

**SOCIAL AND ENVIRONMENTAL
MANAGEMENT SYSTEM**

BANK OF AFRICA TANZANIA LTD

Social and Environmental Management System

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Social and Environmental Management System

1. Background

The Social & Environmental Management System (SEMS) details the policy, procedures and workflow that will be followed for investments made by The International Finance Corporation to Bank of Africa Tanzania Limited ('Financial Institution Client'), under the management and administration of Davikarani Williams ('the Environmental Coordinator').

2. Social & Environmental Management System

2.1. Policy

Statement

Bank of Africa Tanzania is fully committed to sustainable development whilst putting social and environmental matters at the centre of its operations.

Policy Objectives

Bank of Africa Tanzania continually endeavors to ensure effective social & environmental management practices in all its activities, products and services with a special focus on the following:

- Ensuring that all activities undertaken by Bank of Africa Tanzania are consistent with the Applicable Requirements outlined later in this document
- Ensuring that all projects are reviewed against the Applicable requirements
- Financing Projects only when they are expected to be designed, built, operated and maintained in a manner consistent with the Applicable Requirements
- Making best efforts to ensure that all projects are operated in compliance with the Applicable requirements on an ongoing basis,
- Ensuring Transparency in its activities
- Ensuring that the management and the shareholders of the clients companies understand the policy commitments made by Bank of Africa Tanzania in this area.

This Policy will be communicated to all staff and operational employees of Bank of Africa Tanzania Ltd. In addition, the policy will also be communicated to all project contractors for the construction phase of the projects.

Signed

Effective Date

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2.3. Applicable Requirements

Bank of Africa Tanzania will ensure that all projects are reviewed and evaluated against the following Social & Environmental requirements:

- The IFC Exclusion List for all projects
- The applicable national laws on environment, health, safety and social issues and any standards established therein
- The IFC Performance Standards

2.4. Procedures

* At an initial stage of inquiry, the Environmental Coordinator (or other designated Officer) will apply IFC's Exclusion List (Annexure I) to the project. If the project involves an excluded activity, the prospective client will be so informed, and further consideration of financing for the project will be terminated. Otherwise, the Environmental coordinator will indicate the Applicable Requirements for the project.

* When the Environmental coordinator (Or other designated officer) indicates that the project does not involve an excluded activity, the prospective client will be informed that the company will undertake (if required) a Social & Environmental Social Due Diligence (SEDD) as part of the appraisal process.

* The Environmental Coordinator or other designated officer will undertake (or appoint a consultant to undertake) a SEDD as per guideline. Depending on the complexity of the project, the SEDD can be a desk review, based on a credit officer's site visit or a full scale review conducted by a technically qualified person or consultant.

* The client company must be able to demonstrate compliance to the Applicable Requirements. Demonstration of compliance must be to the Environmental Coordinators (or other designated officers) satisfaction, although the opinion of third parties such as regulatory agencies or the IFC can be sought. Where compliance cannot be demonstrated, a Corrective Action Plan must be agreed to in order for the investment to proceed. The plan must specify all of the necessary actions to bring a project into compliance. A target completion date for each specified action must also be agreed.

* Prospective clients must provide all requested information and Environmental Coordinator (or other designated officer) must have concluded that the Project is expected to

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meet the Applicable Requirements (with Corrective Action if required) prior to The Banks decision to make an investment.

* Social and Environmental performance will be evaluated on an annual basis, including status of implementation of the Corrective Action. The benchmark for performance will be the on-going compliance against the Applicable Requirements. Performance evaluation will be undertaken by:

a) The Banks client companies, who will provide annual reports to the Environmental Coordinator (or other designated office), who may follow up as required with further queries or site visits, and

b) The Environmental Coordinator (or other designated officer), who will provide Performance reports to the Management and IFC, to be prepared on the basis of the Client annual reports provided to the Environmental Coordinator (or other designated officer) and the SEDD and supervision conducted.

* All investment agreements will contain appropriate environmental representations, warranties and covenants requiring that projects are in compliance in all material respects with host country environmental, health, safety and social requirements embodied by state general laws and implementing agencies and conducted in accordance with any Applicable Requirements.

2.5. Environmental Impact Assessment (EIA) and Action Plan (AP)

The EIA and Action Plan are key elements of the Social & Environmental Management System involving both the Equator Principles and an EIA and AP as well as country specific EIA's. The SEMS therefore requires that these are not only adequately completed but also updated and communicated widely, both internally and externally including to local communities.

Environmental Impact Assessment (EIA) is an environmental management tool enabling prospective developer to predict, assess and evaluate environmental impacts that may occur as a result of proposed activities/ operations and to identify appropriate cost effective measures to prevent, offset or minimize any significant negative impacts.

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2.5.1. EIA in Tanzania's Environmental Law and Policy

Tanzania does not have and has never had a comprehensive environmental law with mandatory requirements for environmental impact assessment (EIA). This omission may be explained in part as due to the marginal place that environmental matters played in the period preceding the Rio Conference in 1992. In the post-Rio period, the reluctance to integrate EIA requirements in legislation may be seen in the context of the liberalization and deregulation policies in force since mid 1980s whose centerpiece has been privatization of the common wealth and promotion of private foreign investment. This has created fears that putting investors to rigorous and public scrutiny of their projects on environmental grounds may scare them away thus depriving the economy of the badly needed foreign direct investment.

The main reason for such fears is that attention to environmental matters is generally perceived by business and corporate interests and neo-liberal states as only adding to production costs, making countries less efficient and less competitive. It is perceived therefore, that any outlays devoted to environmental control would be at the expense of development and poverty alleviation objectives.

The overriding desire to create "conducive environment" for investors explains the omission of EIA requirements in our national investment law.

2.5.2. National Environmental Management Council's EIA Guidelines and Procedures

The National Environmental Management Council (NEMC) was established in 1983 in response to the national need for such an institution to oversee environmental management issues and also implement the resolutions of the Stockholm conference (1972). In October 2004, the Government of Tanzania repealed the National Environmental Management Act No. 19 of 1983 and enacted The Environmental Management Act No. 20 of 2004, which give NEMC the mandate to undertake enforcement, compliance, review and monitoring of environmental impact assessments, research, raise environmental awareness and collect and disseminate environmental information.

It may also be involved in initiating legislative processes as its other function is to "formulate proposals for legislation in the area of environmental issues and recommend their implementation by the Government.

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Given below are the steps of the EIA in Tanzania:

1. Registration: the proponent is required to register a project with NEMC by submitting duly filled EIA Application Forms, available at NEMC.
2. Screening: EIA Application forms and Project brief are screened in order to assess and establish category of project and determine level of EIA required.
3. Scoping: In event that a full EIA is required, identification of the main issues of concern raised through scoping will be conducted, by developer through consultant. A scoping report and draft terms of reference (ToR) are submitted to NEMC for review and approval.
4. Impact Assessment: EIA study is done after approval of ToR by NEMC, with the crucial task being identification, assessment and evaluation of likely impacts, their severity, magnitude and proposed mitigation measures to minimize potential negative impacts and enhance positive benefits.

An EIA report or Environmental Impact Statement (EIS) is produced. This includes and Environmental Management Plan (EMP) and a Monitoring Plan (MP) that outlines management and monitoring of anticipated impacts including those which affect local communities in the project area, with public consultation mandatory.

