land for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land), at least at replacement cost
- Provide opportunities to project affected parties to re-establish livelihoods elsewhere in lieu of land compensation
- Distribute compensation in accordance with transparent procedures
- Provide displaced communities and persons with opportunities to realise appropriate project development benefits as the project nature and objectives may allow
- Prevent those with no right to resettlement compensation benefitting from or from taking advantage of possible opportunities arising from resettlement
- Implement mitigation mechanisms to address the inadequacy of cash compensation in providing affected persons with an appropriate means to restore livelihoods

Based on consultation, a client may provide cash compensation for lost land and other assets where:

- Livelihoods are not land-based
- Livelihoods are land-based but the land taken for the project is fraction of the affected asset and the residual land is economically viable
- The client demonstrates to the DBSA satisfaction that insufficient replacement land is available

The client is not required to compensate project affected parties where:

- Community members encroach on the area after the project cut-off date and repeated client efforts to contact project affected parties have failed
- Project affected parties repeatedly reject compensation offered in accordance with the RAP

Where the client is able to demonstrate to the DBSA that it has taken all reasonable steps to resolve land acquisition disputes, it may, on an exceptional basis, and in consultation with the DBSA, deposit compensation funds (and an additional amount for contingencies) as required by the RAP into an interest-bearing escrow or other deposit account and proceed with project activities. These compensation funds will be made available to eligible persons as land conflict is resolved.

**Grievance Mechanism**

- The client will put in place a project grievance mechanism to address displaced persons and stakeholder concerns about compensation, relocation or livelihood restoration measures. Where possible, grievance mechanisms will utilize existing project and community formal or informal grievance mechanisms.

- The client may need to provide additional project-specific arrangements to resolve project related disputes.

#### **Land Transfer**

The Client will take possession of acquired land and related assets only after:

- It has compensated project affected parties
- It has resettled displaced people
- It has provided moving allowances to displaced persons
- It has implemented livelihood restoration and improvement programs to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities

#### **Community use of land as collateral / equity**

Where communities collectively agree to restrict access to natural resources to participate in community-based natural resource management projects, the DBSA will assess whether the client undertook comprehensive community engagement involving FPIC and put appropriate mitigation measures in place to mitigate any possible adverse impacts. The DBSA may approve a project proposal involving a voluntary agreement between communities, governments and investors to donate all or part of a parcel of land to implement a project with or without full compensation, if the client:

- Identifies all tenure rights and claims (including customary and informal users) affecting the land
- Undertakes meaningful FPIC and stakeholder engagement, fully discloses the impact of the proposed investment to the affected community and informs them about the choices available to them
- Confirms in writing affected community members willingness to proceed with the donation / transaction
- Shows that community stakeholders negotiated fair value and appropriate conditions for the transfer
- Provides evidence that transaction and related compensation and benefit-sharing and arrangements address affected community members ability to maintain livelihoods at current levels
- Puts appropriate grievance redress mechanisms in place
- Provides evidence that no household relocation is involved
- The affected community benefits directly from the project
- Provides evidence that individuals using or occupying community owned land consented to the donation
- Keeps a transparent record of agreements detailing consultations and terms and conditions for land transfer
- Puts mechanisms in place to monitor compliance with the terms and conditions

#### **Collaborate with Agencies responsible for providing assistance for land resettlement and Resettlement Planning Agency**

When project implementation involves giving effect to a RAP, the client will collaborate with any other governmental agency or entity responsible for land acquisition, resettlement planning, or providing necessary assistance.

Where the capacity of other responsible agencies is limited, the client will actively support resettlement planning, implementation, and monitoring and provide any assistance necessary to ensure the letter of this ESSS is applied when implementing resettlement plans.

The RAP will specify the financial responsibilities of all agencies involved, appropriate timing and sequencing for implementation steps, and coordination arrangements.

The client may request that the DBSA provide technical assistance to strengthen client capacity, or the capacity of other responsible agencies, for resettlement planning, implementation and monitoring.

#### **Project monitoring and evaluation**

The Client will ensure:

- Prepare periodic monitoring reports
- Inform affected persons about monitoring results
- Where projects involve significant involuntary resettlement, appoint competent resettlement professionals to undertake an external land acquisition / resettlement plan completion audit to assess whether affected community members livelihoods and living standards have been improved / restored / and if affected community members have received the assistance for which they are eligible, and, as necessary, propose any corrective actions necessary

#### **Special measures where forced Evictions / Involuntary resettlement is necessary**

The client will not resort to forced evictions or involuntary resettlement of affected persons. Resettlement is considered involuntary when project affected persons or communities do not have the right to refuse land acquisition or land use restriction that result in their displacement to support implement an investment or development project. Forced eviction is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the

homes and/or land which they occupy without providing access to appropriate forms of legal and other protection, including all applicable procedures and principles outlined in this ESSS.

Where involuntary resettlement is unavoidable, the client will implement appropriate measures to minimize and mitigate adverse impacts on displaced persons and the host communities receiving displaced persons. This includes:

- Providing guidance on the involuntary resettlement conditions that need to be met to mitigate displacement and negative resettlement impacts and to establish sustainable economy and society
- Establishing mechanisms to monitor the performance of involuntary resettlement programs and to remedy any implementation problems
- Addressing adverse impacts on public health or safety and livelihoods
- Resettlement can improve local living standards and provide direct development opportunities for households or communities, improved housing and public health conditions, and strengthened security of tenure
- As an alternative to displacement, the client may negotiate on site land development arrangements with affected parties. Any person not wishing to participate will be allowed to opt instead for full compensation and other assistance as required in this ESSS

### **5.5 Documentation Required from the Client**

- ESSA/ ESIA/ESMP (Refer to ESSS1)
- Resettlement Action Plan (Refer to Annexure 5.2)

## STANDARD 6: LABOUR AND WORKING CONDITIONS

### 6.1 Introduction

ESSS6 recognises the importance of employment creation and income generation in pursuit of poverty reduction and inclusive economic growth. Clients should promote sound worker-management relationship and enhance the development benefits of a project by treating workers in the project fairly, and provide safe and healthy working conditions.

### 6.2 Objectives

- To promote health and safety in the workplace
- To promote fair treatment, non-discrimination and equal opportunity of project workers
- To protect workers, especially vulnerable workers such as women, persons with disabilities, migrant and contract workers, as appropriate
- To prevent the use of all forms of forced and/or child labour
- To provide workers with accessible means to raise workplace concerns

### 6.3 South African Legislation Context

When assessing labour conditions, understanding country context is essential. In the context of South Africa, the client will ensure that the project meets all relevant legislation as a minimum such as:

- The Constitution of the Republic of South Africa Act 108 of 1996
- South African Labour Relations Act No.66 of 1995 (LRA), Broad Based Black Economic Empowerment Act No. 46 of 2013 (BBBEEA) and Preferential Procurement Act No. 5 of 1996
- Basic Conditions of Employment Amendment Act, No 11 of 2002 (BCEA)
- Basic Employment Equity Act No. 55 of 1998 (EEA)
- Occupational Health and Safety Act No. 85 of 1993 (OHSA)
- Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (COIDA)
- Unemployment Insurance Fund Act No. 63 of 1993 (UIF)
- South African Qualifications Authority Act No.58 of 1998 (SAQA)
- Skills Development Act No. 37 of 2008 (SDA)

The ILO laws and other international best practice shall take precedence in cases where local legal requirements do not address labour related considerations. <http://www.ilo.org/legacy/english/dialogue/ifpdial/llg/main.htm>

### 6.4 Client Responsibility to Implement ESSS6

#### Human Resources Policies and Procedures

The client- or project-related 3<sup>rd</sup> parties must:

- Develop and implement a human resources policy and procedures appropriate to the project nature and size, if intending to employ workers for a project
- Provide all employees with documents that contain information on their employment terms, conditions and rights, applicable legislative/policy framework
- Apply working conditions and terms of employment as per the collective bargaining agreement where workers organisations exist, and relevant policy/legislative framework
- Employ migrant workers in accordance with local laws and on comparable terms and conditions as non-migrant workers employed in similar work
- Provide residential or temporary accommodation to workers, which is conducive for human habitation consistent with non-discrimination and equal opportunity principles
- Allow workers to form, join, and participate in workers' organisations, such as trade unions or alternative organisations
- Allow workers to freely elect their own representatives and to engage in collective bargaining
- Not discriminate or retaliate against workers who participate, or seek to participate, in such organisations and engage in collective bargaining



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- Apply non-discrimination and equal opportunity and make employment decisions on the basis of inherent job requirements, not discriminate on the basis of race, gender, nationality, religion or belief, disability, age, sexual orientation, or ethnic, social and indigenous origin
- Take special measures to address harassment, intimidation, and/or exploitation, especially in relation to vulnerable groups such as women
- When implementing collective dismissals, to consider alternatives to retrenchment. Where retrenchment is unavoidable, develop and implement a retrenchment plan to mitigate the adverse impacts of retrenchment on workers
- Ensure that a workforce grievance mechanism is permanently available to workers and their organisations to raise reasonable workplace concerns in a transparent manner without retribution and are able to approach a court of law as a last resort
- Comply with all local and national environmental, health and safety laws and regulations
- Ensure relevant company and project documentation such as the *Environmental and Social Management System*, and the *Health, Safety and Environmental Policy* adequately addresses labour issues and includes plans or procedures to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work
- Not employ children or use child labour in any manner
- Not employ forced involuntary or compulsory labour, including indentured, bonded, or any similar labour contracting arrangements
- Not employ trafficked persons in violation of ILO law
- Provide workers with a safe and healthy work environment, taking into account any physical, chemical, biological, and radiological risks and hazard classes in the client's work areas
- Considers the adverse impacts associated with supply chains including the risk of child labour, forced labour, significant occupational, health or safety considerations, and takes appropriate steps to utilise alternate products / supply chains
- Continuously monitor the primary supply chain and introduce procedures and mitigation measures to ensure that primary suppliers take steps to prevent or to correct imminent danger, death or serious harm to workers

### 6.5 Documentation Required from the Client

- High risk projects will provide:
- ESMS (ESSS1)
- Health Safety and Environmental Policy
- Relevant labour monitoring reports

## STANDARD 7: COMMUNITY HEALTH AND SAFETY

### 7.1 Introduction

ESSS7 recognises that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. The Standard, therefore, addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Clients to avoid or minimise such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.

### 7.2 Objectives

- To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life-cycle
- To promote quality and safety in the infrastructure design and construction
- To avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials
- To put effective measures in place to address emergency events and avoid disasters
- To ensure that personnel and property are safe

### 7.3 Client Responsibility to Implement ESSS7

#### Community Health and Safety

The Client will:

- Evaluate the risks and impacts to the health and safety of the affected communities during the project life-cycle and shall establish preventive and control measures consistent with GIIP<sup>2</sup>
- Identify risks and impacts and propose mitigation measures that are commensurate with their nature and magnitude. These measures will favour avoidance of the risks and impacts over minimisation.

#### Infrastructure and Equipment Design and Safety

The Client will:

- Design and construct structural elements utilising competent professionals and certified or approved by competent authorities or professionals
- Ensure that project which include structural elements or components whose failure or malfunction may threaten community safety include:
  - Plans for project supervision, operation, and maintenance are developed and monitored
  - Plans to utilise independent expertise to verify project design, construction, and operational procedures
  - Undertake periodic safety inspections
- For projects that operate moving equipment on public roads and other forms of infrastructure, avoid the occurrence of incidents and injuries of members of the public associated with the operation of any equipment.

#### Safety of Services

The Client will:

- establish and implement appropriate quality management systems to anticipate, minimize risks and impacts arising from project providing services to communities that such services may have on community health and safety and provide for universal access, where technically and financially feasible.

#### Ecosystem Services

Direct project impact on ecosystem services may impact negatively on the community health and safety. Land use changes or the loss of natural buffer areas (wetlands, mangroves and upland forests), which mitigate the effects of flooding, landslides and fire, may result in increased community vulnerability to safety-related risks and impacts. Natural resources degradation of, such as adverse impacts on the quality, quantity, and availability of freshwater, may result in health-related risks and impacts. Where appropriate and feasible, the client will:

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<sup>2</sup> This may include the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) or other internationally recognized sources;

- Identify the project's potential risks and impacts on ecosystem services that may be exacerbated by climate change
- Avoid adverse impacts, and if they are unavoidable, implement appropriate mitigation measures

#### **Community Exposure to Health Risks**

The client will:

- Avoid or minimize potential community exposure to water-borne, water-based, water-related, and vector-borne diseases, and communicable and non-communicable diseases that could result from project activities, taking differentiated exposure to and higher sensitivity of vulnerable groups into consideration
- Explore opportunities during the project life-cycle to improve environmental conditions and help minimize endemic diseases (such as malaria) in project affected communities
- Take measures to avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labour

#### **Hazardous Materials Management and Safety**

The client will:

- Avoid or minimise the potential for community exposure to hazardous materials and substances that may be released by the project
- Exercise special care to avoid or minimize their exposure to possible life-threatening hazards by the public, workers and their families by modifying, substituting, or eliminating the condition or material causing them
- Where there is a potential to be exposed to hazards, to implement measures and actions to control the safety of hazardous materials delivery 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 (ESSS10)

#### **Emergency Preparedness and Response**

The client will:

- Identify and implement measures to address emergency events. An emergency event is an unanticipated incident, arising from natural and man-made hazards, such as fire, explosions, leaks or spills due to failure to implement operating procedures to prevent their occurrence, extreme weather or lack of early warning.
- Design measures to address the emergency event in a coordinated and expeditious manner, to prevent injuring community health and safety and to minimize, mitigate and compensate for any impacts that may occur.
- Conduct a *Risk Hazard Assessment (RHA)*, as part of the *Environmental and Social Impact Assessment*, if the project has the potential to generate emergency events.
- Develop an Emergency Response Plan (ERP) in coordination with the relevant local authorities and the affected community, proportionate to the project posing any operational risk of accident or emergency events. The ERP will take into account any emergency prevention, preparedness and response arrangements to be put into place with project workers and outline the options for responding to such situations.

