

# **ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)**

**MINISTRY OF ECONOMY  
THE GOVERNMENT OF FIJI**

(Internal)

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## DEFINITIONS

**Biodiversity** means the variability among living organisms from all sources, including diversity within species, between species, and of ecosystems; encompassing, inter alia, terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are a part.

**Critical Habitat** means an area with high biodiversity value, including (i) habitats of significant importance to critically endangered or endangered species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of Threatened Species or equivalent national approaches, (ii) habitats of significant importance to endemic or restricted-range species, (iii) habitats supporting globally or nationally significant concentrations of migratory or congregatory species, (iv) highly threatened or unique ecosystems, and (v) ecological functions or characteristics that are needed to maintain the viability of the Biodiversity values described in (i) to (iv).

**Cultural Heritage** means both tangible and intangible cultural heritage, including movable or immovable objects, sites, structures, natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance; as well as practices, representations, expressions, knowledge, or skills – as well as the instruments, objects, artifacts and cultural spaces associated therewith – that communities and groups recognize as part of their heritage, as transmitted from generation to generation and constantly recreated by them in response to nature and a shared history.

**Cumulative Impact** means the collective impact of a project's or program's incremental impact added to the impacts of other relevant past, present and reasonably foreseeable future developments, as well as the unplanned but predictable activities enabled by the project that may occur later or at a different location.

**Economic Displacement** means loss of land, assets, or access to land or assets, including those that lead to loss of income sources or other means of livelihood.

**Environmental and Social Impact** means any change, potential or actual, to the physical, natural, or cultural environment, and related impacts on surrounding communities and workers, resulting from a project or program, including direct, indirect, cumulative and transboundary impacts and the impacts of Associated Facilities, and including both adverse and beneficial impacts.

**Environmental Risk** can be defined as the actual or potential threat of adverse effects on the environment by effluents, emissions, wastes, resource depletion or other similar activities arising out of or related to an organization's activities.

**Environmental and Social Action Plan** means a document that identifies the Environmental and Social Risks and Impacts that are relevant for a project or program, and corrective actions and measures necessary to anticipate, avoid, prevent, minimize, mitigate, manage, offset or compensate any adverse Environmental and Social Risks and Impacts, and to enhance environmental and social outcomes.

**Free, Prior and Informed Consent (FPIC)** means there is bottom-up participation and consultation and that well-informed approval is given by indigenous people prior to commencing any development on ancestral land<sup>1</sup>. FPIC is a fundamental requirement of the GCF.

**Indigenous People** are culturally distinct societies and communities. The land on which they live and the natural resources on which they depend are inextricably linked to their identities, cultures, livelihoods, as well as their physical and spiritual well-being. The Indigenous People in Fiji are known as the iTaukei and the Constitution of Fiji recognizes their ownership of iTaukei lands, their unique culture, customs, traditions, and language.

**Involuntary Resettlement** means resettlement when affected persons do not have the right to refuse Land Acquisition or Restrictions on Land Use that result in Physical or Economic Displacement.

**Land Acquisition** means any way in which land is obtained for the purposes of a project or program, including outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way, including but not limited to: (a) acquisition of unoccupied or unutilized land, whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.

**Marginalized or Vulnerable Groups or Individuals** means those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic, health or land tenure status, sexual orientation, identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the impacts of a project or program and/or more limited than others in their ability to take advantage of its benefits.

**Pollution** means both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases; as well as thermal discharge to water, emissions of short- and long-lived climate pollutants, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts, including light.

**Project** for the purpose of this policy is defined as a set of eco-centric activities intended to wholly or partially result in adaptation to or mitigation of climate change for which the Fijian Government's support is being sought (including both national and international funding). Projects may include new facilities, or activities and/or existing facilities or activities which are being wholly implemented by the Ministry of Economy or for which Ministry of Economy is an implementing entity for external funding.

**Restrictions on Land Use** means limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of a project or program, including but not limited to restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.

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<sup>1</sup> For further information on FPIC requirements and processes see the United Nations Declaration on the Rights of Indigenous Persons (UNDRIP) and the United Nations Permanent Forum on Indigenous Issues (UNPFII).

**Social Risk** can be defined as hazards to human health, safety and security, impacts on communities and threats to a region's biodiversity and cultural heritage or other similar activities arising out of or related to an organization's activities.

**Stakeholder** means an individual or group that has an interest in the outcome of a project or program or is likely to be affected by it, such as local communities, indigenous peoples, civil society organizations, and private sector entities, comprising women, men, girls and boys.

**Stakeholder and Community Consultation** means continuous stakeholder engagement throughout the project cycle, bringing about behavioral change in tandem with projects interventions through a two- way avenue.