5. Review: NEMC conducts site verification visit to verify information provided in the EIS. NEMC co-ordinates a cross-sectoral Technical Advisory Committee (TAC), comprised of members from sectors responsible for environment and resource management to review the EIS.
6. Public Hearing: This stage may be necessary to address major concerns raised by the public and potential negative impacts of the proposed project.
7. Environmental Decision Making: After submission of the final version of the EIS, NEMC assesses it in order to ascertain whether all TAC comments and recommendations have been adequately addressed. Approval/Disapproval of the EIS is done by the Minister responsible for Environment as stipulated in the EMA 2004 Section 92 (1).
8. Appeals: Both the proponent and affected or interested parties have the right to appeal.

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9. Project Implementation: This is conducted according to the terms and conditions of the approval and is guided by the Environmental Management and Monitoring Plans.
10. Monitoring: Day to day internal monitoring (routine monitoring) is done by the developer (project management team) but compliance monitoring is done by NEMC in collaboration with key stakeholders and regulatory bodies.
11. Environmental Audit: There are two levels of Environmental Audits – i.e.
 - a) Environmental Impact Audit which involves comparing impacts predicted in an EIS with those that actually occur after implementation of the project;
 - b) Environmental Management Audit which involves checks against adherence to plans, mitigation measures and general compliance of terms and conditions.
12. Decommissioning: This is done at the end of the project life and the developer prepares a decommissioning report, which includes a comprehensive decommissioning plan, which is reviewed and approved by NEMC.

The Bank has prepared a tailor made checklist in line with these guidelines to assist in the screening of projects that may require EIA. (Annexure II).

2.5.3. The Equator Principles

The Equator principles are common standards that extend the social and environmental policies and guidelines of the World Bank Group to private financial institutions. Each financial institution that adopts the Equator Principles should undertake to consult with a borrower in order to comply with the principles and will not provide financing to the project where the borrower will or is unable to comply with its respective policies and procedures.

Bank of Africa Tanzania will follow the general guidelines developed by the Equator Principles 2006 as they apply to its operations. The Equator Principles serve as a framework for determining, assessing, and managing environmental and social risk in project financing, based on the policies of the World Bank and its private sector arm, the International Finance Corporation.

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2.5.4. Competence, Training and Awareness

Appropriate competence, training and awareness of all those involved in the project is essential for ensuring that the requirements of the SEMS including the detailed measures included in the EPAP and the country specific action plans are met and thus potential social and environmental impacts are avoided or minimized.

Training requirements include:

- General social and environmental awareness training for all project personnel
- Specific training to those in roles with the potential to have social and environmental impacts

Evidence in the form of training records (sign in sheets, photos, individual personnel training records etc), documented training material, monitoring reports and training summaries.

2.5.5. Internal Communication

The SEMS requires regular and appropriate communication regarding social and environmental issues between all levels of project personnel as well as with key contractors.

Evidence of communication including daily communication, monthly reports, extracts from Board Meeting minutes on matters related to social and environmental issues is key.

The SEMS also require an annual Management Review with the aim being that top management representatives take the time to review the effectiveness of the SEMS, in particular by looking back at the activities that have taken place in the preceding year.

2.5.6. External Communication

Two way communication with external parties including local communities, regulators, educational organizations who may benefit from the project and any other interested parties is important for enabling the views of these parties to be taken into consideration in project planning as well as for helping ensure acceptance of the project. In order to maximize these benefits, it is important that communication is undertaken at an early stage in the project planning process and for this reason, the SEMS requires external communication to be undertaken during preparation of the country specific EIA's as well as during the preparation and execution of project activities.

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Evidence that local communities have been provided with contact names, addresses, telephone numbers and or email addresses for project personnel whom they could contact in the event of any concerns arising during the project process is essential.

It is also important that external communications are logged and followed up as appropriate and necessary to demonstrate that action has been taken, is a requirement of the SEMS. Evidence of the nature of communication and the follow up action taken is to be provided, which includes communication with local communities as well as regulatory authorities where relevant.

2.5.7. Emergency Planning and Incident Reporting

The SEMS requires the project/client to have developed emergency plans which include the identification of incidents that may have an impact on the environment and / or society. When such incidents occur, the client is required to notify the bank of any such incidents and accidents and the bank will report this to the IFC within three working days. An investigation into such incidents will be followed up and where possible, action taken in order to avoid similar incidents in future.

It is also required that the bank's clients provide annual reports on the E & S performance to the bank to enable the review of the project on the basis of the clients commitments in the Actions Plans laid out.

2.5.8. Monitoring & Auditing

The SEMS recognizes the importance of monitoring project activities against requirements (including legal requirements) by requiring series of independent audits to be undertaken, documented and issues arising followed up.

Legal non-compliances are considered of high importance and thus, the SEMS includes a requirement for all legal non-compliances to be logged and followed up appropriately.

The SEMS also requires an internal systems audit to take place, either separately or via the SEMS compliance review and the on-going development of the SEMS for the operational phase which will involve detailed review, amendment and updating of the system and its procedures. During much longer operational phase, however, internal systems audits will be required on an annual basis.

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Other actions to monitor the portfolio are:

- Periodic monitoring reports on each projects social and environmental performance are to be submitted to the IFC as agreed.
- Conduct site visits of certain projects with social and environmental risks and impacts.
- Review project performance on the basis of the clients commitments in the Action Plan, as reported in the clients monitoring reports and where relevant, review with the client any performance improvement opportunities
- If changed project circumstances would result in adverse social and environmental impacts, The Bank will work with the client to address them
- If the client fails to comply with its social and environmental commitments, as expressed in the Action Plan, The Bank will work with the client to bring it back into compliance to the extent feasible, and if the client fails to re-establish compliance, exercise remedies when appropriate.
- Encourage the client to report publicly on its social, environmental and other non-financial aspects of performance, in addition to reporting on the Action Plan as required by Performance Standard 1
- Encourage the client to meet the Performance Standards even after The Banks exit from the project.

2.6. Organization and Responsibilities

* Mjabwa Hanzuruni is the Environmental Manager. The Environmental Manager will have oversight for social and environmental issues, will ensure resources are made available for environmental management and will sign the company's annual environmental performance report to IFC.

* The Environmental Coordinator is Davikarani Williams.

* The responsibilities of the Environmental Coordinator include:

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- * During due diligence, the evaluation of environmental compliance of a target client company with Applicable Requirements;
 - * Supervising projects in the portfolio against on-going compliance with Applicable Requirements
 - * The preparation of an annual environmental performance report, based on the annual performance report prepared by the client companies.
- * The Environmental Coordinator will ensure that these procedures are implemented for each project, and that records of the environmental reviews are maintained.
- * The Environmental Coordinator (or other designated officer) will ensure that all investment decisions are supported by appropriate due diligence documentation (including but not limited to, an environmental section in each final investment memorandum). The Company will also ensure that IFC is notified if and when the current Environmental Manager of the current Environmental Coordinator leaves that position, and will provide IFC the name of the new Environmental Manager of Coordinator.
- * Legal Counsel will ensure that appropriate environmental representations, warranties and covenants are incorporated in each stick purchase agreement.

2.7. Resources and Capabilities

- * The Environmental Manager will work with management to ensure that adequate Company resources have been communicated to allow for the effective implementation of the environmental policy and procedures of the Company.
- * The Environmental Coordinator (or other designated officer) will need to be technically qualified to be able to carry out the due diligence or review work carried out by a consultant.
- * In order to successfully implement the SEM Policy, The Bank will solicit expert advice from external sources such as Environmental Consultants, Institutions such as the National Environmental Management Council, line ministries, local government agencies, departments and other relevant authorities and institutions.
- * The Environmental Coordinator will maintain a file of qualified environmental consultants who can be called upon to assist in conducting environmental reviews.