#### **Security Personnel**

When the client uses direct or contracted workers to provide security to secure its personnel and property, the client will:

- Assess risks posed by these security arrangements to those within and outside the project site. In making such arrangements, 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
- Not sanction security employees or contracted workers using force except for preventive and defensive purposes in proportion to the nature and extent of the threat
- Ensure that government security personnel providing security services operate within the law and meet ESSS standards
- Encourage relevant authorities to disclose the security arrangements for the client's facilities to the public, subject to overriding security concerns

### **7.4 Documentation Required from the Client**

- ESMP Environmental Social Management Plan
- ESMS Environmental Social Management System
- For high risk projects as part of the Environmental and Social Impact Assessment (ESIA)
- Risk Hazard Assessment (RHA)
- Emergency Response Plan (ERP)
- Traffic Management Plan

## STANDARD 8: CULTURAL HERITAGE

### 8.1 Introduction

ESSS8 sets out measures to protect cultural heritage throughout the project life-cycle. The Standard applies to cultural heritage regardless of whether or not it has been legally protected or previously identified or disturbed. Standard 8 was prepared in compliance with the legal requirements as set out in the National Heritage Resources Act (NHRA) and the NEMA of South Africa. This Standard applies if a project / programme:

- Involves excavations, demolition, movement of earth, flooding or other changes in the physical environment
- Is located within a legally protected area or a legally defined buffer zone
- Is located in, or in the vicinity of, a recognized cultural heritage site
- Is designed to support cultural heritage conservation, management and use
- Impacts materially on intangible cultural heritage or if a project intends to use such intangible cultural heritage for commercial purposes
- Impacts on or depends on cultural heritage including manmade, natural capital or institutional capital

### 8.2 Objectives

- To protect cultural heritage from the adverse impacts of project activities and support its preservation
- To address cultural heritage as an integral aspect of sustainable development
- To promote meaningful consultation with stakeholders regarding cultural heritage
- To promote the equitable sharing of benefits from the use of cultural heritage

### 8.3 Client Responsibility to Implement ESSS8

#### Cultural Heritage

The Environmental and Social Assessment, as set out in paragraph ESSS1, requires that the client considers direct, indirect and cumulative project-specific risks and impacts on cultural heritage. The client, in consultation with the DBSA, project affected parties and cultural heritage experts, will:

- Implement globally recognized practices to conduct field-based study, documentation and protection of cultural heritage related to the project.
- If the *Environmental and Social Impact Assessment* (ESIA) identifies potential significant cultural heritage risks and impacts during any project life cycle stage, the client will engage cultural heritage experts to identify, value, assess and protect cultural heritage.
- Where appropriate, develop a *Cultural Heritage Management Plan* to mitigate any risks to cultural heritage.
- Provide an implementation timeline, budget and costing of resource needs to implement each mitigation measure. This information may be provided in a stand-alone document or, depending on the project nature, scale, risks and impacts, incorporated into the ESMP.
- Where appropriate, develop a project-specific procedure to be followed if previously unknown cultural heritage is encountered during project activities. Include a “Chance Find Procedure” in all project construction contracts, including excavations, demolition, earth movement, flooding or other potential changes in the physical environment. The “Chance Find Procedure” will:
  - Set out how chance finds associated with the project will be managed
  - Commit to notify relevant authorities of found objects or sites by cultural heritage experts
  - Fence-off the area of finds or sites to avoid further disturbance
  - Conduct an assessment of found objects or sites by cultural heritage experts
  - Identify and implement actions consistent with the requirements of this Standard and national legislation
  - Train project personnel and project workers on chance find procedures
- Identify stakeholders that are relevant for the cultural heritage that are known to exist or is likely to be encountered during the project life-cycle. Stakeholders will include, as relevant:
  - Project affected parties, including individuals and communities within the country who use or have used the cultural heritage within living memory

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- Other interested parties, including national or local regulatory authorities entrusted with cultural heritage, nongovernmental organizations and cultural heritage experts, including national and international cultural heritage organisations
- Carry out meaningful consultations with stakeholders to identify cultural heritage that may be affected by the potential project
- Consider cultural heritage significance affected by the project
- Determine whether information disclosure regarding cultural heritage would compromise or jeopardize cultural heritage safety or integrity or would endanger information sources. In such cases, sensitive information may be omitted from public disclosure.
- Treat with confidentiality the location, characteristics or traditional use of cultural sites that are considered confidential by the relevant affected stakeholders
- Where the project site contains cultural heritage or prevents access to previously accessible cultural heritage sites, allow continued access to the cultural site, or provide an alternative access route, subject to overriding health, safety and security considerations, based on consultations with site users
- Assess potential risks and impacts
- Explore, avoid and mitigate options
- A person or company that does not comply with the provisions of the National Heritage Resources Act may be liable to a fine or imprisonment.

### **Legally Protected Cultural Heritage Areas**

The Client will, as part of the *Environmental and Social Assessment*, determine the presence of all project affected listed legally protected cultural heritage areas. If the proposed project will be located within a legally protected area or a legally defined buffer zone, the Client will:

- Comply with local, national, regional or international cultural heritage regulations and the applicable protected area management plans
- Consult with protected area sponsors and managers, project-affected parties and other interested parties regarding the proposed project
- Implement additional programs, to promote and enhance the protected areas conservation aims

### **Provisions for Cultural Heritage Types**

Archaeological sites comprise any combination of structural remains, artefacts, human or ecological elements and may be located entirely beneath, partially above, or entirely above the land or water surface. Archaeological material may be found anywhere on the earth's surface, singly or scattered over large areas. Such material includes burial areas, human remains, artefacts and fossils.

Built Heritage refers to single or groups of architectural works found in urban or rural settings providing evidence of a particular civilization, a significant development or a historic event. It includes groups of buildings, structures and open spaces constituting past or contemporary human settlements that are recognized as cohesive and valuable from an architectural, aesthetic, spiritual or socio-cultural perspective.

Natural Features with Cultural Significance include sacred hills, mountains, landscapes, streams, rivers, waterfalls, caves and rocks; sacred trees or plants, groves and forests; carvings or paintings on exposed rock faces or in caves; and paleontological deposits of early human, animal or fossilized remains. This heritage may have significance to local community groups or minority populations.

Movable Cultural Heritage: includes objects such as historic or rare books and manuscripts, paintings, drawings, sculptures, statuettes and carvings; modern or historic religious items; historic costumes, jewellery and textiles; fragments of monuments or historic buildings; archaeological material; and natural history collections such as shells, flora, or minerals. Discoveries and access resulting from a project may increase the vulnerability of cultural objects to theft, trafficking or abuse.

Where there is evidence or high probability of any form of cultural heritage in the project area, the client, in consultation with cultural heritage experts, will:

- Conduct desk-based research and field surveys to document, map and investigate cultural heritage
- Document the location and characteristics of cultural heritage discovered during the project life-cycle and provide relevant documents to the national or subnational cultural heritage authorities
- Determine how cultural heritage discovered during the project life-cycle should be managed and whether it should be documented, excavated and documented, or conserved on site
- Determine, in accordance with national and subnational law, who owns and assumes custodial responsibility for cultural heritage

- Until custody of cultural heritage is transferred, arrange to identify, conserve, label, store securely and enable accessibility for future study and analysis
- Identify appropriate mitigation measures to address cultural heritage impacts, including documentation, conservation or rehabilitation on site, or relocation and conservation or rehabilitation
- Maintain the authenticity of form, construction materials and techniques of cultural heritage structures when they are rehabilitated or restored
- Preserve the physical and visual context of individual or groups of historic structures when planning project infrastructure
- Identify natural features with cultural heritage significance affected by the project
- Where necessary, protect and preserve natural features with cultural heritage significance on site
- Where natural heritage artefacts must be transferred to another location, the client should consult project-affected parties, ensure that traditional cultural heritage practices are respected and that affected parties are able to continue performing cultural heritage practises
- Take measures to guard against theft and illegal trafficking of movable cultural heritage items affected by the project and notify relevant authorities of any such activity
- Identify movable cultural heritage objects that the project may endanger and provide for their protection throughout the project life-cycle
- Inform any relevant authorities responsible for overseeing and protecting movable cultural heritage objects of the project activity schedule and alert them to the potential vulnerability of such items

**Commercial Use of Cultural Heritage**

Where a project intends to use the cultural heritage of affected parties (including individuals and communities) for commercial purposes, the client will:

- Inform affected parties of their rights, and the proposed project scope, nature, potential impacts and consequences
- Not proceed with commercial use of cultural heritage unless meaningful consultation with stakeholders has been carried out
- Provide project affected parties with fair and equitable benefit sharing from commercial use of cultural heritage, and implement appropriate mitigation measures consistent with customs and traditions

**8.4 Documentation Required from the Client**

For high risk and medium risk projects the following documents are required:

- Cultural Heritage Management Plan
- Chance Find Procedure

## STANDARD 9: BIODIVERSITY CONSERVATION AND SUSTAINABLE LIVING NATURAL RESOURCES MANAGEMENT

### 9.1 Introduction

'Biodiversity' is defined in the Convention on Biodiversity (CBD) as the '*variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species*'. Biodiversity occurs in genes, species and ecosystems. Biodiversity supports the functioning of ecosystems that sustain life and provide society with food, medicines, natural resources, ecological services and spiritual and aesthetic benefits.

ESSS9 adopts a precautionary approach to conserve, manage and use biodiversity in a sustainable manner in line with the Rio Declaration and the CBD<sup>3</sup>.

### 9.2 Objectives

- To protect and conserve biodiversity, and maintain the benefits derived from ecosystem services
- To promote the sustainable management of living natural resources by adopting practices that integrate conservation needs and development priorities
- To avoid, minimise and mitigate impacts on biodiversity and offset significant residual impacts, where appropriate, with the aim of achieving no net loss or a net gain of biodiversity
- To ensure that Indigenous Peoples and local communities participate appropriately in decision-making
- To foster the development of pro-biodiversity business that offers alternative livelihoods in place of unsustainable exploitation of the natural environment
- To comply with international good practice, environmental law (e.g. the United Nations Convention on Biodiversity, and international shared waters resource law), and related agreements (e.g. the Wetland Convention (RAMSAR))

### 9.3 Client Responsibility to Implement ESSS9

#### Environmental and Social Assessment

As part of the Environmental and Social Assessment, the client will:

- Identify and assess opportunities to restore and conserve natural resources especially ecosystem services.
- Ensure investments are meaningful relative to the project impacts, dependencies and regional socio-ecosystem context.
- Develop and implement a Biodiversity (or Ecosystem) Management Plan (BMP) to address opportunities for positive impacts and significant biodiversity dependencies, risks and adverse impacts. The BMP may be a stand-alone document or included in the ESMP, depending on the nature and scale of project risks and impacts.
- Ensure the BMP addresses major threats to biodiversity and ecosystem services, such as pollution and contamination, land conversion, habitat fragmentation, natural habitat loss, deforestation, over-exploitation, hydrological changes, nutrient loading, climate change impacts, invasive alien species, migration barriers, the capturing of wild animals, the harvesting of endemic species and indigenous ornamental flora and fauna and wildlife poaching.
- Apply good international industry practice (GIIP) such as the Convention on Biological Diversity and related guidelines, to conserve biological diversity and promote sustainable natural resource management and increase landscapes resilience to climate change.
- Apply mitigation measures to protect and conserve habitats and biodiversity.
- If it is not possible to avoid adverse impacts, reduce and minimise impacts.

<sup>3</sup> CBD –Signed by 150 governments at the 1992 Rio Earth Summit, the Convention on Biological Diversity promotes biological diversity and sustainable development.

- Maintain or restore project habitats especially those which pose significant habitat loss, degradation or fragmentation to biodiversity.
- Utilise competent biodiversity expertise to conduct the environmental and social assessment, value ecosystem services and verify the effectiveness and feasibility of proposed mitigation measures and positive value adds. Provide an action plan and budget to implement any proposed mitigants and value add plans.

**Habitat and Biodiversity Conservation**

The client will:

- Apply adaptive management practices to implement mitigation management measures and monitor project results
- Identify biodiversity areas of conservation value within the project’s area of influence, and promote conservation activities in such areas
- Not implement any project related activities which have the potential to adversely affect natural habitats, unless there are no technically and financially feasible alternatives
- Put appropriate mitigation measures in place to achieve “no net loss” and, where feasible, a “net gain” of biodiversity over the long term

**Critical Habitat**

In areas of critical habitat (areas with high biodiversity value), the client will not implement any project activities unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical
- The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designed, and on ecological processes supporting those biodiversity values
- The project does not lead to a net reduction in the global and/or national/regional population of Critically Endangered or Endangered species over a reasonable period of time
- A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client’s management program

**Legally Protected and Internationally Recognized Areas of High Biodiversity Value**

This refers to areas with regional / international high biodiversity value or designated status such as World Heritage Natural Sites, Biosphere Reserves, Ramsar sites, Wetlands of International Importance, Key Biodiversity Areas, Important Bird Areas, and Alliance for Zero Extinction Sites. Where projects occur within a legally protected area or have the potential to adversely affect an area designated for protection, the client will adhere to all the critical habitat requirements mentioned above and will in addition:

- Undertake all project related activities in a manner consistent with the area’s legal protection status and management objectives
- Demonstrate that the proposed development in such areas is legally permitted
- Implement the project in a manner consistent with government recognized management plans
- Consult and involve protected area sponsors and managers, all project-affected and other interested parties in project planning, design, implementation, monitoring, and evaluation
- Implement additional programs to promote and enhance conservation aims and effective management

**Invasive Alien Species**

The client will:

- Not intentionally introduce any new alien species unless this is carried out in accordance with the existing regulatory framework for such introduction
- Not deliberately introduce any alien species with a high risk of invasive behaviour regardless of whether the regulatory framework permits such introductions
- Implement measures to avoid the potential for accidental or unintended introductions including the transportation of substrates and vectors (such as soil, ballast, and plant materials) that may harbour alien species
- Where feasible, take measures to eradicate alien species from the natural habitats over which the client has management control

**Sustainable Management of Living Natural Resources**

The client will:

- Assess project impacts affecting living natural resources potential for primary production and sustainable harvesting on local, or ecologically linked habitats, biodiversity and communities, including Indigenous Peoples



- Apply good management practices and available technologies to manage living natural resource based projects
- Manage living natural resources harvesting projects, production forestry in natural forests and aquatic systems in a sustainable manner
- Ensure that projects involving industrial-scale commercial forest harvesting or primary production:
  - Apply relevant global, regional, or national standards<sup>4</sup>, GIIP, and relevant legislation
  - Are located on converted or highly degraded land and do not convert or degrade any critical habitat
  - Prevent and mitigate any potential threats to natural habitats and offset the high potential of introducing invasive alien species and threaten biodiversity
  - Are certified under an independent national forest certification system compatible with internationally accepted sustainable forest management principles and criteria
  - Undergo an independent, third-party forest management performance assessment
  - Adhere to a time-bound phased action plan acceptable to the DBSA to achieve appropriate certification
- For projects involving small-scale producers including small scale forestry or agriculture:
  - Operate project in sustainable manner
  - Apply relevant mitigation measures to address any potential cumulative projects risks and impacts arising from many small producers operating in the same geographical area
  - Manage forests sustainably with project-affected parties (including Indigenous Peoples) participation
  - Apply sustainable forest management standards, principles and criteria
  - Implement a time-bound action plan to achieve these standards
- For projects involving industrial-scale harvesting of fish populations, marine and freshwater organisms demonstrate that activities are undertaken in a sustainable manner, using consistent sustainable harvesting principles and criteria
- For projects involving salvage logging limit cleared areas to the minimum as justified by the project, and follow national legislation
- For large-scale commercial farming projects involving animal farming and related activities:
  - Apply globally recognised animal rights principles and practices in animal husbandry techniques
  - Consider religious and cultural principles
- Develop a monitoring plan and all operations with participation from project-affected parties as acceptable to the DBSA

**Supply Chain**

Where the project uses external suppliers of living resources over which the client does not have management control and these resources are central to the project’s core functions, the client will adopt and implement a sustainable resources procurement policy, procedures and action plan to ensure that:

- Only resources of a legal and sustainable origin are purchased
- The origin of the resources is monitored
- The resources do not originate from protected areas or from areas recognised as having high ecological value, and that the biodiversity and the functions of the affected ecosystem are maintained in accordance with internationally and nationally approved principles

Clients should give preference to purchasing resources certified to internationally accepted principles of sustainable management, where applicable.