## ACRONYMS

Ministry of Economy	MoE
Ministry of Women, Children and Poverty Alleviation	MWCPA
Health and Safety at Work Act	HASAWA
Environmental and Social Management System	ESMS
Environmental and Social	E&S
Environmental and Social Safeguards	ESS
Environmental and Social Risk Management	ESRM
Environmental and Social Impact Assessment	ESIA
Environmental and Social Action Plan	ESAP
Multilateral Environmental Agreements	MEAs
Gender Equity and Social Inclusion	GESI
Green Climate Fund	GCF
Global Environmental Facility	GEF

# 1. INTRODUCTION

The Ministry of Economy (“MoE”), formerly known as the Ministry of Finance, is a Fijian Government body responsible for the promotion of sound financial resource management practice among the various Fijian government ministries and agencies. It is also responsible for promoting sound economic management of the national economy, consistent with macroeconomic targets that put the economy on a path to sustainable long-term development. It is guided by the Financial Management Act 2004.

The primary role of the Ministry of Economy is to support the Government of the day in the efficient and effective management of the national economy consistent with the sustainable achievement of Government’s vision for the nation. To achieve this, the Ministry of Economy will ensure that prudent fiscal policies and practices are in place to strengthen financial and macro-economic stability.

In the execution of its role, the Ministry of Economy is also committed to meeting the highest standards of Environmental and Social Safeguards. In this context the Ministry of Economy has developed this Environmental and Social Management System (ESMS) to guide its work which is aligned with the relevant legislation of Fiji (such as the Environmental Management Act (2005) and Subsidiary Regulations (2008)) and with international best practices.

MoE’s ESMS is a broad operational framework that will allow the Ministry of Economy to explain its procedures for identifying, assessing and managing environmental and social (E&S) risks of projects, define the decision-making process, describe the roles, responsibilities and capacity needs of staff for doing so and state the monitoring and reporting requirements. It also provides guidance on how to screen transactions, categorize transactions based on their environmental and social risk, conduct environmental and social due diligence, and monitor the project’s environmental and social performance.

The ESMS will do the following:

- Determine and assess environmental and social risks and impacts of projects, including through consultations with stakeholders and vulnerable communities;
- Ensure access to information and full participation in the decision-making process for stakeholders, especially vulnerable communities and Indigenous People;
- Create safeguards and mechanisms to mitigate risks and negative environmental, social and economic impacts associated with projects;
- Build on the MoE’s existing policies, operating procedures, and project cycle;
- Ensure access to justice in matters regarding environmental and social safeguard issues for affected parties in the form of a functional and efficient Grievance Redressal Mechanism (GRM); and
- Cooperate with partners to build capacity in risk mitigation and facilitate implementation of environmental and social safeguards and monitoring and evaluation.

The ESMS is structured as follows:

- ESS Policy
- ESRM Procedures
- Environmental and Social Action Plan (including Monitoring and Compliance, Grievance Redressal Mechanism, Disclosure and Public Consultation and Reporting on E&S Performance)
- E&S Capacity Building

The Budget and Planning Division is responsible for reviewing and updating this ESMS.

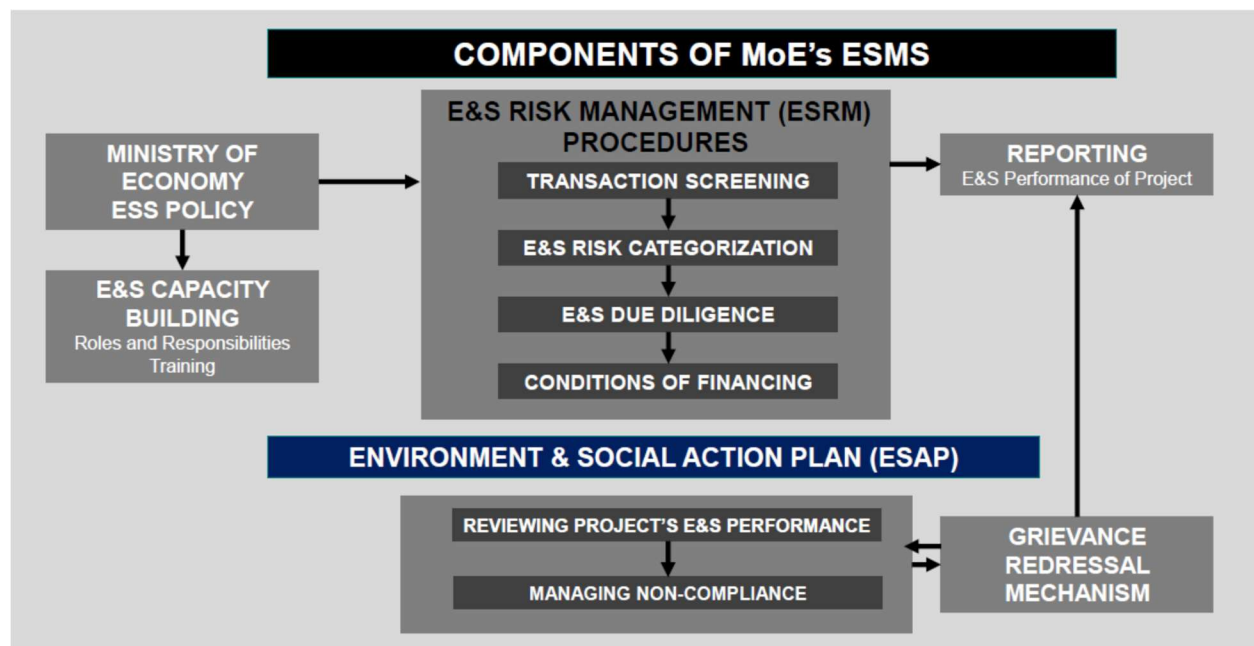


Figure 1. Component of MoE's Environmental and Social Management System (ESMS)