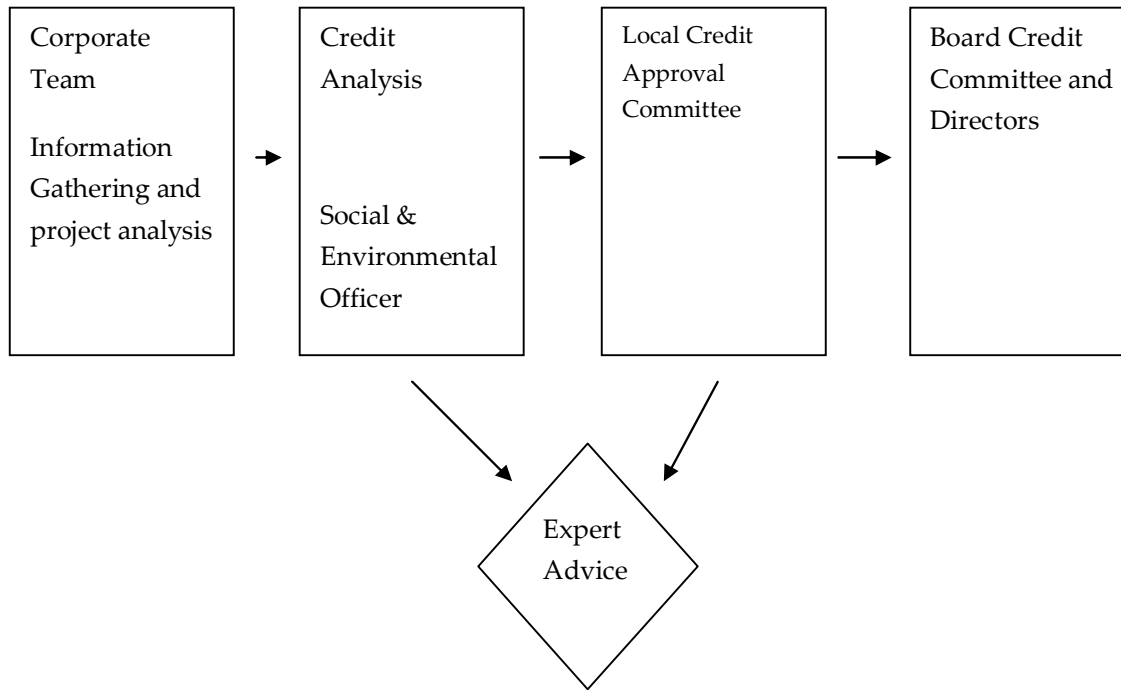
2.8. Records to be maintained

- * Social & Environmental Due Diligence (SEDD)
This is the record of the Company's Social & Environmental Review of a project at the time of considering the project for investment and forms

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- * Social & Environmental Supervision records for projects being supervised
- * Reports to be provided to Company management and to IFC

2.9. Appraisal Work Flow



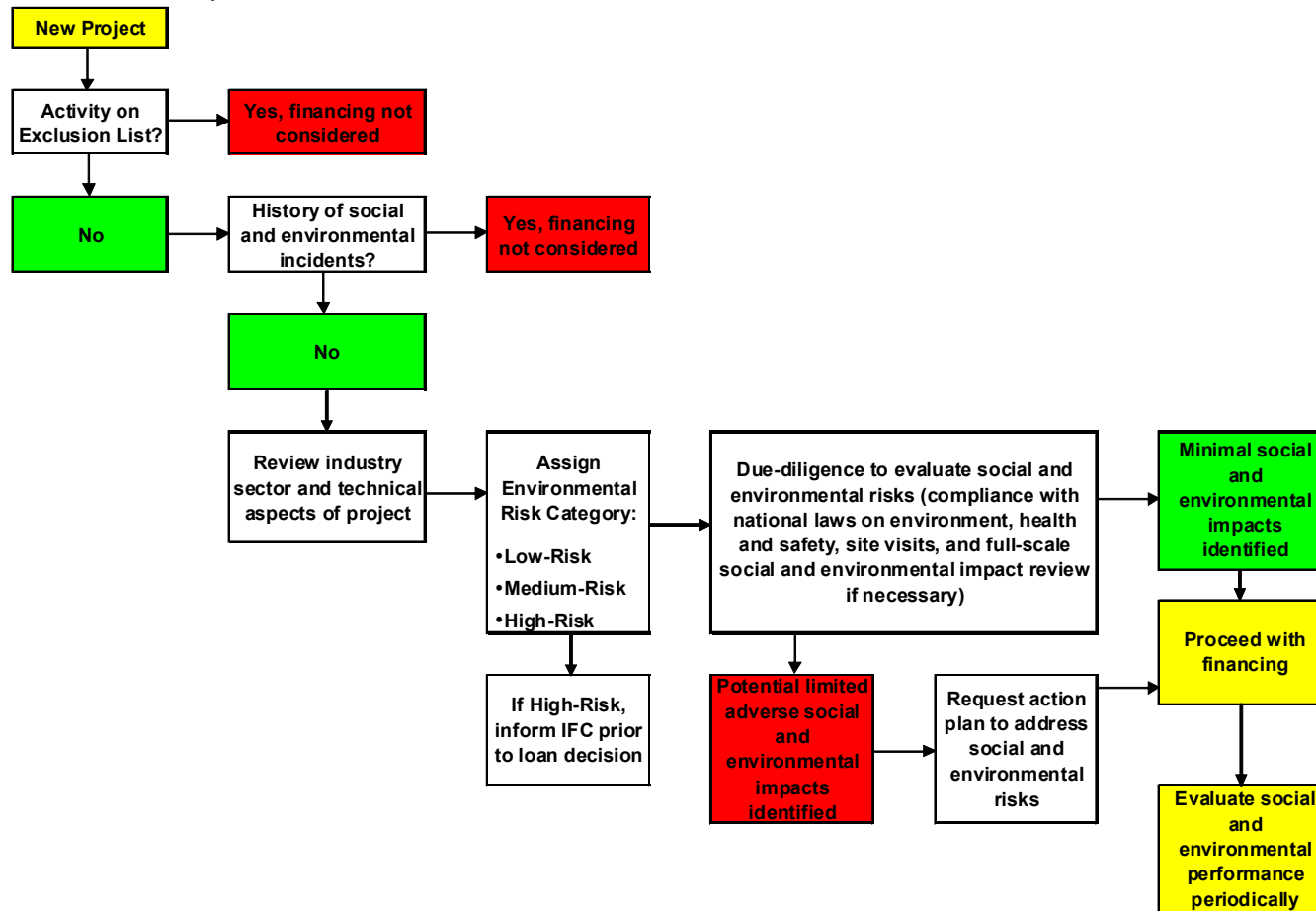
The above illustrates the process flow in respect of all types of financing, with an added focus on projects with environmental and social impact.

2.10. Governance and Disclosure of Information

Effective community engagement is central to successful management of risks and impacts within a social and environmental context. Engagement with communities through disclosure of information, consultation and informed participation in a manner corresponding with risks to and impacts on the affected communities. The Bank will strive to maintain high levels of engagement and equally, efficient disclosure of information, to enable all stakeholders understand better its overall activities and its contribution to development. In exceptional cases, the bank upon consultation with the IFC may reserve the right to disclose information that it may not ordinarily release to third parties.

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2.11. SEMS Project Flow Chart



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Annexure I: The IFC Exclusion List

All financial intermediaries (FIs) must apply the following exclusions:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions¹.
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in un-bonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor².
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.