**Genetically modified Organisms**

In accordance with the DBSA’s procedures, the DBSA may in exceptional cases finance projects involving genetically modified organisms except where countries state otherwise. In financing such projects, the DBSA requires that Clients apply the precautionary principle and adopt adequate risk assessments guided by the Cartagena Protocol on Biosafety. Thus, no GMOs should be used/released to the environment without approval being given by the competent authorities.

**9.4 Documentation Required from the Client**

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• <sup>4</sup> The client and the DBSA to agree on the relevant standards to be applied. Where the country does not have relevant living natural resources standards, the client will apply GIIP.

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- **Biodiversity Impact Assessment and Management Plan** as part of SESA / ESIA / ESMS / ESMP (ESSS1). Refer to TOR for Screening Biodiversity, Annexure 9:1; TOR for a Natural Habitat/Ecosystem Management Approach, Annexure 9:2; TOR for an Ecosystem Management Plan, Annexure 9:3; and TOR for a Forest Management Plan, Annexures 9.4
- **Disaster Risk Avoidance and Management Plan** as part of an SESA/ESIA /ESMS/ESMP (ESSS1)
- **Climate Vulnerability and Adaptation Assessment and Management Plan** as part of an SESA/ESIA /ESMS/ESMP (ESSS1)
- **Hydropower Protocol and associated documents such as Strategic Environmental Assessment** (ESSS11) for high impact hydro projects

## STANDARD 10: RESOURCE EFFICIENCY, POLLUTION PREVENTION AND MANAGEMENT

### 10.1 Introduction

This Standard draws on and aligns DBSA operations to international pollution, hazardous materials and waste, pest/vector control conventions and standards. It outlines DBSA client requirements to address resource equity, efficiency and pollution prevention over the life of a programme/project. The project ESIA and/or ESMP establishes the applicability of this Standard.

### 10.2 Objectives

- To promote the sustainable and efficient use of energy, water, other raw natural materials and resources
- To promote adoption and dissemination of cleaner technologies and practices
- To promote an integrated approach to pollution and pest management that reduces chemical product dependency
- To promote effective and efficient waste management practices

### 10.3 Pollution and Resource Management

#### General Principles

The client is responsible for:

- Implementing and adopting measures which minimise harm, add environmental value, and consistent with all applicable DBSA Standards
- Applying technically and financially feasible resource efficiency and pollution prevention measures to mitigate project risks and impacts
- Utilise Natural Capital Valuation and/or Accounts and full cost accounting for high risk and some medium risk projects
- Implementing financially feasible and cost effective measures to improve project resource consumption (such as energy, water, raw materials) efficiency
- Applying cleaner production principles and processes to product design. Where applicable, use benchmarking data to establish the relative efficiency level

#### Protecting Water Quality

The Client to apply relevant country legislation for protecting water quality. In South Africa the National Water Act, 1998 (Act No. 36 of 1998) provides for water resources protection, and pollution prevention. ESS10 addresses pollution prevention, water resource pollution as a result of land based activities, and impacts on protecting water quality.

If a project is likely to use significant amounts of water / impact significantly on water quality or quantity, the client will:

- Ensure the SESA, ESIA and ESMP addresses cumulative environmental and community impacts
- Limit the project's adverse water use impacts on people and the environment by putting in place measures to avoid or minimize water usage, particularly where the project may impact adversely on communities or the environment
- Undertake an ESIA including a full cost accounting in a cost benefit analysis
- Demonstrate that key authorities / organisations accept the selected project concept and the allocation of scarce water to competing water users
- Identify and implement opportunities to improve water use efficiency
- Include drought stress testing and or scenario building in final project feasibility plans
- Develop, maintain, monitor and report periodically on the detailed water balance
- Undertake integrated water and land resource management assessments for high risk water infrastructure projects
- Ensure a net positive outcome for the impacted catchment and its users

#### Preventing Pollution

In South Africa the National Environmental Management: Waste Act (Act 59 of 2008) addresses the protection of human health and environmental pollution. Other acts pertaining to pollution management include the National Environmental Management: Air Quality Act (Act 39 of 2004) and the National Water Act (Act 36 of 1998). To address pollution impacts, the Client will:

- Ensure the ESIA / ESMP and ESMS addresses the impacts of potential pollutant discharges to the environment, and considers potential receptors
- Apply pollution prevention and management measures compliant with applicable national legislation, standards, international conventions, and DBSA Standards whichever is more stringent

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- Include pollution-prevention principles in the programme/project policy, in accordance with cleaner production principles, and environmental value add
- Throughout the programme / project's lifecycle phases, assess, implement, and evaluate resource pollution-prevention techniques and relevant mitigation measures, taking into consideration technical and financial feasibility and cost-effectiveness

To address air pollution including Greenhouse gas emissions, the client will:

- Ensure the project ESIA / ESMP and ESMS estimate all project related air pollution sources. This includes pollutants associated with burning fossil fuels, including GHG emissions
- Report on emissions using a suitable methodology compliant with the United Nations Convention on Climate Change and aligned to International industrial Good Practice guidelines. The Intergovernmental Panel on Climate Change, international organizations, such as the Asian Development Bank (ADB) or IFC and or relevant host country agencies provide estimation methodologies. ESSS1 for DBSA emissions screening and categorisation tool
- Provide DBSA with project gross and net GHG emissions estimates and any emission savings (due to alternative site, technological use or other intervention) and the cost of this intervention
- Provide a project Development Results Framework to the DBSA for use in its Project and GHG Tracking Tools to inform DBSA public reporting
- Report on GHG emissions

### **Waste Management**

In South Africa the National Environmental Management: Waste Act (Act 59 of 2008) has been adopted, for the protection of human health and the environment, by providing reasonable measures for the prevention of pollution and ecological degradation, to ensure ecologically sustainable development. To manage waste effectively, the client will:

- Avoid or, where this is not possible, reduce and manage hazardous and non-hazardous waste generation at source
- Comply with national legislation and applicable international conventions
- If waste cannot be recovered or reduced, adopt treatment measures and environmentally sound disposal practices
- At the SESA, ESIA, ESMP and ESMS stages of a programme/project, and in accordance with relevant legislation and applicable international treaties and best practices, identify the potential hazardous waste to be generated during the project's lifecycle to determine cost-effective alternatives to manage waste in an environmentally sound manner
- Utilise licensed disposal sites operated to acceptable standards
- Where licenced sites are not being operated to acceptable standards, minimize waste sent to such sites and consider alternative disposal options including developing own recovery or disposal facilities at the project site or elsewhere
- Prepare a management lifecycle assessment plan (transport, handling, storage, recycling and disposal), incorporating preventive and contingency measures, in consultation with potentially affected workers and communities, to address impact of production, use or generation of hazardous materials or waste
- Prepare a recycling and reutilization plan which outlines the potential to recycle waste and reuse material
- Ensure that any third party contracted to manage and dispose of project related hazardous waste provides chain-of-custody documentation and complies with relevant legislation and Basel Convention rules

### **Hazardous Materials Management**

In South Africa, the Occupational Health and Safety Act (OHSA), 1993 (Act No. 85 of 1993) regulates workers workplace health and safety. The Act places the onus on employers to maintain a safe workplace. The supporting regulations provide for mandatory safety measures to protect workers health when handling hazardous chemicals, such as risk assessment, safety training, safe practices, medical support, and workplace biological and environmental monitoring.

To manage hazardous materials, the client will:

- Determine the potential hazardous materials to be used or generated throughout the project lifecycle
- Consider alternatives that use or generate less hazardous materials
- Not manufacture, trade, donate or use any chemicals or hazardous materials that are banned or subject to phase-out by international treaties, such as ozone depleting substances, persistent organic pollutants or highly toxic materials

### **Integrated Pest and Vector Management**

Pesticides can impact on biodiversity and each country has legislation in place to protect biodiversity. In South Africa, the National Environmental Management: Biodiversity Act (NEMBA) 2004, (Act No. 10 of 2004) outlines processes to manage and conserve South Africa's biodiversity, protect species and ecosystems that warrant protection and use indigenous biological resources sustainably.

Efforts to maintain and enhance a nation's food supply safety are critical. In South Africa, the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act 36 of 1947 and supporting Regulations regulate pesticides use provides for maximum limits for pesticide residues that may be present in foodstuffs, thereby ensuring that food is safe to eat.

When projects need to target economically significant pest infestations and disease vectors of public health significance, the client will:

- Undertake the relevant ESIA and Integrated Pest Management Plan (Refer to Annexure 10.1)
- Implement and monitor these through the full project lifecycle
- Identify pest-control methods, including cultural practices, biological control, genetic control and, as a last resort, chemical control in plants
- Procure pesticides by firstly assessing the nature and degree of associated risks, proposed use and impact on intended users
- Apply national and international policy, regulations and GIIP, while complying with this Standard
- Not use any pesticide products that contain active ingredients restricted under applicable international conventions, protocols or listed in related annexures, unless for purpose defined as acceptable by such conventions, their protocols or annexes, or if an exemption has been obtained by the client under such conventions.
- Not use any formulated pesticide products that meet international carcinogenicity, mutagenicity, or reproductive toxicity
- Not use pesticide formulations if:
  - The country has no procedures to manage and restrict distribution and use
  - The products are likely to be used by or accessible to lay personnel without training equipment
  - No facilities are in place to safely handle, store and apply the products

The client to use the following criteria to select and use pesticides in DBSA-financed projects:

- Pesticides to have negligible adverse human health effects
- Pesticide must be shown to be effective against the target species
- Pesticide must have minimal effect on non-target species and the natural environment
- The methods, timing, and frequency to apply pesticides are to be aimed at minimising damage to natural enemies
- Demonstrate that pesticides used in public health programs are safe for inhabitants, domestic animals and for personnel applying them
- Pesticide use must take into account the need to prevent the development of resistance in pests
- Where registration is required, to ensure all project related pesticides are registered or authorised for intended use
- Not use, manufacture or trade in any chemical – including ozone-depleting substances and persistent organic pollutants – for which manufacture, trade or use is banned by an international treaty
- Not purchase, store, use, manufacture, or trade in products that fall in World Health Organisation (WHO) Recommended Classification of Pesticides by Hazard Class 1a (extremely hazardous); or 1b (highly hazardous)
- Not purchase, store, use, manufacture or trade in Class II (moderately hazardous) pesticides, unless the project has appropriate controls to manufacture, procure, or distribute and/or use these chemicals. These chemicals should not be accessible to personnel without proper training, equipment, and facilities to handle, store, apply, and dispose of these products properly. (The DBSA refers to the WHO's Recommended *Classification of Pesticides by Hazard and Guidelines to Classification* (Geneva: WHO 1994-95) to classify pesticides and their formulations).

#### 10.4 Documentation Required from the Client

- SESA/ ESIA /ESMP/ESMS (ESS1) will identify risks, opportunities and dependencies
- Integrated Pest Management Plan: (Refer to Annexure10.1)
- Disaster Avoidance and Risk Management Plan:
- Health and Safety Risk Assessment ESS6

## STANDARD 11: SAFETY OF DAMS

### 11.1 Introduction

This Safeguard addresses Dam Safety measures applicable to projects involving new and existing small, medium and large size dams. The safeguard draws on relevant global standards and the DBSA report “Guide to Best Practice in the Operation, Maintenance and Safety of Dams” previously prepared for the South African Department of Water Affairs.

### 11.2 Objectives

The dam owner is responsible, throughout the life of a dam, for ensuring that appropriate dam safety measures are taken and sufficient resources provided, irrespective of its funding source or construction status. Because there are serious consequences if a dam does not function properly or fails, the DBSA is concerned about the safety of new dams it finances and existing dams on which a DBSA-financed project is directly dependent. This includes hydroelectric schemes that rely on a storage dam.

### 11.3 Dam Types

The DBSA categorises Small and Large Dams as follows:

- Small dam category: all dams that are generally less than 15 meters in height such as farm ponds, local silt retention dams, and low embankment tanks.
- Large dam category: dams 15 meters or more in height. Dams that are between 10 and 15 meters in height are treated as large dams if they present special design complexities (such as an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, retention of toxic materials or with the potential for significant downstream impacts). Dams under 10 meters in height are treated as large dams if they are expected to be raised during the facility operations period.

### 11.4 Dam Safety Requirements

#### New Dam Safety Measures

When the DBSA finances a project that includes new dam construction, it requires the client to apply the following Dam Safety Measures:

- Ensure dam design and construction is supervised by experienced and competent professionals
- Adopt and implement comprehensive dam safety measures (this should include a construction supervision and quality assurance plan, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan) throughout project cycle including for design, bidding, tender, construction, operation and maintenance
- Ensure appropriately qualified engineers design and utilise dam safety measures
- For large dams, (including water storage dams, associated works such as power facilities, river diversion during construction, ship lifts, and fish ladders) to:
  - Appoint an independent panel of expertise with relevant dam safety expertise to prepare and implement detailed plans and advise on project formulation, technical design, and construction procedures throughout the investigation, design, construction, and initial filling and dam start-up phases.
  - The client will contract the panel, provide any required administrative support, arrange panel meetings, and inform the DBSA of panel meetings. The DBSA to send an observer to these meetings. After each meeting, the panel to provide the client a written report of its conclusions and recommendations, signed by each participating member; the client to provide a copy of that report to the DBSA.
  - Following the reservoir filling and dam start-up, the DBSA to review the panel's findings and recommendations. If no significant difficulties are encountered in the filling and dam start-up, the client may disband the panel.
- Prequalify bidders during procurement and bid tendering
- Conduct regular dam safety inspections after completion

#### Existing Dams and Dams under Construction

The DBSA may finance projects that do not include a new dam but will rely on the performance of an existing dam or a dam under construction (DUC). This includes projects that require increases in an existing dam's capacity, or changes in

the impounded materials characteristics, where the existing dam failure could cause DBSA-funded facilities extensive damage or failure, power stations or water supply systems that draw directly from a reservoir controlled by an existing dam or a DUC, diversion dams or hydraulic structures downstream from an existing dam or a DUC, where the upstream dam failure could cause extensive damage to or failure of the new DBSA-funded structure, and irrigation or water supply projects that will depend on the storage and operation of an existing dam or a DUC for their supply of water and could not function if the dam failed.

For all such projects, the DBSA will ensure that the client complies with Dam Safety Measures. The client will appoint relevant independent dam specialists to inspect and evaluate the existing dam or DUC safety status, its equipment and, and its performance history; review and evaluate the owner's operation and maintenance procedures; and provide a written report of findings and recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam or DUC to an acceptable standard of safety.