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Annexure II: Bank of Africa Tanzania's Detailed Check List for Environmental Impact Assessment

CHECK LIST FOR ENVIRONMENTAL IMPACT ASSESMENT

Project Title _____

Developers name and Address _____

Project Location _____

Description of the Project _____

This includes all actions involved during different phases of the project, any secondary support or off-sites features necessary for its implementation

Environmental Factors Potentially Affected

The environmental factors that would be potentially affected by the proposed project

Geology	
Air Quality	
Hazards and Risks	
Biological Resources	
Noise	
Recreation	
Aesthetic Activities	
Public Services	
Other Economic Activities	
Water Quality and Hydrology	
Utilities and Services	
Positive Impacts	
Land Use and Planning	
Energy	
Transport and Traffic	

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Population and Housing
 Public Health and Safety
 Cultural Resources

Tick as appropriate (all answers must take into account of the whole actions involved, including offsite as well as on-site, cumulative as well as project - level indirect as well as direct, and construction as well operational impacts)

GEOLOGY

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Expose people, structures or property to major geologic hazards such as earthquakes, landslides, mudslides or ground failure

Result in unstable earth conditions or changes in geological structure

Result in disruptions, displacements, compaction or over covering of soil

Result in change in topography or ground surface relief features

Destroy, cover, or modify any unique geological or physical features

Increase wind or water erosion of soils, either on or off the site

Results in changes deposition or modify the channel of a river or stream or the bed of any bay, inlet or lake

Be located within a known or active fault zone, or an area characterized by surface rapture that might be related to a fault

Contain substrate consisting of material that is subject to liquefaction or other secondary seismic hazards in the event of ground shaking

Display evidence of hazards, such as land sliding, or excessively steep slopes that

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would result in slope failure

Be located in the vicinity of soil that is likely to collapse as might be the case with Karst topography, old mining properties or areas of subsidence caused by Groundwater drawdown.

Exhibit soils characterized by shrink/swell potential that might result in deformation of foundations or damage to structures

Be located in a zone identified or designated as important farmland

BIOLOGICAL RESOURCES

Will the proposed project activity

1. Impact potentially significant unless mitigation incorporated
2. Limited potential adverse social or environmental impacts
3. Impact not significant

H
M
L

Cause fish or wildlife population to drop below self sustaining levels

Threaten to eliminate plant or animal community

Substantially affect, reduce the number or restrict the range of unique, rare or endangered species of animal, plant or the habitat of the species

Substantially diminish or reduce habitat for fish, wildlife or plants

Interfere substantially with the movement of any resident or migratory fish or wildlife species

Change the diversity of species or number of any species of plants, or animals

Introduce new species of plant or animals into an area or become a barrier to the normal replenishment of existing species

Cause reduction in acreage of any agricultural crop

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Increase the rate of use of any natural resources

--

Cause deterioration of existing fish or wildlife habitat

Adversely affect significant riparian lands, wetlands, marshes or other Wildlife habitats.

--

Be located in the vicinity of soil that is likely to collapse as might be the case with Karst topography, old mining properties or areas of subsidence caused by Groundwater drawdown.

--

Exhibit soils characterized by shrink/swell potential that might result in deformation of foundations or damage to structures

--

Be located in a zone identified or designated as important farmland

--

VISUAL AND ASTHETIC QUALITY

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Have a substantial, demonstratable negative aesthetic effect

--

Result in the obstruction of any scenic view open to the public, or result in the creation of an aesthetically offensive site open to public view

--

Comply with local guidelines or goals related to visual quality

--

Significantly alter the existing natural view sheds including changes in the natural terrain

--

Significantly change the existing visual quality of the region or eliminate visual resources

--

Significant increase light and glare in the project vicinity

--

--

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Significantly reduce sunlight or introduce shadows in the areas used exclusively by the community

WATER QUALITY AND HYDROLOGY

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Substantially degrade water quality

Contaminate a public water supply

Interfere with sustainability of ground water recharge

Cause substantial flooding, erosion or siltation

Result in changes in currents, or the course of direction of water movement

Alter the course of flow of flood waters

Change the amount of surface water in any water body

Discharge into surface waters, or result in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity

Alter the direction or rate of flow of ground waters

Cause change in the quality of ground waters, either through direct additions or withdrawals

Substantially reduce the amount of water otherwise available for public water supplies

Expose people or property to water related hazards such as flooding

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Interfere with other proposed facilities that would be located in flood prone areas

Enhance impact of the proposed facilities that would increase off-site flood hazards, erosion or sedimentation

LAND USE

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Conflict with adopted environmental plans and goals of the community where it is located

Disrupt or divide the physical arrangement of an established community

Conflict with established recreational, educational, religious, or scientific uses of the area

Convert prime agricultural land to non-agricultural use, or impair the Agricultural productivity of prime agricultural land.

Conflict with existing land use policies

Result in a substantial alteration of the present or planned land use of the area

Results in the conversion of open space into urban or suburban scale uses

Conflict with local general plans, community plans or zoning

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POPULATION, HOUSING and EMPLOYMENT

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Attract people to the project and expose them to hazards found in the area

Induce substantial growth or concentration of population

Displace a large number of people

Alter the location, distribution, density or growth rate of the human population in the area

Affect existing housing, or create a demand for additional housing

Conflict with the housing and population projections and policies set forth in the general plan

TRANSPORTATION and TRAFFIC

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Cause an increase in traffic which is substantial in relation to the existing traffic load (volume) and capacity of the street system

Generate substantial additional vehicular movement

Affect existing parking facilities or demand for new parking

Substantially impact existing transportation systems

Alter the present patterns of circulation or movement of people and or goods

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Alter water borne rail for air traffic	
Increase traffic hazards to motor vehicles, cyclists or pedestrians	
Significantly impact intersection levels of services which are or will be below acceptable levels	
Provide inadequate parking and internal circulation capacity to accommodate project traffic so that neighbouring areas are adversely affected	

AIR QUALITY

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Violate any ambient air quality standards	
Result in substantial air emissions or deterioration of ambient air quality through for example - suspended dust	
Create objectionable odors	
Alter air movement, moisture, or temperature, or result in any change in climate	
Provide toxic air contamination (TAC) emissions that exceed the Air Pollution Control threshold level for health risk	
Hamper visibility	

NOISE

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Increase substantially the ambient noise levels for adjoining areas	
---	--

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Expose people to severe noise levels	
Generate noise that would conflict with local noise standards	
Introduce land uses that substantially increase noise levels in the area	

PUBLIC SERVICES

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Result in an impact upon the quality or quantity of existing recreational opportunities	
---	--

Require additional law enforcement staff and equipment to maintain acceptable service ratios	
--	--

Require additional fire protection staff or equipment to maintain an acceptable level of service (response time, equipment)	
---	--

Require expansion of the existing school system	
---	--

Affect or require the designation of substantial additional parkland to remain in conformity with locally accepted or adopted park standards	
--	--

UTILITIES

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Breach published national, state or local standards relating to solid waste control	
---	--

Require extension of a sewer trunk line with capacity to serve new development	
--	--

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Result in need for new systems, or substantial alternations to the following utilities

- * power or natural gas
- * communication systems
- * water
- * sewer or septic tanks
- * storm water drainage
- * solid waste disposal

Cause a significant increase in the consumption of potable water

Require substantial expansion of water supply treatment and distribution

Require substantial waste water disposal

Produce solid waste in excess of available landfill capacity

ENERGY

Will the proposed project activity

- 1. Impact potentially significant unless mitigation incorporated H
- 2. Limited potential adverse social or environmental impacts M
- 3. Impact not significant L

Result in significant irreversible environmental changes including uses of non-renewable resources during the initial and continued phases of the project

Result in significant effects on local and regional energy supplies or on requirements for additional capacity

Result in significant effects on peak and base period demands for electricity and other forms of energy

Conflict with existing energy standards

Result in significant effects on energy resources

Encourage activities which result in use of substantial amounts of fuel, water or energy

Substantially increase demand upon existing sources of energy, or require

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the development of new sources of energy

PUBLIC HEALTH and SAFETY

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Attract people to location and expose them to hazards found there

Create a potential health hazard (including mental health) or involve the use, production, or disposal of materials which pose a hazard to people or animal or plant populations in the area affected

Create a risk of explosion or release of hazardous substances (oil, pesticides chemicals, radiation) in the event of an accident or upset conditions

Expose people to potential health hazards

Pose a public health and safety hazard through release of toxic emissions

Result in unsafe conditions for employees, residents, or surrounding neighbourhoods

Comply with applicable laws regarding handling of hazardous waste materials

GENERAL

Will the proposed project activity

- | | |
|--|---|
| 1. Impact potentially significant unless mitigation incorporated | H |
| 2. Limited potential adverse social or environmental impacts | M |
| 3. Impact not significant | L |

Substantially degrade the quality of the environment

Achieve short term environmental goals to the disadvantage of long term environmental goals

Cause possible cumulative environmental effects that are individually limited but cumulatively considerable or for which the incremental effects

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of an individual project are considerable when viewed in connection with

* past project

* current project, and

* profitable future projects

Cause substantial adverse affects on human beings with directly or indirectly

--

CULTURAL

Will the proposed project activity

1. Impact potentially significant unless mitigation incorporated

H

2. Limited potential adverse social or environmental impacts

M

3. Impact not significant

L

Disturb or destroy a resource which is associated with an event or person of recognized significance in Tanzanian history

--

Disturb or destroy an archeological resource which has recognized importance in prehistory

--

Disturb or destroy an archeological resource which can provide information which is both of demonstrable public interest and useful in addressing scientifically consequential and reasonable archeological research questions

--

Disturb or destroy an archeological or historical resource which has a special or particular quality such as oldest, best example, largest, or last surviving example of its kind

--

Disturb or destroy any human remains

--

Disturb, alter or destroy a site that is currently used for religious ceremonial or other sacred purposes

--

Disturb, alter, and destroy a site that is important in preserving unique ethnic cultural values.

--

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POSITIVE IMPACT:

The proposed activity will result in the following positive impacts:

- 1.
- 2.
- 3.
- 4.

Annexure III: Guidance on Categorization

Categorization: Definitions and Requirements for Environmental Assessment

Category A: The project is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented. A potential impact is considered “sensitive” if it may be irreversible (e.g., lead to loss of a major natural habitat), affect vulnerable groups or ethnic minorities, involve involuntary displacement and resettlement, or affect significant cultural heritage sites. A full Environmental Impact Assessment (EIA) is required.

Category B: The project may result in specific environmental impacts, but these impacts are site specific and few if any of them are irreversible. In most cases mitigation measures are predetermined Performance Standards, Guidelines, or design criteria. Potential adverse environmental impacts on human populations or environmentally important areas are less adverse than those of Category A projects. Although a full EIA is not required, environmental assessment focusing on the anticipated impacts is required.

Category C: The project is likely to have minimal or no adverse environmental impacts. No further environmental assessment is required.

Category FI: The project involves investment of funds through a financial intermediary in subprojects that may result in adverse environmental impacts, or the FI has operations which may have adverse environmental impacts (e.g. project finance). Verification that the project sponsor is capable of and committed to conducting environmental review of projects and

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managing relevant operations to ensure that financed projects meet certain environmental requirements is required.

Several factors influence the categorization of a project, including scale, location, sensitivity and magnitude of impacts. The examples provided below are therefore not categorical - for example, some hotel/tourism developments may be categorized as A, rather than B.

Typical Category A Projects	
Projects affecting indigenous peoples	Construction of dams and reservoirs
Projects involving resettlement of communities/families	Pesticides and herbicides: production or commercial use
All projects which pose serious socioeconomic concerns	Major irrigation projects or other projects affecting water supply in a given region
Projects associated with induced development (e.g. inward migration)	Domestic or hazardous waste disposal operations
Projects which impact on cultural property (e.g. religious and archeological sites)	Hazardous chemicals: manufacture, storage or transportation above a threshold volume
Projects which pose serious occupational or health risks	Oil and gas developments, including pipeline construction
Impacts on protected natural habitats or areas of high biological diversity including wetlands, coral reefs and mangroves	Large infrastructure projects, including development of ports and harbors, airports, road, rail and mass transit systems
Forestry operations	Metal smelting, refining and foundry operations
Mining (opencast and pit)	Large thermal and hydropower developments
Typical Category B Projects	
Breweries	Hotel/tourism developments
Cement manufacture	Mining (small scale)
Dairy operations	Metal plating
Food Processing	Modernization of existing plants

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General manufacturing plants	Pulp and paper mills
Hospitals	Textile Plants
Typical Category C Projects	
Software development	Factoring Companies
Consulting firms	Share registries
Service industries	Stockbroking
Technical assistance	Retail banking
Typical Category FI Projects	
Credit lines	Venture capital companies
Agency lines	Leasing companies

Annexure IV: Due Diligence to assess social and environmental risks

Carrying out the Social & Environmental Due Diligence

A SEDD is the record of the company's review of a project at the time of appraisal that ensures that a project is meeting and is expected to continue to meet the Applicable Performance Requirements. A SEDD is based on all or some of the following:

- Review of information in the public domain to check for any social and/or environmental controversies/ news related to the project
- Review of the project and social and environmental documents of the project
- Discussions with the Project Officials
- Site Visit and discussions there
- Some technical/and S & E knowledge will be required along with knowledge of the technical issues in the project's industrial sector and may require the use of an external consultant if the project is large and complex.

Categorization of environmental risks

- **Low-Risk, Medium-Risk and High-Risk projects**

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- ✓ Does the project comply with all applicable local, provincial/departmental and national laws on environment, health, and safety?
 - ó If no, require the project to develop a plan for corrective actions (including periodic reporting and monitoring) within a reasonable timeframe to be included as a condition of disbursement in loan agreement
- ✓ Does the project have all the necessary permits?
 - ó If no, require project to obtain all necessary permits before proceeding with financing
 - ó If yes, review copies of the permits and ensure that they are current
- **Medium-Risk and High-Risk projects**
 - ✓ Conduct site visit, using consultants as necessary
 - ✓ Request action plan to address potential social and environmental risks (including periodic reporting and monitoring) within a reasonable timeframe
- **High-Risk projects**
 - ✓ Inform IFC about project prior to loan decision and provide relevant information
 - ✓ Conduct a full-scale social and environmental impact review with a technically qualified consultant
 - ✓ Ensure that project complies with IFC's Performance Standards

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Annexure V: Performance Standards

IFC PERFORMANCE STANDARDS ON SOCIAL AND ENVIRONMENTAL SUSTAINABILITY	
<p>Performance Standard 1: SOCIAL AND ENVIRONMENTAL ASSESSMENT AND MANAGEMENT SYSTEM</p> <p>Underscores the importance of managing social and environmental performance throughout the life of a project.</p>	<p>Performance Standard 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT</p> <p>Applies to physical or economic displacement resulting from land transactions such as expropriation or negotiated settlements</p>
<p>Performance Standard 2: LABOR AND WORKING CONDITIONS</p> <p>Recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protection of basic rights for workers.</p>	<p>Performance Standard 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE NATURAL RESOURCE MANAGEMENT</p> <p>Promotes the protection of biodiversity and the sustainable management and use of natural resources</p>
<p>Performance Standard 3: POLLUTION PREVENTION AND ABATEMENT</p> <p>Recognizes that increased industrial activity and urbanization often generate higher levels of air, water and land pollution</p>	<p>Performance Standard 7: INDIGENOUS PEOPLES</p> <p>Aims to ensure that the development process fosters full respect for indigenous peoples</p>
<p>Performance Standard 4: COMMUNITY HEALTH, SAFETY AND SECURITY</p> <p>Recognizes that projects can bring benefits to communities, but can also increase potential exposure to risks and impacts from accidents, structural failures, and hazardous materials</p>	<p>Performance Standard 8: CULTURAL HERITAGE</p> <p>Aims to protect cultural heritage from adverse impacts of project activities and support its preservation</p>
WHAT ARE THE BENEFITS OF THE PERFORMANCE STANDARDS	

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GUARD AGAINST UNFORESEEN RISK

Implementing the Performance Standards helps companies identify and guard against interruptions in project execution.