The DBSA may accept previous dam safety assessments or recommendations of improvements needed in the existing dam or DUC if the client provides evidence that an effective dam safety program is in operation, and that full inspections and existing dam or DUC safety assessment have been conducted and documented to the DBSA satisfaction.

Necessary additional dam safety measures or remedial work may be financed under the proposed project. When substantial remedial work is needed, the DBSA requires that the work be designed and supervised by competent professionals, and that the client prepares and implements reports and plans for a new DBSA-financed dam.

For high-hazard projects involving significant and complex remedial work, the DBSA requires that the client appoint a panel of experts on the same basis as for a new DBSA-financed dam.

When the existing dam or DUC owner is an entity other than the Client, the Client enters into agreements or arrangements providing for the owner to undertake any necessary measures to comply with ESS11.

#### **Dam Safety Measures**

The client will:

- Provide the DBSA prior to project appraisal a Construction Supervision and Quality Assurance Plan to address organization, staffing, procedures, equipment, and qualifications to supervise the new dam construction or remedial work on an existing dam.
- For a dam other than a water storage dam, plan to take into account the supervision requirements at each construction phase and any accompanying changes in construction materials or the impounded materials characteristics.
- Task team to use the plan to assess the need to fund components under the loan to ensure that dam-safety-related design elements are implemented during construction.
- Provide the panel and the DBSA, an Instrumentation Plan to install instruments to monitor and record dam behaviour and the related hydro-meteorological, structural, and seismic factors during project design stage, before bid tendering.

#### **Emergency Preparedness Plan**

- The client to produce an Emergency Preparedness Plan specifying the roles of responsible parties when dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels.

#### **Operation and Maintenance (O&M) Plan:**

The client to:

- Provide detailed O&M plan covering organizational structure, staffing, technical expertise, and training required
- Detail equipment and facilities needed to operate and maintain the dam
- Provide O&M procedures and arrangements for funding O&M, including long-term maintenance and safety inspections
- Ensure O&M plan is updated to reflect any changes in the dam's structure or in the nature of the impounded material
- Provide DBSA with preliminary plan for use at appraisal
- Refine plan during project implementation
- Provide final plan not less than six months prior to the initial reservoir filling
- Ensure project budget incorporates financing of O&M procedures
- Provide the DBSA with the broad framework plan, together with a costing of finalising the plan before appraisal
- Finalise the plan during project implementation
- Provide plan to the Panel and DBSA for review no later than one year before the projected initial reservoir filling date
- Ensure plan outlines who is responsible for dam operations decision making and emergency communications

- Ensure plan maps and outlines procedures for emergencies including inundation levels, flood warning systems and provides procedures for evacuating threatened areas and mobilizing emergency forces and equipment

**Project Preparation**

- When the DBSA begins processing a project that includes a dam, the due diligence team to include individuals who have experience in dam engineering and in preparing related projects for financing. The DBSA may contract in-house or external service providers to provide relevant professional services.
- DBSA projects involving dams are processed according to DBSA financing procedures.
- As soon as a project involving a dam is identified, the DBSA project preparation team will inform the client of the DBSA's policy on dam safety preparation. The project preparation team ensures that the client terms of reference (TOR) for technical services to investigate the site and design the dam, supervise new or remedial construction, advise on initial reservoir filling and start-up operations, and perform inspections and safety assessments professionals to be appointed meet DBSA ESSS11 standards.
- If an independent panel of experts (the panel) is required, the project preparation team advises client staff to prepare the project TOR. The project preparation team reviews and clears the TOR and the panel members proposed by the client. Once the panel is in place, project preparation team staff will attend panel meetings as observers.
- The project preparation team reviews all dam safety reports prepared by the client, the panel, the independent specialists who assess an existing dam or a dam under construction, and the professionals hired by the client to design, construct, fill, and start up the dam.
- The project preparation team monitors how the client prepares construction supervision quality assurance, instrumentation, operation and maintenance, and emergency preparedness plans.

**Appraisal**

The DBSA appraisal team to review all relevant dam project proposal, technical aspects, inspection reports, panel reports, and all other client action plans relating to dam safety information, including cost estimates, construction schedules, procurement procedures, technical assistance arrangements, environmental assessments, and construction supervision and quality assurance, instrumentation, operation and maintenance, and emergency preparedness. If a panel has been required, the team verifies that the client has taken the panel's recommendations into consideration and, if necessary, assists the Client identify sources for dam safety training or technical assistance.

For small dams, generic dam safety measures designed by qualified engineers are adequate. The task team will agree on appropriate safety measures with the client:

- Ensure that qualified engineers are involved
- Confirm that the project environmental assessment has determined that the potential structure failure would pose no or negligible risk of significant adverse impacts to local communities and assets, including assets financed as part of the proposed project
- Address any potential adverse impacts through the DBSA ESSS and mitigation measures included in the Environmental Management Plan or ESMF, as applicable

The appraisal team and the assigned DBSA lawyer ensure that the legal agreements between the DBSA and the Client require the Client to:

- Convene panel meetings during project implementation and retain the panel through the start-up of a new dam, if a panel has been required
- Implement required plans and comply with required standards
- After filling and start-up of a new dam, require independent qualified professionals (such as Lenders Technical Advisors) who have not been responsible for the investigation, design, construction, or the dam operations to undertake periodic dam safety inspections.

**Implementation**

- During implementation, the appraisal team together with relevant technical staff and consultants as appropriate, monitors client's performance relating to the dam safety provisions in the Loan Agreement. If dam safety performance is unsatisfactory, the appraisal team promptly informs the client to remedy any deficiencies.
- During the latter stages of project implementation, the appraisal team discusses post-project operational procedures with the client, ensuring that written instructions for flood operations and emergency preparedness are retained at the dam at all times. The appraisal team points out that the advent of new technology or new information (e.g., from floods, seismic events, or discovery of new regional or local geologic features) may in the future require the client to modify the technical criteria for evaluating dam safety; the appraisal team urges the client to make modifications and then apply the revised criteria to the project dam and, as necessary, to other dams under the client's jurisdiction.



- DBSA appraisal teams may carry out supervision to ensure that completed dams are inspected and maintained satisfactorily, beyond the project closing date, either during work on follow-up projects or during specially scheduled supervision missions.

## **11.5 Documentation Required from the Client**

SESA/ESIA/ESMP/ESMS (Refer to ESS1-10)

Dam Safety Plan

## REFERENCES

- African Development Bank. *African Development Fund: Involuntary Resettlement Policy*, African Development Bank, November 2003
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## ANNEXURES FOR STANDARD 1: PROJECT SCREENING: ENVIRONMENTAL AND SOCIAL RISKS, IMPACTS AND OPPORTUNITIES

### ANNEXURE 1.1: ENVIRONMENTAL AND SOCIAL SCOPING REPORT

Environmental and social assessment includes assessing the project’s area of influence, the project components, and cumulative impacts and considers any project alternatives. Project scoping considers the size, processes, site design, construction and expansion sequencing and any new infrastructure built, wastewater collection, treatment and disposal, waste management, raw materials used, releases to the environment, and any pollution control and minimisation plans.

Alternatives analysis should consider input/outputs, cost benefit analysis, capital and recurrent costs for each alternative. The Client should utilise appropriate tools at the appropriate project phase to select alternative project designs e.g. a Strategic Environmental and Social Assessment is valuable at the conceptual planning project stage to screen alternatives whilst an Environmental and Social Impact Assessment may be more appropriate at the detailed planning and design stage. The process is reiterative.

Potential impacts include physical, biological, socioeconomic and cultural, and trans boundary and global impacts, including greenhouse gas emissions and vulnerability to climate change effects. It discusses potential adaptation and mitigation measures.

The **Environmental and Social Scoping** report shall include the following typical Table of Contents

- Executive summary
- Environmental and Social Assessment Practitioner(s) details
- Proposed activity description
- Describe alternatives identified
- Describe the property on which the project will be undertaken
- Identify all legislation and guidelines considered to prepare the scoping report
- Describe the need for the project
- Describe the environment (physical and social) that may be affected by the project
- An ESIA plan
- Describe environmental risks, potential and cumulative impacts
- Describe project Social and Gender risks, including potential and cumulative impacts
- Detail public participation process and steps to notify interested and affected parties, and list issues raised
- An Environmental and Social Management Plan

### ANNEXURE 1.2 ENVIRONMENTAL AND SOCIAL FRAMEWORK

The ES Framework enables the client to incorporate all project related environmental and social concerns into the overall project planning, implementation and monitoring cycle and to identify how to avoid, mitigate or compensate for adverse environmental and social impacts.. The Client’s ES Framework will address project specificities including project type, scale, location, potential environmental and social risks and impacts, role and authority of relevant institutions, applicable policies and legislation, safeguards triggered and any procedures relevant to addressing project environmental and social risks and impacts.

When the Client proposes that DBSA support a project, the DBSA and Client will jointly consider whether to use all, or part, of the Client’s ES Framework to assess, develop and implement the project, and address any project environmental and social risks and impacts. If the DBSA identifies any gaps in the Client’s ES Framework, the Client will work with the DBSA to close these gaps. The DBSA will inform the Client which measures and actions it must implement at what stage of the investment cycle and within what timeframes to address any identified constraint. The Client will incorporate these agreed commitments in the ES Framework.

The Client will take all actions and ensure sufficient institutional capacity is in place to implement the ES Framework in accordance with identified measures and actions throughout the project life-cycle, The Client will notify and discuss with the DBSA any significant changes in the Client’s ES Framework that may affect the project. If, in the DBSA’s opinion, changes improve the Client’s ES Framework, the Client will apply such changes to the project.

If the Client’s ES Framework is changed in a manner inconsistent with the ESS’s, the Client will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESS’s, and propose changes, for DBSA approval.

## ANNEXURE 1.3: ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

The Environmental and Social Impact Assessment (ESIA) provides a framework to assess project life-cycle environmental and social risks and impacts, support project structuring to ensure project outcomes are environmentally and socially sound and sustainable, and inform decision making. The ESIA describes the measures to identify, avoid, minimize, reduce or mitigate project environmental and social impacts and risks.

The ESIA will utilise available project information and appropriate environmental and social baseline data to identify evaluate the project's potential environmental and social risks, impacts and propose mitigation measures. The assessment will examine project alternatives; identify ways to improve project selection, siting, planning, design and seek opportunities to enhance positive project impacts. The ESIA will into account all relevant project considerations, including applicable environment and social policy frameworks, national laws and regulations, institutional capabilities, country conditions and project context, country environmental or social studies, national environmental or social action plans, and country obligations directly applicable to the project.

The Client will conduct the ESIA in accordance with ESS1, and in consultation with the DBSA and with key and affected interested parties taking into account project activities, and any potential environmental and social risks raised between the DBSA and Client. Clients should initiate the environmental and social assessment as early as possible in project processing. Clients will consult with the DBSA to design the environmental and social assessment in line with the ESSs requirements.

The environmental and social assessment is closely integrated with the projects economic, financial, institutional, social, and technical analyses so that environmental and social risks are considered in project selection, siting, and design decisions. The Client will take measures to ensure that any conflict of interest is avoided when individuals or entities are engaged to carry out environmental and social assessments. The environmental and social assessment will not be carried out by the consultants who prepare the engineering design, unless the Client can demonstrate that no conflict of interest exists and such consultants include qualified environmental and social specialists.

When the Client has completed the environmental and social assessment prior to the DBSA's involvement in a project, the DBSA will review the environmental and social assessment to ensure that it meets the ESSs's requirements.

If the client has limited capacity and / or the project is a *High and Substantial Risk* project, it will retain qualified and experienced independent specialists to produce an accurate, and objective environmental and social assessment.

### Indicative ESIA Outline

#### Executive summary

Outlines significant findings and recommended actions.

#### Project description

- Description of the proposed project
- Outline of the project geographic area and its, environmental, social, and temporal context, outlining any relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences
- Any current and proposed development activities within the project area not directly connected to the project
- Any offsite investments that may be required to implement the project, and the project's primary suppliers
- A map - detailing the project site and geographically indicate the project's direct, indirect, and cumulative impacts
- Timeframes to identify, plan and implement the project

#### Stakeholder engagement

- Description of the stakeholder engagement plan
- Project related socio-economic and gender considerations
- Identify mitigation measures to ensure disadvantaged or vulnerable groups do not unduly face adverse project impacts
- Identify and assesses: positive and negative effects; the adequacy and outcome of public consultation; mitigation measures and residual negative impacts

#### Legal and Institutional Framework

- The Legal and institutional framework including the country's applicable policy framework, national laws and regulations, country conditions and project context; country environmental or social studies and action plans
- Relevant international treaties and agreements and country obligations directly applicable to the project
- Clients institutional capability to implement environment and social considerations
- Identify and assess environmental and social obligations of any co-financiers

#### Baseline Data

- Outline baseline data relevant to project location, design, operation, or mitigation decisions
- Identify accuracy, reliability, and quality of available data, and extent of key data gaps

**Environmental and Social Risks, Impacts and Mitigation Measures**

- Outline all relevant project environmental and social risks and impacts, including project nature, location, context and environmental risks and impacts identified in ESS1
- Outline applicable ESS's requirements (ESS 1 through 11) as relevant to the project, compare against the Client's environmental and social framework and identify any gaps to be addressed
- Identify project environmental and social mitigation measures, assess the feasibility of implementing these, identify significant residual negative impacts that cannot be mitigated, and assess their acceptability
- Outline institutional arrangements, training, and monitoring actions to implement proposed mitigation measures
- Outline capital and recurrent costs of proposed mitigation measures

**Alternatives Analysis**

- Compare the potential environmental and social impacts of feasible project alternatives to the proposed project site, technology, design, and operation-including the "without project" situation
- Assesses feasibility of alternatives proposed, the environmental and social impacts; mitigations required and capital and recurrent costs for implementing these, their suitability; and any institutional and monitoring requirements
- For each alternative, quantify the environmental and social impacts, and attach economic values where feasible

**Design**

- Set out the basis for selecting the proposed project design
- If the ESHGs are determined to be inapplicable, justifies recommended emission levels and pollution prevention and abatement approaches that are consistent with GIIP

**Key Measures and Actions for the Environmental and Social Management Plan (ESMP)**

- Outline the key project measures, actions and timeframe to meet the ESS's and to develop the ESMP

**Monitoring and Supervision Plan**

**Conclusion and Recommendations**

**Appendices**

- List individuals or organisations that prepared or contributed to the environmental and social assessment
- References
- Record of meetings, consultations and surveys with affected stakeholders and interested parties
- Tables presenting relevant data

**Indicative Environmental and Social Audit Outline**

The audit identifies significant project environmental and social risks, assess their current status, and identifies whether they meet ESSs requirements.

**Executive Summary**

Outlines significant findings and set out recommended measures and actions and timeframes.

**Legal and Institutional Framework**

Analyses the project legal and institutional framework, and (where relevant) any other financiers applicable environmental and social requirements.

**Project Description**

Describes the project, and the geographic, environmental, social, and temporal context and any Associated Facilities.