Some potential disruptions include:

- Strikes or protests
- Costly environmental clean-ups
- Loss of investor confidence due to unfavorable media attention

IMPROVE FINANCIAL AND OPERATIONAL PERFORMANCE

IFC believes that meeting the Performance Standards helps clients

In addition, the standards help clients find ways to maximize local development benefits and encourage the practice of good corporate citizenship. This often results in greater acceptance of the project by local communities and governments, allowing companies to acquire social license to operate. Enhanced brand value and reputation may also be attractive to new investors.

GAIN AN INTERNATIONAL STAMP OF APPROVAL

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Guidance on screening against the Performance Standards:

PS 1: Social and Environmental Assessment and Management System

Environmental and Social Assessment and Management Program

- Does the company have a management system in place to identify the environmental and social impacts and risks of their operations? Does the system identify mitigation and performance measures that address the impacts and risks of their operations? (For example, Quality Assurance; Environmental, Health, Safety & Social, OHS)
- How often does the company review and update the system?
- Does the company have resources earmarked to support this?
- Do they have any best practice certifications (ISO etc)?

Organization

- Are there persons responsible for implementation of the management system?
- Include an outline of the persons responsible including S&E management.

Training

- Does the company have training programs in place for the persons responsible?

Community Engagement

- Does the company have a community engagement process for affected communities?
- If applicable, does this process ensure free, prior and informed consultation of the affected community?
- Does the company have a grievance mechanism in place for affected communities?

Monitoring

- Does the company have procedures in place to monitor management program performance?

Reporting

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- Is appropriate environmental and social performance information periodically reported internally to senior management, investors and stakeholders as relevant?

PS 2: Labor and Working Conditions

Human Resources Policy and Management

- Does the company have an HR policy? Is it clearly understandable and easily accessible to all employees? Does it provide information on rights under national labor and employment law?
- Has the company documented and communicated working conditions and terms of employment to all workers directly contracted? Does this include guidelines on working hours, overtime procedures, wages paid, types of contracts, frequency of payments and sick and maternity leave?
- What is the language of communication with workers and employees?
- Are the terms and conditions in accordance with any collective agreement with workers?
- Has the company implemented a grievance mechanism to review and address employee complaints?
- Is there a person responsible to review complaints and follow up on them in a timely and transparent manner?

Worker's Organization

- Does the company comply with national law in allowing workers to form and join workers organizations and bargain collectively? Does it have a workers organization or trade union? If yes, when was this formed? What percentage of the workforce are members? Are members entitled to special benefits?

Non-Discrimination and Equal Opportunity

- Does the company have documented transparent procedures with respect to discipline, performance and grievance procedures to ensure that employment decisions are not made on the basis of personal characteristics unrelated to job requirements? Does the company have any preferential employment policies in place?

Retrenchment

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- Does the company anticipate retrenchment of a significant number of employees? If yes, is there a retrenchment procedure in place? Have workers been consulted appropriately?
- If the investment entails an expansion will this create additional jobs?

Protecting the Work Force

- Does the company ensure child or forced labor is not used directly, or through contractors or in the supply chain? Does the company check the ages of all employees? Does the company ensure that young workers (15-18 years) are not employed in dangerous work? Does the company commit contractors and suppliers to not use child or forced labor?

Occupational Health and Safety

- Does the company provide its workers with a safe and healthy work environment? Does this include providing workers with and mandating that workers use personal protective equipment (PPE)? Has the company taken steps to prevent accidents, injury, and disease by minimizing the causes of hazards?
- Does the company conduct appropriate monitoring and inspections to ensure worker safety? Does this include monitoring ambient and workplace exposure to noise, and workplace illumination, air quality and temperature as applicable?
- Does the company track and report on rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities? Does the company track staff turnover?
- Does the company have training programs in place for workers in occupational health and safety?
- Does the company have a fire, life and safety plan?

PS 3: Pollution Prevention and Abatement

Pollution Prevention, Resource Conservation and Energy Efficiency

- Provide details about the company's resource use including sources and estimates of daily use for energy and water. Has the company ever conducted a cleaner production audit? Do the company's operations incorporate energy efficiency and water conservation measures? (See also, guidance under PS 6, Management and Use of Renewable Natural Resources.)
- Does the company monitor air and water emissions? Is ambient air quality monitored on site?

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- Does the company apply project-specific pollution prevention and control techniques?

Waste management

- Does the company have procedures for storage, handling, and disposal of solid wastes? Does this include waste management techniques?
- Does the company treat effluents prior to disposal?

Hazardous Materials

- Does the company have procedures for storage, handling and disposal of hazardous materials?

Emergency Preparedness and Response

- Does the company have an emergency prevention, preparedness and response plan?

Green House Gas Emissions

- What are the company's GHG emissions (direct plus indirect from purchased electricity)?
- If these exceed 100,000 tons CO₂ annually, does the company conduct annual monitoring, and have options for emissions reductions or offsets been discussed with the company?

Pesticide Use and Management

- How are pests monitored and controlled? If pesticides are used:
 - Is their selection made with the following considerations in mind: low in human toxicity, effective against the target species, known to have minimal effects on non-target species and the environment?
 - Are the pesticides packaged appropriately and labeled (including directions for safe and appropriate use)?
 - Have the pesticides been manufactured by an entity licensed by the relevant regulatory agencies?
 - Are the pesticides handled, stored, applied, and disposed of in accordance with the Food and Agriculture Organization's International Code of Conduct on the Distribution and Use of Pesticides or other good international industry practice?
 - Are any of the pesticides in use on the World Health Organization Recommended Classification of Pesticides by Hazard Classes I a (extremely hazardous) and I b (highly hazardous); or Class II (moderately hazardous)?

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PS 4: Community Health, Safety and Security

Community Health and Safety

- Are there communities in close proximity to the company's facilities? What is the relationship of the company with the local community? Does the company take community, health and safety considerations into account in the context of its operations? Do its requirements take into account company infrastructure and equipment safety, hazardous material release, transport and disposal considerations, natural resource use and community exposure to disease?
- Has the company designated contact persons within the organization responsible for receiving and responding to questions, concerns or complaints raised by nearby communities or other stakeholders? If yes, are the contact details for these persons will be displayed prominently on the company facility signage?

Emergency Preparedness and Response

- Does the company's emergency preparedness and response plan take into account risks and impacts from project activities to local communities? Does this include the requirement to inform affected communities of significant potential hazards in a culturally appropriate manner?

Security Personnel Requirements

- Does the company engage security personnel to provide security services at their facilities? If yes, do the contract provisions include guidelines on how security personnel shall interact with communities in close proximity to the facility?
- Are security personnel armed? If yes, has the company provided training on the appropriate conduct towards workers and the nearby communities? Have there been any allegations of unlawful and/or abusive acts by security personnel towards workers or nearby communities? If yes, how were these dealt with by the company?

PS 5: Land Acquisition and Involuntary Resettlement

Project design

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- Is there any land acquisition for the proposed investment? If yes, what was the previous use of the land and how was the land acquired? Was the land acquisition managed by the government?

Compensation and Benefits for Displaced Persons

- Has there been any physical and/or economic displacement and resettlement as a result of land acquisition for this project? If yes, provide detailed information with regard to the type of displacement and the displaced persons and communities.
- Has the company engaged with the displaced persons and communities and/or provided opportunities to derive appropriate development benefits from the project? If yes, provide details.

Consultation and Grievance Mechanism

- Has the company disclosed all relevant information, consulted with affected persons and communities and facilitated their informed participation in the decision making process relating to resettlement?
- Has the company established an effective grievance mechanism?

Resettlement Planning and Implementation

- Has the company considered alternative designs to avoid or minimize economic and physical displacement?
- Has the company identified persons to be displaced by the project and those eligible for compensation and assistance through a baseline census with appropriate socio-economic baseline data? Has the census established the status of displaced persons according to their legal rights or claim to land?
- Has the cut-off date for eligibility been established or disseminated?
- Has the company prepared a Resettlement Action Plan (RAP) or resettlement framework (if physical displacement is involved) that mitigates the negative impacts of displacement, identifies development opportunities and establishes entitlement for all affected persons?
- Has the company (if economic but not physical displacement is involved) developed procedures to offer compensation or other assistance that will establish entitlement for affected persons or communities? Has this included providing replacement property, compensation, targeted assistance and/or transitional support in accordance with PS 5 requirements?

Private Sector Responsibilities under Government-Managed Resettlement

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- Was resettlement managed by the government? If yes, has the company supplemented government actions and bridged the gaps (if applicable) between the government-assigned entitlements and procedures and the requirements of this PS?

PS 6: Biodiversity Conservation and Sustainable Natural Resource Management

Protection and Conservation of Biodiversity

- Has the company identified and addressed the impacts on biodiversity as part of their operations?
- Will modified, natural and critical habitat (as defined by PS 6) be impacted by the company's activities?
 - In the case of natural habitat, has the company considered alternatives and adequately mitigated any potential degradation?
 - In the case of critical habitat, has the company suitably determined that there will be no measurable adverse impact on species or habitat?
- Does the company conduct any operations in legally protected areas? If yes, has the company addressed the requirements for legally protected areas outlined in PS 6?
- Has the company identified any alien species which may be intentionally or unintentionally introduced through its activities? If intentional introduction of alien species is planned, has this received appropriate government regulatory approval?

Management and Use of Renewable Natural Resources

- Has the company identified renewable natural resources which it will use, and committed to managing them in a sustainable manner?
- In the case of projects in natural and plantation forests, has the client obtained independent certification to ensure that these natural forests and plantations are being managed sustainably? If no, or pending then has a time-bound phased action plan been developed to achieve such certification?
- In the case of projects in freshwater and marine environments, has the client obtained independent certification of the sustainable management of these aquatic resources, or provided other independent studies to show these resources are sustainably managed?

PS 7: Indigenous Peoples

Avoidance of Adverse Impacts

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- Is it likely that Indigenous Peoples (IPs) will be adversely impact as a result of the project's operations? Does the ESIA conducted by the company identify the adverse impacts to IPs and identify ways to avoid these where possible?
- Has the company compensated in a culturally appropriate manner consistent with the guidance provided in PS 7.

Consultation and Informed Participation

- Has the company established a process for Informed Participation through an FPIC process centered on mitigation measures, sharing of developmental benefits and opportunities and implementation issues as outlined in PS 7?

Impacts on Traditional or Customary Lands under Use

- Has the company informed IPs of their rights according to national laws including those recognizing traditional/customary rights?
- Has the company offered at least compensation and due process to those with full legal title to land together with culturally appropriate development opportunities
- Has the company provided land-based compensation or compensation-in-kind in lieu of cash compensation where feasible?
- Has the company entered in good faith negotiations with affected communities and documented their informed participation and the successful outcome?

Relocation of Indigenous Peoples (IPs) from Traditional or Customary Lands

- Has the company conducted a successful good faith negotiation, applied the requirements of the Performance Standards and, where feasible, ensured that IPs can return to their traditional or customary lands should the reason for their relocation cease to exist?

PS 8: Cultural Heritage

Protection of Cultural heritage in Project Design and Execution

- Is the project located in an area where cultural heritage is expected to be found? If yes, has a Chance Find Procedure been established as outlined in PS 8?
- Is it possible that the project may affect cultural heritage or has critical cultural heritage been identified where significant damage is unavoidable? If yes, has the company complied with the requirements of PS 8?
- Is the project located in a legally protected area or a legally defined buffer zone? If yes, has the company complied with requirements of PS 8?

Project use of Cultural Heritage

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- Has the company identified proposed project use of cultural resources, knowledge, innovations, or practices of local communities embodying traditional lifestyles for commercial purposes? If so, has the client informed these communities of:
 - their rights under national law
 - the scope and nature of the proposed commercial development
 - the potential consequences of such development
- If commercialization has proceeded, has the client:
 - entered into good faith negotiation with the affected community embodying traditional lifestyle
 - documented their informed participation and successful outcome of the negotiation
 - provided fair and equitable sharing of benefits from commercialization

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Annexure VI: Social and Environmental Aspects Screening Checklist

Social and Environmental Aspects Screening Checklist	
Project name:	Location:
Lending amount (\$m) and financial purpose:	
Industry sector:	Brief project description:
Site visit date:	Additional technical review required:
Reviewed by:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compliance with applicable requirements—<i>check all that apply:</i>	
<input type="checkbox"/> Exclusion list <input type="checkbox"/> National regulatory requirements <input type="checkbox"/> Environmental, health and safety permits granted <input type="checkbox"/> Injuries and fatalities have occurred (how and when: _____) <input type="checkbox"/> Labor-related fines (when and why: _____) <input type="checkbox"/> Environmental incidents and fines (when and why: _____)	
Management systems—<i>check all that apply:</i>	
<input type="checkbox"/> No written environmental and social policy <input type="checkbox"/> No written human resources policy (e.g., employee rights/non-discrimination) <input type="checkbox"/> No written fire/safety plan or emergency prevention/preparedness/response plan <input type="checkbox"/> No environmental, health and safety training for employees <input type="checkbox"/> No procedures for managing environmental and social risks	

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- No designated person in charge of environmental and social issues
- No internal process for sharing information

Project site—check all that apply:

- Non-urban/undeveloped land
- Proximity to river/stream/pond/lake/sea
- Proximity to protected area (e.g., forest/endangered species)/ecologically sensitive area (e.g., wetland/breeding grounds)
- Proximity to culturally sensitive/indigenous area

Environmental issues—check all that apply:

Air emissions

- Boilers
- Generators
- Vehicles and equipment
- Furnaces and incinerators
- Welding and soldering
- On-site burning
- Use of solvents
- Use of fumigation
- Evaporation of chemicals
- Refrigeration plant
- Use of exhaust ventilation

Waste water

- Waste water discharged to _____
- Drains and grates
- Oil separators
- Separation tanks or filters
- Reed beds
- Cut-off valves
- Foul sewers and septic tanks
- Water treatment units
- Cleaning operations
- Spraying operations
- De-watering/water pump out

Resource consumption

- Materials used:

- Use of renewable natural resources
- Use of tools and equipment
- Water source:

Nuisance

- Dust
- Noise
- Odors
- Fumes
- Vibrations
- Traffic congestion and obstructions