Identifies any plans developed to address environmental and social risks and impacts (e.g. land acquisition or resettlement plan, cultural heritage plan, biodiversity plan).

Includes a map of sufficient detail, showing the project site and related activity location.

**Project related Environmental and Social Risks and Impacts**

Outlines all relevant project environmental and social risks and impacts.

Assess the proposed project potential impacts (taking into account the audit findings); and the proposed project ability to meet the ESS's requirements.

**Proposed Environmental and Social Measures**

Propose measures to incorporate in the Project ESMP to address any identified audit findings including:

- Actions required to meet the ESSs's requirements
- Corrective measures and actions to mitigate potentially significant environmental and/or social risks and impacts
- Measures to avoid or mitigate any potential adverse environmental and social risks or impacts

#### **ANNEXURE 1.4: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)<sup>5</sup>**

The Environmental and Social Management Plan (ESMP) consolidates the measures and actions that the Client must fulfil to address potential project environmental and social risks and impacts in accordance with the mitigation hierarchy and ensures that the project complies with the ESSs's in a manner satisfactory to the DBSA. The ESMP forms part of the legal agreement and outlines the Environmental and Social Contract Agreement between the DBSA and the Client.

The ESMP details any project measures, actions and implementation timeframes required to comply with the ESSs and to enable the DBSA to support the project. The DBSA will assist the client identify appropriate methods and tools to assess and manage the potential project environmental and social risks and impacts, and develop the ESMP. The Client will disclose the draft ESMP as early as possible, and before project appraisal. The ESMP will take into account the environmental and social assessment findings, the DBSA's environmental and social due diligence, and stakeholder engagement outcomes. It will provide an accurate summary of project environmental and social risks and impacts, outline material performance improvement measures, actions and timeframes necessary to avoid, minimize, reduce or mitigate identified risks and address any gaps in meeting relevant ESS standards. The client will implement, monitor and report on progress in achieving the identified ESMP measures and actions.

The ESMP will describe the operational policies and manuals, management systems, procedures, practices and capital investments the client will use to develop and implement the agreed measures and actions to enhance project environmental and social performance. This includes procedures for climate change vulnerability screening, for greenhouse gas emissions screening, and for natural capital vulnerability screening. The ESMP will summarise the organizational structure (including the Client, implementation agencies and relevant personnel's roles, responsibilities, and authority) that the Client will establish to implement the ESMP actions and outline the budget to be provided to implement identified actions. The ESMP will form the basis to monitor project environmental and social performance, including all requirements, relevant completion details, time frames, systems, resources and personnel that the Client will put in place including any third parties to be used to complement or verify the Client's monitoring activities.

The ESMP content will differ from project to project. For some projects, the ESMP will capture all relevant Client obligations. For other projects, the ESMP will refer to other plans, addressing specific project requirements, provide a summary of the additional plans and set out timeframes to complete plans to be developed.

The ESMP will allow for adaptive management of proposed project changes or unforeseen circumstance and set out how any changes to project ESMP circumstances will be managed, reported and implemented. The client will apply the mitigation hierarchy when adopting measures and actions to address project risks and impacts proportionate to the project's risks and impacts, comply with applicable laws and regulations and the ESSs. The client will not carry out any project activities that may cause material adverse environmental or social risks or impacts until relevant plans, measures or actions identified within the ESMP have been completed. The ESMP will take involved project parties experience and capacity into account.

The Client will notify the DBSA promptly if it intends changes in the project scope, design, implementation or operations that are likely to adversely impact on the project's environmental or social risks or impacts. The Client will carry out additional assessment and stakeholder engagement in accordance with the ESSs's, and propose changes, for approval by the DBSA, to the ESMP and relevant management tools. The Client will disclose the updated ESMP.

#### **Indicative ESMP Outline**

##### **Mitigation measures**

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<sup>5</sup> DFIs and financial institutions utilise a number of terms for the social and environmental plan outlined above. The DBSA requires the Client to provide relevant information to inform investment decision making, manage social and environmental risks and impacts and facilitate project legal arrangements. The DBSA will engage the Client in respect of the documentation provided.

- Identify anticipated adverse environmental and social impacts and outline measures and actions aligned to the mitigation hierarchy to reduce potentially adverse environmental and social impacts to acceptable levels and implement any applicable compensatory measures.
- Specify each mitigation measure and action to be implemented providing relevant detail (designs, equipment descriptions, and operating procedures), and type of impact to which it relates and the conditions under which it is required.
- Estimates any potential environmental and social impacts of mitigation measures.

**Opportunities for environmental and social positive impacts**

Identify anticipated potential positive environmental and social impacts and outline measures and actions to address them

**Institutional arrangements**

- Identify project site
- Detail parties responsible for implementing project environmental and social components and mitigation measures
- Institutional arrangements for project operation, supervision, enforcement, implementation monitoring, remedial action, financing, reporting
- Training and capacity development of the required human resources to address ESMP identified actions
- Any measures necessary to implement identified environmental and social assessment recommendations

**Implementation schedule and cost estimates**

- Detail project implementation schedule including targets indicators and benchmarks aligned to overall project planning, design, and outcomes
- Outline the capital and recurrent cost estimates and funding sources to implement the ESMP integrated into the total project cost tables

**Monitoring**

- Describes the monitoring measures and frequency, methods, sampling locations, the Client should undertake
- Address mitigation measures and actions undertaken and how effective these were in addressing project environmental and social impacts, and identify any possible corrective action that may be needed
- Outline how the Client and the DBSA will supervise the project

**ESMP Implementation**

The Client will:

- Implement identified ESMP measures to support social and environmental performance within specified timeframes
- Report on and monitor ESMP implementation status
- Maintain organisational capacity to oversee project environmental and social aspects throughout the project life-cycle
- Define and communicate key social and environmental responsibilities to all personnel involved
- Provide sufficient human and financial resources to implement the ESMP
- Ensure that persons responsible for implementing ESMP activities are adequately qualified, and have the requisite knowledge and skills to perform their work. Where necessary, provide training
- Secure DBSA approval of any proposed changes to the project scope, design, implementation or operation likely to cause an adverse change on the project environmental or social risks or impacts including the ESMP and relevant management tools. The Client will disclose the updated ESMP
- Carry out, additional assessment and stakeholder engagement in accordance with the ESS's

**ANNEXURE 1.5: CONTRACTOR MANAGEMENT**

The Client will ensure that all contractors engaged on the project operate in a manner consistent with the ESS's and ESMP requirements. The Client to take responsibility for:

- Ensuring that Contractors put measures in place to minimise environmental and social risks and impacts associated with their operational performance on the contract
- Project contractor oversight and confirming that project contractors have the requisite knowledge and skills to perform their project tasks in accordance with their contractual commitments
- Incorporating relevant ESMP elements into all project tender documents, and performance contracts outlining contractor obligations

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- Incorporates ESMP commitments into project management tools and all project documentation to address appropriate and effective non-compliance remedies
- Monitoring contractor compliance with their contractual commitments
- Ensuring that supply chain management and related procurement policy and practice complies with the DBSA ESS's including that of any appointed subcontractors



## ANNEXURE FOR STANDARD 2: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

### ANNEXURE 2.1: GRIEVANCE MECHANISMS

The scope, scale and type of grievance mechanism required will be proportionate to the nature and scale of the potential project risks and impacts.

The grievance mechanism may include the following:

- Different ways in which individuals and groups can submit their grievances which may include submissions in person, by phone, text message, mail, email or via a web site
- A log where grievances are registered in writing and maintained as a database
- Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgement, response and grievance resolution
- Transparency about the grievance procedure, governing structure and decision makers
- An appeals process to which grievances may be referred when their resolution has not been achieved

The Client may provide mediation as an option where individuals or groups are not satisfied with the proposed resolution.

For all Category 1 projects, the client will:

- Establish a credible, independent, transparent, effective and empowered local grievance and redress mechanism to receive, facilitate and follow up on the resolution of affected people's grievances and concerns about the project environmental and social performance, and inform the Affected Communities about the mechanism during stakeholder engagement.
- Ensure that the mechanism functions well to receive, respond timeously to Affected Parties complaints regarding Project implementation and seek to resolve such complaints. Complaint measures will not substitute country dispute resolution and redress mechanisms and do not impede Affected Parties access to judicial or administrative remedies.
- The grievance mechanism should:
  - Be appropriate in scale to the project risks and adverse impacts
  - Have Affected Communities as its primary user
  - Use an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern
  - Accessible to the stakeholders at all times during the project cycle
  - Record all responses to grievances and include findings in project supervision reports, relevant monitoring and review reports
- Where necessary, enable affected communities to refer matters to the DBSA Accountability and Grievance Systems via the DBSA's website

**ANNEXURES FOR STANDARD 3: GENDER MAINSTREAMING**

**ANNEXURE 3.1: GENDER MAINSTREAMING ANALYSIS**

Gender mainstreaming analysis examines the different roles, rights, needs, and opportunities of women and men, boys and girls and minorities and relations between them in a project context. It is a tool used to inform and identify opportunities and entry points to promote gender equality and women’s economic empowerment in projects that the DBSA supports. The tool can be applied by the project sponsor and the social / institutional specialist.

<b>Project context</b>		Does the project background/context analysis examine: <ul style="list-style-type: none"> <li>• What is the legal status of women in the project context (local and national)?</li> <li>• What are the gender norms and values, commonly held beliefs, perceptions, and stereotypes related to women’s and men’s role and position in society?</li> <li>• What are the needs and priorities of the specific sector to be addressed by the project?</li> <li>• The impacts the project will have on different groups?</li> </ul>
<b>Data &amp; Statistics</b>		Collect suitable data and qualitative project information to analyse and track relevant gender issues including:
<b>Data &amp; Statistics</b>	<b>Who does what?</b>	<ul style="list-style-type: none"> <li>• What is the division of labour among women and men?</li> <li>• What is the situation of women and men in the sector of intervention?</li> <li>• What is the participation of women and men in the formal/informal economy?</li> <li>• Who manages the household?</li> <li>• Who takes responsibility for the care of children and of the elderly?</li> </ul>
	<b>Who has what?</b>	<ul style="list-style-type: none"> <li>• Do women and men have equal access to resources including finance, land, technologies, information, and services (at national, sectoral and local level)?</li> <li>• Who has control over these resources?</li> <li>• Do women and men equally benefit from these resources?</li> <li>• Do men and women have access to finance, technology, information, etc.?</li> <li>• Do women and men have equal access to education, technical knowledge, and/or skill upgrading?</li> </ul>
	<b>Who decides?</b>	<ul style="list-style-type: none"> <li>• Who participates in decision-making in the household, the public sector, and corporate sector?</li> <li>• How are the bargaining positions of women and men different?</li> <li>• How are women involved in making economic decisions?</li> <li>• Is there an equal participation of women and men in the political sphere?</li> <li>• How do women and men influence has political decision making?</li> </ul>
	<b>Who benefits?</b>	<ul style="list-style-type: none"> <li>• Where opportunities / entry points to ensure equal participation and benefits accruing to women and men?</li> <li>• Does the project address the different needs and priorities of women and men?</li> <li>• Will project services and technologies be available and accessible to women and men?</li> <li>• Does the project recognize and provide response strategies for women and men’s distinct vulnerabilities?</li> <li>• Does the project make provision for women’s productive and reproductive tasks, including unpaid domestic and care work?</li> </ul>
<b>Results Framework</b>		<ul style="list-style-type: none"> <li>• Are outcomes, outputs and activities designed to meet the different needs and priorities of women and men?</li> <li>• What level of attention has been paid to gender?               <ul style="list-style-type: none"> <li>○ central focus of output</li> <li>○ significant attention</li> <li>○ limited attention</li> <li>○ no attention to gender</li> </ul> </li> <li>• Does the results framework include indicators, targets and a baseline to monitor gender equality results?</li> </ul>
<b>Budget</b>		• Have financial resources been clearly allocated to gender activities (vis-à-vis % of total budget)?
<b>Stakeholders &amp; Participation</b>		<ul style="list-style-type: none"> <li>• Does the project consultation process include women/gender focused groups, associations or gender units?</li> <li>• Does the project ensure that women and men can provide inputs to, have access to and participate in project activities (target at least 40 % of whichever gender is underrepresented)</li> </ul>
<b>Gender Capacities</b>		<ul style="list-style-type: none"> <li>• Do the project staff have, gender knowledge and are gender related tasks incorporated in job descriptions?</li> <li>• Will all project staff be sensitized to gender</li> </ul>
<b>Project Implementation</b>		Is there a gender balance in project personnel recruitment and representation in project committees?
<b>Monitoring &amp; Evaluation</b>		Project monitoring and evaluation to cover gender issues and monitor efforts towards greater gender equality? Does the M&E framework effectively measure gendered results in the project? Is the gender reporting sufficient to inform future project identification and development, and deepen and increase development benefits?

The information gathered from the gender analysis should be considered during project design, preparation, implementation and monitoring and evaluation stages. The social and institutional analyst should maintain a “gender lens”, looking at ways an investment can:

- Address any gender inequalities, real or potential, in the project
- Ensure project activities address women’s and men’s needs and realities
- Ensure women and men have equal access to project resources, services, capacity building
- Ensure women and men participate equally in project management, as project beneficiaries, partners and stakeholders
- Ensure equal voice among women and men in the project decision-making processes

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- Ensure women and men equally benefit from project training sessions, and services
- Collect and analyse sex-disaggregated data and qualitative information to track the project’s real gender impacts
- Identify a range of desired gender-related development impacts of the project and ensure these are included in the project plan
- Enhance gender mainstreaming by encouraging collaboration between key development actors

**ANNEXURE 3.1.1: CHECKLIST FOR PROJECTS AT PROJECT PREPARATION PHASE**

Stage	Preparation
Purpose	Does the proposal address any gender inequalities so that women and men can <b>equally access, equally participate</b> in and <b>equally benefit</b> from the resources, services, capacity building and other activities offered by the project?
Key Activities	<p><b>Assess and categorize</b> the project’s potential to integrate gender dimensions and contribute to advancing gender equality.</p> <p>Assist the project sponsor to <b>develop gender-specific targets</b> or performance indicators that track gender results and impact and ensure the project <b>collects and analyses</b> suitable data and qualitative information for effective analysis.</p> <p>Ensure the project sponsor <b>designs project activities</b> to meet both women’s and men’s needs.</p> <p>The project sponsor provides <b>mechanisms</b> to incorporate gender balanced representation and participation in project activities and decision-making processes (target at least 40% of whichever sex is underrepresented).</p> <p><b>Take into account any adverse impacts or risks</b> that may affect the equal access to, equal participation in and/or equal benefit from project activities among women and men.</p> <p>Highlight <b>equal opportunities</b> for women and men in the management and implementation arrangements of the project.</p> <p>Ensure the project sponsor <b>allocates sufficient financial resources</b> for gender equality and women’s empowerment activities.</p> <p>Confirm that <b>women/gender groups / associations</b> or stakeholders are <b>consulted</b> on project formulation.</p>

**ANNEXURE 3.1.2: CHECKLIST FOR PROJECTS AT APPRAISAL STAGE**

Stage	Appraisal
Purpose	Can women and men <b>equally access</b> project resources and services, <b>equally participate</b> in project activities and decision-making processes? Do they <b>equally benefit</b> from training or other capacity building activities offered by the project?
Key Activities	<p><b>If the project is considered gender relevant</b>, conduct a more comprehensive gender analysis in the field and establish a baseline.</p> <p><b>Ensure women and men</b> can equally access project resources and services.</p> <p><b>Make sure women and men</b> can equally participate in project activities such as training or capacity building activities.</p> <p><b>Recruit gender expert</b> or ensure at least one project management team member has gender mainstreaming expertise.</p> <p><b>Engage with gender focal points</b> (women’s groups, associations, NGOs) as project counterparts and/or as gender advisors.</p> <p><b>Build capacity</b> within the project team and among stakeholders to ensure gender-responsive implementation and the continued integration of a gender perspective within the sector/area of intervention after the project ends.</p>

**ANNEXURE 3.1.3: CHECKLIST FOR PROJECTS AT MONITORING AND EVALUATION STAGE**

Stage	Monitoring and Evaluation
Purpose	<p><b>Have women and men participated equally</b> in each project phase (including M&amp;E) and all decision-making processes? Has data been collected on women and men so that gender impacts are tracked to assess the project <b>benefits</b> for women and men?</p>
Key Activities	<p><b>Collect sex disaggregated data</b> to track gender equality results and assess gender impacts.</p> <p><b>Monitor access</b>, participation, and benefits among women and men and incorporate remedial action that redresses any gender inequalities in project implementation.</p> <p><b>Report</b> on how gender is mainstreamed and ensure that all project reports such as mid-term reviews, assessments, audits, include gender as a criteria/component.</p> <p><b>Ensure gender balance in evaluation</b> team. Make sure at least one evaluation team member has relevant gender mainstreaming knowledge and experience.</p> <p><b>Ensure women and men are able to participate</b> in monitoring and/or evaluation processes.</p> <p><b>Integrate gender evaluation questions</b> and components in the Evaluation TORs</p> <p><b>Identify good practices</b> and lessons learned on project outcomes/outputs or activities that promote gender equality and/or women’s empowerment.</p> <p><b>Incorporate a gender dimension in project staff’s performance</b> appraisals (e.g. by incorporating gender-related tasks in project staff’s job descriptions).</p> <p><b>Consider</b> and integrate <b>lessons learned from previous projects</b> with gender dimensions into project formulation where relevant.</p>

## ANNEXURE FOR STANDARD 4: INDIGENOUS PEOPLES

### ANNEXURE 4.1: TERMS OF REFERENCE (TOR) FOR AN INDIGENOUS PEOPLES PLAN (IPP)

#### Purpose

To ensure that development projects that impact directly or indirectly on Indigenous Peoples lives, respect their rights.

#### IPP: Key elements

The IPP should contain the following key elements:

- Summarise project information
- Summarise the social assessment highlighting the projects positive and negative aspects
- Summarise the FPIC results with affected Indigenous Peoples' communities that led them to support the project
- A framework for ensuring FPIC with the affected Indigenous People's communities during project implementation
- An action plan of appropriate measures to ensure that the affected Indigenous Peoples receive social and economic benefits that are culturally appropriate
- Where appropriate, include measures to enhance the Client capacity to cater for Indigenous People's needs
- Where adverse effects have been identified, clear measures (adopted in consultation with the Indigenous Peoples) to avoid, minimize, mitigate or compensate for these effects
- Appropriate grievance procedures drafted and adopted in consultation with the affected Indigenous Peoples
- The cost estimates and financing plan for the IPP
- Mechanisms and benchmarks for project monitoring, evaluation, and reporting on the IPP implementation
- Undertake IPP appraisal whose depth will depend on the project nature, complexity and project components

#### The DBSA's Exclusion List

The DBSA should not finance the following projects:

- Projects that contravene the Constitutional Rights of South Africans and in particular Indigenous Peoples rights
- Projects that undermine Indigenous Peoples' communities rights to land, natural resources, language and indigenous knowledge
- Projects that contravene applicable national and international laws

## ANNEXURES FOR STANDARD 5: LAND ACQUISITION, LAND USE RESTRICTIONS AND INVOLUNTARY RESETTLEMENT

### ANNEXURE 5.1: RESETTLEMENT FRAMEWORK

The DBSA Resettlement Framework requires project developers to consider the interests of directly affected community members and any community members which have an interest in the outcome of any potential relocation process. This framework provides guidance to project applicants seeking DBSA financing to implement projects located in areas which may require community resettlement or displacement. The resettlement magnitude and complexity will determine the resettlement plan scope, requirements and detail. The resettlement plan will provide reliable project information detailing the potential impacts on all project affected people and other adversely affected groups, appropriate and feasible mitigation measures, and the legal and institutional arrangements necessary to effect resettlement measures. The DBSA Resettlement Policy Framework applies to the following:

- Projects which may result in permanent or temporary social and economic impacts
- Projects implemented through the acquisition of land or other fixed assets
- Where land usage is changed or restrictions apply due to project operations
- Where community members standard of living is adversely affected due to project implementation
- Where project implementation may adversely impact community members property or resource rights, titles or interest

The South African Constitutional framework, relevant legislation and judicial decisions regarding resettlement provide developers with clear guidelines and frameworks in respect of community resettlement. This Annexure provides for developers to use different “resettlement plan” tools to address community physical and/or economic displacement including a Resettlement Action Plan (RAP), resettlement framework or process framework

### ANNEXURE 5.2: CORE COMPONENTS OF A PROJECT RESETTLEMENT ACTION PLAN (RAP)

The RAP sets out the need for, principles and procedures for land acquisition / resettlement / land use restrictions. As resettlement has a severe impact on affected community rights, this option is only warranted under particular project circumstances which must align to and take cognisance of relevant country legislation. The DBSA must approve the client final project land ownership/ use/ restrictions and displacement plan. The RAP to include the following components:

#### **Describe project and community context**

Provide a general project description detailing why relocation is necessary

Identify geographic location of project and zone impacted by project activities

Detail baseline information (household census, land survey, structures and other project affected fixed assets) determine eligible project affected parties for compensation within compensation timeframes

Detail Land tenure, land transfer and acquisition rights, common property, natural resources use and land use restrictions in project area and involuntary resettlement implications

Outline displaced people’s production systems, livelihoods and standards of living

Detail labour and household organisation of displaced households

Describe public or community infrastructure, property, project affected parties services, social and cultural institutions and practices which will impact on the RAP activities

#### **Objectives**

Outline RAP principles and objectives, process for preparing and approving resettlement plans

#### **Identify potential impacts**

Detail project activities giving rise to displacement

Detail why selected land must be acquired within project timeframe

Address all project land ownership/ use/ restrictions and possible displacement impacts on community land, structures, fixed assets or natural resources

Consider alternatives to resettlement to avoid or minimize displacement including affected persons resettlement choices

Prioritise the most suitable options

Set out all mitigation measures to address adverse impacts on livelihoods

### **Resettlement and compensation arrangements**

Define displaced persons

Identify measures to relocate affected persons and timing to give effect to compensation arrangements

Establish eligibility and entitlements criteria, procedures and standards for compensating and providing development opportunities to affected persons

Outline valuation methodology used to value and determine cost to replace losses (land, natural resources and assets);

Ensure valuation methodology is aligned to local and customary law and good practice

Offer feasible resettlement options and choices (for living conditions, land or access to natural resources), or cash compensation at replacement cost

In providing compensation use the principle that replacement should at least be equivalent to rights previously enjoyed, or consistent with applicable standards, whichever is higher.

Provide counselling for resettled and host communities.

Provide any necessary transitional assistance as the RAP implementation schedule may require.

Outline arrangements for providing affected communities continued access to facilities and services at least at existing standards.

Detail agencies responsible for resettlement activities and NGOs/CSOs that may support project implementation.

Outline applicable laws and regulations regulating agencies responsible for implementing resettlement activities.

Provide resettlement plan activity timeframe (aligned to project schedule) detailing estimated start and completion dates.

Outline legal arrangements for regularizing tenure and transferring titles to resettled communities.

Outline institutional and technical arrangements to identify and prepare relocation sites, housing and infrastructure better or at least comparable to the old sites.

Identify relevant opportunities to improve local living standards (e.g. by investing in infrastructure, or providing services.

Identify any opportunities arising from relocation - access to productive land and business activities, preferential project employment, developing specialized products or markets, or project-based benefit-sharing arrangements.

### **Community participation**

Describe strategy for consulting with, and enabling displaced persons to participate in designing and implementing resettlement activities or land use / ownership restrictions.

Provide full disclosure to all directly affected and interested parties.

Describe how affected stakeholders are consulted regarding relocation options, forms of compensation and any assistance.

Ensure RAP respects displaced and host community's social and cultural institutions, and preferences.

Outline institutionalised arrangements for displaced people to communicate concerns to project authorities.

Identify measures for vulnerable groups (indigenous people, poor, and women) representation.

### **Grievance redress mechanism**

Detail applicable procedures for displaced persons to settle disputes arising from resettlement (aligned to judicial recourse, community and traditional dispute settlement mechanisms).

### **Costs and budget**

Provide budget covering all RAP activities – with timetable for expenditure with drawdowns linked to project deliverables and identifying funding sources

Budget to include all resettlement activities, allowances for inflation, population growth, contingencies

### **Monitoring and evaluation**

Outline implementing agency arrangements to monitor and evaluate displacement and resettlement activities

Outline performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities

Indicate whether third party monitors or displaced persons will be involved in the monitoring process

## ANNEXURES FOR STANDARD 9: BIODIVERSITY CONSERVATION AND SUSTAINABLE LIVING NATURAL RESOURCES MANAGEMENT

### ANNEXURE 9.1: TERMS OF REFERENCE (TOR) FOR SCREENING BIODIVERSITY

Source: Botanical Society of SA: Conservation Unit

#### Overview

Provide a general overview of the connectivity, corridors, and affected area ecological viability.

#### Biodiversity Pattern

- Community and ecosystem level
- The main vegetation type, its aerial extent and interaction with neighbouring types, soils or topography <http://bgis.sanbi.org>
- The types of plant communities that occur in the vicinity of the site
- Threatened or vulnerable ecosystems conservation plans
- The types of animal communities (fish, invertebrates, avian, mammals, reptiles)

#### Species level

- Identify location of Red Data Book (RDB) species
- The RDB species viability and estimated population size present (include the degree of confidence in prediction based on availability of information and specialist knowledge, i.e. High=70–100% confident; Medium 40–70% confident; Low 0–40% confident)
- The likelihood of other RDB species, or species of conservation concern, occurring in the vicinity (include degree of confidence)

#### Site and landscape

- Any significant landscape features or rare or important vegetation/fauna associations such as seasonal wetlands, alluvium, seeps, quartz patches or salt marshes in the vicinity.
- The extent of alien plant cover of the site, and whether the infestation is the result of prior soil disturbance such as ploughing or quarrying (alien cover resulting from disturbance is generally more difficult to restore than infestation of undisturbed sites).
- The site condition - both current and previous land uses.

#### Biodiversity process

- The key ecological “drivers” of ecosystems on the site and in the vicinity, such as fire
- Any spatial component of an ecological process that may occur at the site or in its vicinity (i.e. corridors such as watercourses, upland-lowland gradients, migration routes, coastal linkages or inland-trending dunes, and vegetation boundaries such as edaphic interfaces, upland-lowland interfaces or biome boundaries)
- Any possible changes in key processes
- The condition, functioning possible changes to the channel, flow regime (surface and groundwater) and naturally-occurring riparian vegetation of rivers and wetlands
- Would site conservation lead to greater viability of the adjacent ecosystem?
- Would the site or neighbouring properties potentially contribute to meeting regional conservation targets for both biodiversity pattern and ecological processes? For information on conservation and biodiversity targets, contact SANBI Biodiversity Information Management, (<http://biodiversityadvisor.sanbi.org> ; [BIMHelp@sanbi.org](mailto:BIMHelp@sanbi.org) ) or the CapeNature Land Use Advisory Unit
- Is this a potential candidate site for conservation stewardship? Contact CapeNature
- What is the significance of the potential proposed project impact, alternatives and related activities – with and without mitigation – on biodiversity pattern and process (including spatial components of ecological processes) at the site, landscape and regional scales?

#### Map

Indicate on a topographical map or ortho-cadastral map, preferably at a scale 1:10 000:



- The area to be impacted by the proposed development
- The location of vegetation, habitat and spatial components of ecological processes that should not be developed or transformed
- Areas, including the site and surrounds that must remain intact as corridors or ecological “stepping stones”

**Actions**

Recommend actions that should be taken to prevent or, if prevention is not feasible, to mitigate impacts and restore disturbed vegetation or ecological processes. Indicate how preventative and remedial actions will be scheduled to protect, manage and restore affected ecosystems and biodiversity in the long-term.

**Limitations**

Indicate limitations and assumptions, such as seasonality.

**Mitigation**

Indicate how biodiversity considerations have been used to inform the proposed project socio-economic aspects, e.g. through changes to the location or layout of infrastructure, or retaining public access to biodiversity-related amenities or resources such as beaches or grazing.

**ANNEXURE 9.2: TERMS OF REFERENCE (TOR) NATURAL HABITAT MANAGEMENT**

(COMMUNITY AND ECOSYSTEM BASED APPROACHES TO NATURAL RESOURCE MANAGEMENT)

Source: Convention on Biodiversity (2014). Summary of the Ecosystem Based Approach.

**Introduction**

The ecosystem approach provides a framework to implement the Convention on Biological Diversity objectives, including protected areas and ecological networks. Principles underlying the ecosystem approach includes adopting a holistic and flexible approach to manage issues identified within different social, economic and environmental contexts, with appropriate weight given to each issue identified, according to individual circumstances.

**Steps to using the ecosystem approach**

1. Define the problems that needs to be addressed and identify the component parts of complex problems. E.g., to conserve a wetland ecosystem while facilitating its sustainable use, it might be necessary to address ecological degradation resulting from unsustainable use of wetland resources, and community well-being such as health, education, food security, and cultural values.
2. Proceed to ascertain what tasks would allow the problem to be addressed against the tasks listed below as an initial step towards identifying a plan of action and to prioritise the actions to be undertaken.
3. Identify the tasks to meet the problems identified.

The tasks below are drawn from the ecosystem approach principles and have been rephrased as a question relating to the problem(s) being addressed. The identified tasks should be used in a manner that best fits the problem being addressed.

Task 1: How do you involve all members of society in decisions associated with the management of land, water and living resources?

Task 2: How do you ensure management is decentralised appropriately?

Task 3: How are the effects of management actions (potential or actual) on adjacent and other ecosystems taken into account?

Task 4: How can the economic context be understood so that market distortions that affect biological diversity are reduced, incentives are developed to promote biodiversity and sustainable use, and ecosystem costs and benefits are externalised?