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<input type="checkbox"/> Energy source: _____	
Community interactions— <i>check all that apply:</i>	
<input type="checkbox"/> No designated person in charge of responding to questions from the community <input type="checkbox"/> No procedures for managing community complaints <input type="checkbox"/> Use of security personnel	
Social issues— <i>check all that apply:</i>	
<input type="checkbox"/> Land acquisition required <input type="checkbox"/> Displacement/resettlement of local settlements <input type="checkbox"/> Impact on local settlements/livelihood <input type="checkbox"/> Impact on indigenous peoples <input type="checkbox"/> Complaints from neighbors/communities <input type="checkbox"/> On or adjacent to site of cultural/archaeological importance	
Labor issues— <i>check all that apply:</i>	
<input type="checkbox"/> No Personal Protective Equipment provided (e.g., safety goggle/hard hat/protective glove) <input type="checkbox"/> Inadequate employee health and safety measures (e.g., fall prevention/ventilation) <input type="checkbox"/> Inadequate working conditions (e.g., air quality/lighting/confined spaces/on-site hygiene) <input type="checkbox"/> Inadequate terms of employment (e.g., working hours/rest breaks/time off/overtime pay) <input type="checkbox"/> Unequal employment opportunities (e.g., discrimination against gender/ethnic group/age) <input type="checkbox"/> Payment below minimum wage <input type="checkbox"/> Employees below minimum age <input type="checkbox"/> Child or forced labor <input type="checkbox"/> No process for employees to voice complaints <input type="checkbox"/> No recognition of employee organizations/labor unions	

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Additional comments

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Annexure VII: Format of Performance Reporting to IFC

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes.

Name of Organization			
Completed by (name):			
Position in organisation:		Date:	
Reporting period	From:	To:	

Portfolio Information

Report Covering Period:	
From:	To:

For the reporting period, please provide the following information about your portfolio **where applicable:**

FI Business Lines

Product line	Description	Total exposure outstanding for most recent FY year end (in US\$)	Average loan or transaction size (in US\$)
Retail banking/Consumer	Loans or other financial products for individuals (includes retail housing finance and vehicle		

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loans	leasing)		
Long term:			
Transactions with tenor greater than 12 months			
SME	Any lending, leasing or other financial assistance to any corporate or legal entity other than an individual, with individual transactions less than US\$ 1 million		
Project finance/Large Corporate finance	Any lending, leasing or other financial assistance to any corporate or legal entity other than an individual, with individual transactions larger than US\$ 1 million		
Trade finance			
Short term (ST):			
Transaction with tenor less than 12 months			
ST Corporate finance			
ST Trade finance			
Other			
Microfinance			
Other (if applicable)	Please describe		

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Exposure by Industry Sectors

If there is any exposure in the area of SME or large corporate/project finance (your corporate portfolio), please provide an indicative % of portfolio that these sectors represent of the total corporate portfolio.

S. No	Industrial Sector	Outstanding exposure (in US\$)	% of corporate portfolio
	Animal Production		
	Apparel		
	Chemicals		
	Collective Investment Vehicles		
	Common Carriers		
	Construction and Real Estate		
	Consumer Goods		
	Crop Production		
	Electrical Equipment, Appliances and Components		
	Fabric Mills		
	Fabricated Metal Product Manufacturing		
	Finance & Insurance		
	Finishing (Dyeing, Printing, Finishing, etc.)		
	Fishing		
	Food & Beverages		
	Forestry		
	Furniture and Related Products		
	Integrated Textile Operation (Spinning, Weaving/Knitting, but		

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	no Garment)		
	Internet Projects		
	Leather and Allied Products		
	Machinery and Other Industrial		
	Nonmetallic Mineral Product Manufacturing		
	Oil, Gas and Mining		
	Plastics & Rubber		
	Primary Metals		
	Printing & Publishing		
	Pulp & Paper		
	Spinning (Yarn, Including Integrated with Fiber Production)		
	Telecommunications		
	Textiles - Others		
	Transport Service		
	Transportation Equipment		
	Utilities		
	Warehousing & Storage		
	Wholesale and Retail Trade covering any of the following. Gasoline stations, dry cleaners, printing, large auto and truck fleets, photographic film processing and any operations involving the use of any chemical of biological wastes or materials		
	Wood Products		
	Total		

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If engaged in long term SME or large corporate/project finance, please provide information as requested of all loan assets meeting the following conditions:

- Longer than 12 months tenor
- Larger than US\$ 1 million outstanding exposure

Company/ Project name	Type of loan (large corporate/ SME/trade finance)	Tenor of loan (months)	Value of exposure (US\$ mn)	Industry Sector ³	Any environmental and social risks and measures taken to mitigate the risks

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Social & Environmental Management System (SEMS)

Policies & Processes	Yes/No	
Has your organization developed and implemented an SEMS?		If yes, please attach a copy of the SEMS to this report.
If there is an SEMS already in place, have there been any updates to the SEMS or policy and procedures adopted by your organization during the reporting period?		If yes, please provide a copy of the updates including dates and reasons for the same.
Has senior management signed off on the updated policy/procedure?		If yes, please provide the date and internal communication indicating the same.
Please give details of any transactions rejected on environmental, health, safety or social grounds.		
Please state any difficulties and/or constraints related to the implementation of the social and environmental procedures.		
Please describe how you ensure that your clients and their projects are operated in compliance with the National laws and regulations and the Performance Standards.		
Please provide two sample internal S&E review reports conducted for projects considered last year. (Only applicable if the Performance Standards is an S&E Requirement)		
Please give details of any material social and environmental issues associated with borrowers during the reporting period in particular.		

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Capacity	<i>Yes/No</i>	
Please provide the name and contact information of the Environmental Officer or Coordinator who has the overall responsibility for the implementation of SEMS.		Please describe the training or learning activities the Environmental Officer or Coordinator attended during year.
Please provide current staffing of other core SEMS persons in the organization involved with SEMS implementation.		Please describe the training provided to the SEMS persons and other team members during year.
What was the budget allocated to the SEMS and its implementation during the year?		Please provide budget details including staff costs and training as well as any actual costs.
Monitoring	<i>Yes/No</i>	
Do you receive any non-financial reporting from industrial projects that you finance?		If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.
Do you check for ongoing compliance of your projects with national regulation and any other requirements such as the Performance Standards?		If yes, please describe the process including any social and environmental considerations if applicable.
<p>Please describe how you monitor the client and project social and environmental performance. Please provide the following information:</p> <ul style="list-style-type: none"> - Number of projects in portfolio classified as category A or B - Number providing annual reports - Number of projects where a field visit was conducted by a bank staff to review aspects including and social and environmental issues 		Please describe and provide supporting documents and please provide information on the number of projects where a field visit was conducted by staff to review aspects including social and environmental issues.
Please provide details of any accidents/litigation/ complaints/regulatory notices and fines:		

Social and Environmental Management System

<ul style="list-style-type: none"> - Any incidents of non-compliance with the S&E Requirements - Covenants/ conditionalities imposed by the Bank as a result of any non-compliance 		
Reporting	<i>Yes/No</i>	
Is there an internal process to report on social and environmental issues to Senior management?		If yes, please explain the process, reporting format and frequency and actions taken if any.
Do you prepare any social and environmental reports: <ul style="list-style-type: none"> - For other MLAs - Other stakeholders - S&E reporting in the Annual Report - Sustainability reports 		If yes, please provide copies of these reports.
Activities on IFC Exclusion List		
If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in IFC excluded activities.		_____%
If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.		
Sustainable finance		
Have you made any investments in projects that have social and environmental benefits such as investing in management systems, energy efficiency, renewable energy, cleaner production, pollution management, supply chain greening, corporate social responsibility, community development etc? Please list these in the format provided below:		
Project Name	Value financed by the company (US\$ million)	Type of social and environmental benefit