Task 5: What measures could be used to conserve ecosystem structure and functioning to maintain ecosystem services?

Task 6: What measures can be taken to ensure ecosystems management within their functioning limits?

Task 7: What actions can be taken to address problems at the appropriate temporal and spatial scales?

Task 8: How to take into account varying temporal scales and lag-effects when considering sustainable ecosystems use?

Task 9: How can adaptive management be used to address the problem(s) identified?

Task 10: How to elicit an appropriate balance between, and integration of, conservation and biological diversity use?

Task 11: How to include all relevant knowledge including, scientific, local knowledge, innovations and practices?

Task 12: What measures can be taken to involvement all stakeholders?

### **Cross-Cutting Considerations**

To apply an ecosystem approach to support project outcomes relevant crosscutting issues should be addressed including:

- Community partnerships, stakeholder engagement, political and institutional participation, donor and sponsor commitment, and capacity building through financial and infrastructure support.
- Resource, biophysical, social, and economic information research and development accessible to all stakeholders, to allow more transparent decision making and empowerment.
- Application of good governance practices including sound environmental, resource and economic policies and administrative institutions.
- Monitoring and review to develop a responsive and adaptive management capability, and to report on performance and outcomes.

## **ANNEXURE 9.3: TERMS OF REFERENCE (TOR) FOR AN ECOSYSTEM MANAGEMENT PLAN**

### **Purpose of Ecosystem Management Plans**

Section 45 of the National Environmental Management: Biodiversity Act, outlines the purpose of an Ecosystem Management Plan / Biodiversity Management Plan as ensuring the respective ecosystems long term survival by maintaining or restoring an ecosystem to a natural, near-natural or at least ecologically functional state.

The Plan must focus on ecosystems of special concern, and management interventions should impact positively on the ecosystem ecological condition. This Terms of Reference is applicable to all ecosystems types, including natural forests.

### **Principles for preparing Ecosystem Management Plans**

The following principles should guide the development of Ecosystem Management Plans:

- *Clear biodiversity objectives* e.g. to restore, manage or maintain ecological infrastructure
- Integrated terrestrial and aquatic ecosystems management
- *Adopt adaptive management* as it is not always possible to predict how the ecosystem will respond to management interventions
- *Use best available science and* all relevant available resources such as guidelines, handbooks and implementation manuals
- *Keep it simple:* the Ecosystem Management Plan must be a simple cost effective tool
- *Every plan will be different:* Involve ecologists who understand the ecosystem concerned
- *Stakeholder engagement and collaboration:* will contribute to successfully preparing and implementing the Plan, and enhancing relevant stakeholder collaboration
- *Use a precautionary and ecosystem approach* to conserve and manage natural resources to ensure environmentally sustainable development opportunities
- *Contribute to sustainable development:* ensure that the Plan is environmentally appropriate, socially beneficial and economically viable

### **Content of an Ecosystem Management Plan**

- An Ecosystem Management Plan executive summary should include:
  - The long term biodiversity objective
  - A map of the ecosystem
  - A short description of the ecosystem
  - The lead implementer and other implementers if applicable details
  - The Ecosystem Management Plan “at a glance”
  - A reference providing electronic access to the Ecosystem Management Plan
- The Ecosystem Management Plan should include:
  - An Introduction mapping and describing the ecosystem, an outline of the ecosystem biodiversity significance, why a management plan is warranted and long term ecosystem biodiversity objectives description.

- Management objectives describing the long term biodiversity objectives, including indicators for monitoring purposes; An outline of the lead implementer and management actions to meet long term objectives and ecological rationale for management actions.
- Identify activities to be avoided including a list of land and resources uses, which are not compatible with maintaining the ecosystem in a natural or near-natural state.
- Resources required including a budget and description of any essential non-financial resources that are required.
- Monitoring arrangements and identify who is responsible for monitoring, with agreed reporting requirements and periods.
- Provide contacts details for the lead implementer and other key stakeholders.
- The Ecosystem Management Plan “at a glance” including a brief overview of the management actions with broad time-frames, implementers and indicators for each action.

## ANNEXURE 9.4: TERMS OF REFERENCE (TOR) FOR A FOREST MANAGEMENT PLAN

### Purpose of the Forest Management Plan

The National Forest Act (Act No. 84 of 1998) and the National Veld and Forest Fire Act (Act No. 101 of 1998) and the related regulations and policies, require a Forest Management Plan to promote sustainable forest management in South Africa. The Plan applies to the three main forest types classified according to their use, namely, natural or indigenous forests, woodlands, and commercial timber plantations.

### Sustainability Principles for Forests

The following sustainable management principles should guide the DBSA in supporting projects for forests:

- Where feasible, the Client will locate land-based agribusiness and forestry projects on unforested or converted land
- Clients who are engaged in such industries will manage forests in a sustainable manner, and apply industry-specific good management practices and available technologies
- Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the Client will implement sustainable management practices to relevant or credible standards as demonstrated by independent verification or certification
- Where there is no relevant and credible global, regional, or national standard for the living natural resource in the country concerned, the Client will:
  - Commit to apply good international industry operating principles, management practices, and technologies
  - Where practical, engage with contribute to relevant stakeholders, and contribute to processes to develop relevant standards and demonstrate sustainable practices
- Clients must at all times use a precautionary and ecosystem approach to natural resource conservation and management to ensure opportunities for environmentally sustainable development
- Clients must as early as possible, assess forests potential health and quality impacts, and the rights and welfare of the communities who depend on them
- Clients must ensure that forest restoration projects maintain or enhance biodiversity and ecosystem functionality and that all plantation projects are environmentally appropriate, socially beneficial and economically viable

### Contents of a Forest Management Plan

Forest Management Plan executive summary to include:

- The long-term sustainable forest management objective
- A short description of the forest
- Background and site information, e.g., landowner information, location map, past harvest history and identify resource concerns
- Client objectives, which may include expected income, wildlife habitat areas, recreation, agroforestry, and pollinator habitat and protection
- Desired future conditions
- Forest Management Plan Documentation, e.g., plan map, soil map, conservation plan, and wetland delineation map

### The DBSA's Exclusion List

The DBSA should not finance the following projects:

- Projects that will significantly convert or degrade critical natural habitats, including forests

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- Natural forest harvesting or plantation development that will involve conversion or degradation of critical forest areas or related critical natural habitats
- Projects that contravene applicable national laws
- Projects that contravene applicable international environmental agreements

**ANNEXURES FOR STANDARD 10: RESOURCE EFFICIENCY, POLLUTION PREVENTION AND MANAGEMENT**

**ANNEXURE 10.1: INTEGRATED PEST MANAGEMENT PLAN**

ESSS1 outlines the DBSA, client, and other key interested and affected parties’ roles and responsibilities. The client is responsible for producing to an integrated environmental management framework (ESIA, ESMP and ESMS) to address project risks throughout the project life cycle including for pest management and sufficient skills and management capacity in place to comply with ESS 10. The DBSA will review client documentation, plans and development results frameworks and monitoring and evaluation reports.

**Pest Management Plan Purpose**

The purpose of the *Pest Management Plan (PMP)* is to guide the use of environmentally sensitive pest management strategies and least-toxic control methods to enhance affected communities health and safety, and to protect the environment. All projects that have a pest management risk will require a Pest Management Plan. The PMP specifies procedures and processes for screening pest control products. Technical specialists with experience in participatory Integrated Pest Management (IPM) will develop the plan based on on-site evaluations of local conditions.

**Proposal Phase**

The DBSA will assess all projects during the early review phase (screening stage) for pest and vector management risks. The client to procure appropriate specialists to assist appraise projects should additional information be required to meet ESSS10.

Risk and Opportunity	Category Rating	Requirement
Significant Potential Pest Management Impacts: Projects that manufacture, use or dispose of environmentally significant quantities of pest control products	Category 1	ESSA/ESIA/ESMP/ESMS to include detailed Integrated Pest and Vector Assessment and Plan
Medium Risk or Potential Impact projects (mostly reversible local impacts of relatively low direct or cumulative or long term risk)	Category 2	Basic Integrated Pest and Vector Assessment and Plan as part of the ESSA/ESIA/ESMP/ESMS
Low and insignificant risk to local area or wider environment and communities	Category 3	No action necessary

**Design Phase**

During the Impact Assessment Phase (Prior to DBSA appraisal stage) Category 1 and Category 2 Projects (with potential significant pest management impacts) must address the following:

- Relevant current and anticipated project pest problems, and estimated economic impact
- The applicable legal framework for regulating, procuring, and managing pests and pesticide use
- Clients’ current and proposed pest management practices including:
  - Pesticide use including non-chemical preventative techniques, biological and chemical control
  - Constraints for complying with and adopting an Integrated Pest and Vector Management
  - Capacity to manage, procure, transport, store, handle, apply, and dispose of pest control products
  - Ability to monitor pest control and pesticide use precision and impact
  - To develop and implement ecologically-based and integrated pest management programs
- The client’s institutional pest management capacity
- Identify available alternative design options and mitigation measures
- Undertake a hazard assessment where substantial quantities of highly toxic materials are transported or stored, and suggest monitoring and impact management solutions
- A summary of negative impact and risk areas together with required mitigation measures including support to develop and implement Integrated Pest and Vector Management programs. High risk projects will include a list of pest control products authorized for procurement, or indicate when and how this list will be developed and agreed on.
- Specify how proposed vector control mechanisms will be financed
- The ESIA/ESMP/ESMS reports to recommend actions to reduce environmental and health hazards associated with pest control, and Project Description and budget to propose possible pesticides and practices for exclusion
- *The monitoring and supervising plan* ensures that the Client:
  - Applies risk and mitigation measures in the project life cycle
  - Involves stakeholders as appropriate

- Applies adaptive management including appropriate auditing, surveillance and monitoring mechanisms
- Implements an Environmental Management System and Integrated Pest Management Plan as applicable

**Implementation Phase:**

Depending on the nature and complexity of pest management and pesticide-related risks, the client may utilise technical specialists to implement project components such as:

- Establishing or strengthening pesticide supervision and monitoring framework and capabilities
- Properly operating and/or constructing pesticide storage or disposal facilities
- Agreeing on a time-bound program to phase out use of undesirable pesticides
- Dispose of any hazardous stocks

Provide an annual monitoring report which will evaluate the client's management capacity to address the projects pest management practices and environmental impact.

**Guidelines for Responsible Pesticide Use and Management**

- Identify how pest problems will be effectively managed by identifying the pest type and its life cycle, examining what control options are available and incorporating pesticide solutions into an integrated pest management (IPM) system. Identify exactly where and at what stage in the pest's development the pesticide should be applied. Decide the best method of delivering the pesticide to the target. Check the environmental conditions and proceed with application only if they are suitable for the site specific combination of pesticide, application method and pest.
- Commercial pesticides selection and purchase: Choose a low toxicity product that has a low residual effect and is selective for the pest. Ensure that the pesticide is registered and purchased from an accredited importer, supplier or manufacturer.
- Community health and safety: Consider community health and occupational risk related to the transport, storage, preparation, application, clean-up and disposal of pesticide products. The Client will not purchase, store, use, manufacture, or trade in products that fall in WHO Recommended Classification of Pesticides by Hazard Class 1a (extremely hazardous); or 1b (highly hazardous).
- Transport and storage of pesticides: comply with applicable Controlled Substances Regulation requirements. Allocate responsibilities of pest control to operators and pest management technicians.
- Application of agricultural/commercial pesticides. Detail the significant environmental risks associated with applying pesticides, including the potential to contaminate surface water and groundwater, soils, damage to organisms not targeted, and harm or discomfort to people. Identify relevant legal responsibilities.
- Cleaning equipment and disposing of unwanted pesticides: Detail the effort and derive a financial cost estimate for dealing with pesticide wastes in a responsible, safe and legal manner. The Client will use reputable third parties to conduct hazardous waste disposal, including contractors and legitimate enterprises licensed by the relevant government regulatory agencies and obtain the chain of custody documentation to the final destination. Minimize the unintentional generation and release such as by incineration, of chemicals listed in Annex C of the Stockholm Convention. Review the pesticides in terms of the Montreal Protocol on Substances that Deplete the Ozone Layer.
- Training, licensing and record keeping: Qualified persons must implement, regulate and document pesticides use and management according to industry best practice.

**Process for Developing a Pest Management Plan**

To ensure the Pest Management Plan is effectively implemented, it is essential that the Client, the DBSA and key players such as the relevant Authorities accept it as a key project component. Therefore the Client should implement a participatory consultation process to develop the PMP which may include:

- Undertake desk-top review of available project information
- Host public participation meeting with key stakeholders
- Undertake in-depth interactions with all relevant national pest or vector management actors
- Elaborate PMP phase one and phase two
  - Phase one: initial reconnaissance to identify the main pest problems and the ecological, agricultural, public health, economic, and institutional contexts, is preferably carried out as during project appraisal
  - Phase two: develop operational plans to address identified pest problems, during the project operational phase
- Complete the PMP – finalise the PMP based on feedback from the second stakeholders meeting
- The Consultant to identify key PMP elements to be included in the EA and/or the DBSA Appraisal Report and or Loan Agreement
- Whenever explicit stakeholder recommendations are not included in the final PMP, the client will provide the DBSA with a separate memo justifying why any stakeholder recommendations are not incorporated into the final PMP

**Institutional Capacity**

The DBSA and the client are expected to have the institutional and resource personnel capability to manage projects which involve pest management risks and carry out their respective roles and responsibilities. All projects involving pest management shall be handled in accordance with Standard 10. The DBSA's Sector Specialist Unit shall allocate (from its pool of resources) an Environmental Specialist with Pest Management expertise to appraise projects with pest management aspects. Should the project and appraisal process require specialist pest management knowledge, the DBSA shall, in line with its procurement procedures, procure and appoint an external consultant to augment its Environmental/Pest Management Specialist skills. The DBSA and South Africa's Environmental Impact Assessment policy requires that the Consultants who manage and develop specialist studies conducted for projects have the relevant capacity (tertiary, experience and institutional) to execute such assignments.

**Monitoring arrangements and responsibilities:**

The Plan shall define responsibilities for monitoring, with agreed reporting requirements and periods.

**ANNEXURE 10.2 TERMS OF REFERENCE INTEGRATED WATER AND LAND RESOURCE MANAGEMENT (IWLRM)**

The DBSA recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. Ecosystem services valued by humans are underpinned by biodiversity. Biodiversity impacts can therefore adversely affect ecosystem services delivery.

DBSA Standard 9 addresses how Clients can sustainably manage and mitigate biodiversity and ecosystem services impacts throughout the project's lifecycle.

Generic principles apply to promote environmentally sustainable development and to protect, conserve, maintain, and rehabilitate natural habitats and their functions including:

- Using a precautionary approach to manage natural resources and support environmentally sustainable development by determining whether a project benefits substantially outweigh potential environmental costs.
- Avoid significantly converting or degrading critical natural habitats, including habitats that are legally protected, officially proposed for protection, identified by authorities for their high conservation value, or recognized as protected by traditional local communities.
- Where projects adversely affect non-critical natural habitats, proceed only if no viable alternative is available, and if appropriate conservation and mitigation measures are in place to maintain ecological services.
- Whenever feasible, give preference to siting projects on converted lands.
- Consult local nongovernmental organizations and local communities, and involve key stakeholders in project design, mitigation planning, implementation, monitoring, and evaluation, in an accessible place and in a form and language understandable to key stakeholders.
- Use appropriate expertise to design and implement mitigation and monitoring plans.
- To realize natural habitat potential to reduce poverty in a sustainable manner, integrate habitats effectively into sustainable economic development, protect local and global environmental services and natural habitat values.
- Support commercial, industrial-scale natural habitat harvesting only when the operation is certified, under an independent forest certification system, as meeting, or having a time-bound action plan to meet internationally recognized responsible forest management and use standards.
- Ensure that forest restoration projects maintain or enhance biodiversity and ecosystem functionality and that all plantation projects are environmentally appropriate, socially beneficial and economically viable.
- Give preference to small-scale community management approaches where they best reduce poverty in a sustainable manner.
- Support commercial harvesting by small-scale landholders, local communities or entities under joint forest management where monitoring with the local communities participation demonstrates that these operations achieve internationally recognized natural habitat management standards for responsible natural resource use or that they adhere to an approved time-bound plan to meet these standards.
- Use forest certification systems that:
  - Comply with relevant laws, recognise, and respect, legal or customary land tenure and use rights and vulnerable groups and workers' rights
  - Support effective community engagement and key stakeholder participation
  - Conserve biological diversity and ecological functions by preventing or minimising environmental impacts
  - Adopt measures to enhance monitor and assess multiple forest benefits and management areas
  - Support effective habitat management planning

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- Support independent, cost effective, third-party natural habitat management performance assessment against measurable national performance standards and compatible with internationally accepted principles and sustainable forest management criteria
- Disclose any time-bound action plans before project appraisal, in an accessible place and in a form and language and manner to all key stakeholders.

Table 1 below outlines the IWLRM components, outlines project phase activities to develop and implement new projects or improve existing projects

Components	
<p><i>IWLRM</i></p> <ul style="list-style-type: none"> <li>● Enabling environment (i.e. relevant water resources management policies and legislation)</li> <li>● Institutional context and capacity (i.e. Bodies responsible for implementing legislation and strategy)</li> <li>● Natural environment areas associated with water resources</li> <li>● Water users</li> <li>● Management instruments</li> <li>● Water related infrastructure</li> </ul>	<p><i>Ancillary Components</i></p> <ul style="list-style-type: none"> <li>● Temporary construction facilities (e.g. workshops, laydown areas, working corridor outside the footprint, workers’ accommodation)</li> <li>● Access roads within and between temporary facilities and areas being developed, permanent access roads</li> </ul>
Activity (1)	
<p><i>Design – Site Selection and Planning</i></p>	<p><i>Screening, Scoping and ESIA</i> <i>Prepare ESMP</i> <i>Agree on loan covenants</i></p>
<p>Strategic planning (options analysis, cost-benefit analysis, strategic site selection, initial design), and for regional or larger scale IWLRM programmes, SESAs, to establish:</p> <ul style="list-style-type: none"> <li>● Major environmental and social features</li> <li>● Develop detailed understanding of all project positive and negative environmental and social impacts. Where necessary design appropriate mitigants covering at least: <ul style="list-style-type: none"> <li>○ <i>Geology/Hydrogeology</i></li> <li>○ <i>Soils, Run-off and Flooding</i></li> <li>○ <i>Pollution of Soils and Water</i></li> <li>○ <i>Air Quality</i></li> <li>○ <i>Noise and Vibration</i></li> <li>○ <i>Resources and Waste</i></li> <li>○ <i>Invasive species</i></li> <li>○ <i>Loose, fragment and degrade habitats, and severe animal migration routes and pathways</i></li> <li>○ <i>Impacts from Induced Access</i></li> <li>○ <i>Local Economic Investment and Local workforce employment</i></li> <li>○ <i>Direct Impacts on Flora and Fauna</i></li> <li>○ <i>Physical and Economic Displacement of People, Property, Assets and Resources</i></li> <li>○ <i>Cultural Heritage</i></li> <li>○ <i>Community Health, Safety and Security</i></li> <li>○ <i>Workforce-Community Interactions</i></li> <li>○ <i>In-migration</i></li> <li>○ <i>Labour and Working Conditions</i></li> </ul> </li> <li>● Design procedures to give equal weight to environmental, social engineering and financial considerations</li> </ul>	
<p>Site-specific planning design) to address environmental and social sensitivities and community consultation, and draw on the following environmental and socioeconomic document, which should comply with national regulations and international good practice:</p> <ul style="list-style-type: none"> <li>● Environmental and Social Impact Assessment (ESIA)</li> <li>● Environmental and Social Management Plan (ESMP)</li> <li>● Stakeholder Engagement Plan (SEP)</li> <li>● Resettlement Action Plan (RAP)</li> </ul>	
Activity (2)	
<p><i>Project Implementation</i></p>	<p><i>Monitor ESMP performance</i> <i>Monitor compliance with loan covenants</i> <i>Monitor sub-contractor contract provisions</i></p>
<p>Project implementation activities will include:</p> <ul style="list-style-type: none"> <li>● Assess water &amp; natural resource availability &amp; quality, stakeholder/user needs, allocate water management rights &amp; responsibilities, establish water use or water pollution fees</li> <li>● Construction of water and natural resource infrastructure &amp; associated works (e.g. earthworks to create reservoirs, clear sites to establish water treatment areas)</li> <li>● Identify, protect and/or restore key natural habitat areas important for natural resources</li> </ul>	
<p><i>Operation and Maintenance</i></p>	<p><i>Project implementation: Compliance Monitoring</i></p>
<p>IWLRM projects operational phase activities include protecting important natural habitats; negotiating and partitioning water usage rights; Abstracting, treating and supplying water; conveying, treating and disposing wastewater; monitoring IWLRM performance indicators; and collecting water</p>	



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Usage fees. These activities may contribute to direct and indirect impacts described in <i>Table 2</i> .
Water related infrastructure maintenance involves clearing and maintaining water and wastewater collection, storage and treatment systems.
<i>Decommissioning (Closure)</i>   <i>Project Completion: Compliance Report</i>
Decommission and rehabilitate temporary project facilities no longer necessary to the project in accordance with a site-specific closure plan. This should address site clearance, equipment removal of all, appropriate waste materials disposal, soil ripping and re-grading as necessary. IWLRM approaches are intended to remain in place for an indefinite or prolonged period. Prepare closure or decommissioning plans at an appropriate timescale to align to this period.

**ANNEXURE 10.3 TERMS OF REFERENCE (TOR) FOR ENERGY PROJECTS**

GUIDELINES FOR MITIGATION MEASURES FOR ENERGY PROJECTS				
Impacts	Planning	Construction	Operation	Closure
<b>All Energy Projects</b>				
General mitigation measures for all energy projects	<p><b>Key plans/documents may include the following:</b></p> <ul style="list-style-type: none"> <li>• ESIA and ESMP to comply with national regulations and GIIP</li> <li>• SESA loan covenants</li> <li>• Stakeholder Engagement Plan (SEP).</li> <li>• Resettlement Action Plan (RAP) – if required;</li> <li>• Project Closure Plan;</li> <li>• Biodiversity Plan;</li> <li>• Integrated Waste Management Plan;</li> <li>• Compensation &amp; or Offset Plans;</li> <li>• Emergency Response Plan;</li> <li>• Surveillance &amp; monitoring plans; and</li> <li>• Employment Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Implement all plans</li> <li>• Monitor ESMP performance</li> <li>• Monitor compliance with loan covenants</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor ESMP performance</li> <li>• Monitor compliance with loan covenants</li> <li>• Maintain electrical and mechanical components, inspect and repair structures.</li> <li>• Ensure all plans and outcomes are achieved ;</li> <li>• Implement integrated watershed and land management – Minimise vegetation clearance to prevent erosion and sedimentation and limit use and run-off of agro-chemicals, fertilizers.</li> <li>• Ensure value chain functions optimally and according to sustainable development principles</li> <li>• Ensure associated infrastructure such as access roads and sewage treatment facilities follow good practice standards</li> </ul>	<ul style="list-style-type: none"> <li>• Decommission and rehabilitate temporary access roads in accordance with a site-specific closure plan. Close project in accordance with closure plan.</li> <li>• Reinstatement of vegetation</li> </ul>
<b>Social and Environmental Considerations for Transmission Lines</b>				
<p>Impact on:</p> <ul style="list-style-type: none"> <li>• land use and habitat loss;</li> </ul> <p>Operation and maintenance and impacts may include:</p> <ul style="list-style-type: none"> <li>• Control of the right of way) and line repair</li> <li>• Negative Visual impacts</li> <li>• Increased alien invasive species presence</li> <li>• Habitat fragmentation</li> </ul>	<p><i>Risk of Environmental Degradation</i></p> <ul style="list-style-type: none"> <li>• Design transmission line project to avoid critical habitats.</li> <li>• Install visibility enhancement objects to minimize collision risk</li> <li>• Minimise area impacted</li> <li>• prohibit activity in remaining areas of intact habitat</li> <li>• Maintain wildlife corridors in fragmented areas.</li> <li>• avoid areas of conservation interest</li> <li>• Limit the number of towers. to avoid cumulative impacts</li> <li>• Risk to interested and affected parties and economy</li> <li>• Public consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of Environmental Degradation</li> <li>• Construction site management to avoid runoff, erosion and sedimentation.</li> <li>• Pre-treat chemically preserved poles to prevent leaching of wood preservatives.</li> <li>• Use herbicides as a last resort to</li> <li>• Control vegetation control strategies,</li> <li>• Locate, submarine power cables sensitively.</li> <li>• Remove invasive plant species and plant indigenous plant species.</li> <li>• Manage bush meat risks</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor sub-contractor contract provisions</li> <li>• Require right of way maintenance to protect the system from windfall, contact with vegetation.</li> <li>• utilize labour intensive practices within natural habitats, where appropriate</li> <li>• Apply integrated pest management and minimize use of herbicides.</li> <li>• Appropriate alien invasive management, trimming and pruning.</li> <li>• Implement operations &amp; maintenance regime for electrical and mechanical components, natural habitats and physical structures.</li> <li>• Implement &amp; monitor Offset plan</li> <li>• Control vegetation clearance</li> </ul> <p>Apply sustainable land use management principles</p>	<p>Rehabilitate habitats and restore ecosystems no longer required after construction, as soon as possible, in accordance with a site-specific closure plan developed in consideration of international good practice. The transmission line and associated facilities closure process to include site clearance, removal of all equipment, waste materials disposal.</p>
<b>Social and Environmental Considerations for Solar Energy Projects</b>				
<p>Impact on:</p> <ul style="list-style-type: none"> <li>• Habitat loss</li> <li>• Agricultural land</li> <li>• Cultural heritage sites e</li> <li>• Displacing people</li> <li>• Fauna and flora</li> </ul>	<ul style="list-style-type: none"> <li>• Use dry cooling systems and promote water efficiency to address the high water requirements of large / concentration solar power plants</li> </ul>	As above	<p>As above with attention paid to</p> <ul style="list-style-type: none"> <li>• Maintain and repair photovoltaic cells</li> <li>• Repair any damage to panels</li> </ul>	As above

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<ul style="list-style-type: none"> <li>• Construction workers</li> </ul>				
<b>Social and Environmental Considerations for Wind Energy Projects</b>				
<p>Impacts :</p> <ul style="list-style-type: none"> <li>• Visual impacts,</li> <li>• Noise, and</li> <li>• Disturb / kill birds and bats.</li> <li>• Construction impacts are similar to other infrastructure projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult all communities.</li> <li>• Consider visual impacts for.</li> <li>• Site turbines to avoid high-density bird and bat areas and migration routes.</li> <li>• Turbine tower heights placed below migratory bird pathways.</li> <li>• Configure turbine arrays to avoid avian mortality</li> <li>• Employ slower-turning more visible rotor blades.</li> <li>• Implement storm water management measures.</li> <li>• Marking systems and consult with air traffic authorities.</li> </ul>	As above	As above	As above
<b>Social and Environmental Considerations for Hydro Power Projects</b>				
<ul style="list-style-type: none"> <li>• Flooding</li> <li>• Resettlement</li> <li>• Altered access to critical habitats, agricultural areas and resources</li> <li>• Hydrology</li> <li>• Pollutant emissions from</li> <li>• Disruption to aquatic and terrestrial fauna</li> <li>• Influx of construction workers</li> </ul>	<p><i>ESIA to include :</i></p> <ul style="list-style-type: none"> <li>• environmental flow assessment to avoid significant altering flow regimes and threats to water resources functioning optimally</li> <li>• Ensure that environmental flows are designed to maintain river ecosystems and balance social and ecological water- needs</li> </ul>	<p>Possible mitigation measures:</p> <ul style="list-style-type: none"> <li>• Restrict construction around water bodies</li> <li>• Minimise activity around water crossings</li> <li>• Minimize watercourse diversion</li> <li>• Limit works duration and impact on seasonality</li> <li>• Prevent land clearing in watershed and facilitate reforestation</li> <li>• Avoid areas sensitive to erosion</li> <li>• Implement integrated watershed management to control soil erosion</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain electrical and mechanical components</li> <li>• Manage and maintain reservoir and margins, and ensure catchment protection</li> <li>• Implement integrated watershed and land management - Control watershed vegetation clearance to prevent erosion and sedimentation, limit agro-chemicals and fertilizers use and possible run-off into the reservoir</li> <li>• Limit water retention time in reservoir; consider periodic “flushing”</li> <li>• Release sediments (hydraulic release)</li> <li>• Dredge accumulated sediments</li> <li>• Maintain a minimum watercourse flow</li> </ul>	<ul style="list-style-type: none"> <li>• Decommission temporary facilities within the inundation area including site clearance, removal of equipment, and appropriate waste disposal.</li> </ul>
<b>Social and Environmental Considerations for Thermal Power Projects</b>				
<ul style="list-style-type: none"> <li>• Environmental impacts</li> <li>• Gaseous and liquid emissions</li> <li>• Fuel and water consumption</li> <li>• Solid waste</li> <li>• Hazardous waste and</li> <li>• Noise emissions</li> </ul>	<p>Environmental Degradation risks</p> <p><b>Address air pollution</b></p> <ul style="list-style-type: none"> <li>• Reduce particulate matter emissions</li> <li>• Address Energy efficiency and GHG emissions</li> <li>• Apply Resources and waste management practices</li> <li>• Promote water efficiency and water recycling</li> <li>• Appropriate waste management</li> </ul>	<p>Good construction site “housekeeping” and management procedures.</p> <ul style="list-style-type: none"> <li>• Adopt Safety Management Plan to implement transport safety practices and reduce risk of traffic accidents.</li> <li>• Implement an Emergency Response Plan to manage major road or rail incidents if they should occur.</li> </ul>	As above	As above