## 2. SCOPE

Through this Environmental and Social Management System (ESMS), the Ministry of Economy will enhance the implementation of eco-centric developmental projects it is involved in administering (through its own budget) and implementing (through contractual obligations) that include a climate adaptation or mitigation component. Where the Government of Fiji is financing a project with multilateral or bilateral funding agencies including climate financing organizations such as the Adaptation Fund and the Green Climate Fund for which the Ministry of Economy (MoE) has overall responsibility for monitoring their implementation, the MoE will cooperate with such agencies in order to agree on a common approach for the assessment and management of environmental and social risks and impacts of the project. A common approach will be acceptable to the MoE, provided that such an approach will enable the project to achieve the objectives materially consistent with MoE's ESMS.



### 3. ENVIRONMENTAL AND SOCIAL SAFEGUARDS (ESS) POLICY

This Environmental and Social Safeguards (ESS) Policy formalizes the MoE's commitment to promote environmental and socially sustainable projects. As such, the ESS Policy sets out the principles on which the approach to environmental and social safeguard review and management by the MoE is based and the environmental and social safeguard requirements that are applicable to each project. All projects implemented by the MoE shall be designed and implemented to meet the following environmental and social principles, although it is recognized that depending on the nature and scale of a project/programme all of the principles may not be relevant to every project/programme. The Policy is as follows:

- The MoE remains committed to promoting economic and social reforms to put Fiji on a solid platform of inclusive and sustainable development through its programmes and projects
- The MoE has introduced and expanded various social protection initiatives to protect women, children, people with disabilities, the elderly and people living in poverty and draws upon principles enshrined in the Constitution and legislation of Fiji, which emphasizes:
  - o Indigenous people and their ownership of customary land (Constitution of the Republic of Fiji (2013))
  - o Commitment to justice, national sovereignty and security, social and economic wellbeing, and safeguarding the environment (Preamble to the Constitution)
  - o Health, welfare, and convenience of the inhabitants of the municipality (Local Government Act (Chapter 125))
- The MoE emphasizes the need to be consistent with the principles inherent within the Environmental Management Act (2005) and its Subsidiary Regulations (2008), as well as the Sustainable Development Goals (SDGs), ratified United Nations conventions (such as the Convention on all Forms of Discrimination against Women, the Convention on the Rights of People with Disabilities and the Convention on the Rights of the Child), relevant GCF, Adaptation Fund and GEF ESS Policies as regards to:
  - o Standards and practices related to the social and environmental impact assessment of projects,
  - o Environmental principles,
  - o Standards and practices on environmental protection, building regulations, land use development and planning, and enforcement.
  - o Gender equity and social inclusion (GESI)
- Through its environmental and social safeguard impact assessment and monitoring and evaluation processes, the MoE will seek to ensure that the projects it finances are designed and implemented to:

- Integrate marginalized and vulnerable groups into all aspects of the project life cycle
  - Maximize environmental, social, and economic benefits to society as a whole and to vulnerable communities in particular
  - Minimize negative environmental, social, and economic impacts; and
  - Comply with social and environmental standards.
- The MoE will not knowingly finance projects which:
- Harm individuals or undermine human rights and social protections
  - Can potentially cause significant negative environmental, socio-economic or gender impacts
  - Fail to meet the environmental, social and safeguard requirements of the relevant Fiji legislation and international laws and standards

### **3.1 Requirements**

The MoE requires that all projects are designed and implemented to ensure consistency with international and local standards and practices included within Multilateral Environmental Agreements (MEAs) and incorporated within the Environmental Management Act (2005) and Subsidiary Regulations (2008) (e.g. biodiversity, climate change, the ozone layer, wetlands, persistent organic pollution, trans-boundary air pollution, endangered species and environmental information) and other relevant Fiji legislation (labor, community health, land resettlement, indigenous people, gender equality and equity, and cultural heritage).

### **3.2 Confidentiality**

The MoE respects and upholds stakeholders' right to privacy and confidentiality while being sensitive to possible social, environmental and gender impacts during the development and implementation of its policies, programmes and projects.

### **3.3 Climate Change Adaptation and Mitigation**

To address the challenges of climate change and to mainstream climate change adaptation and mitigation, the MoE through its ESIA process encourages the incorporation of renewable energy and energy efficiency technologies for development projects and programmes, as legislated by the Environmental Management Act (2005) and its Subsidiary Regulations (2008), Fiji's National Adaptation Plan (NAP), the Low Emissions Development Strategy (LEDS) and Fiji's Intended Nationally Determined Contributions (NDCs)

### 3.4 Labor Rights

Projects implemented by the MoE shall meet the core labor standards as identified by the International Labor Organization and as given in the Constitution of Fiji.

### 3.5 Pollution Prevention and Control

The MoE strives to avoid or minimize adverse impacts on human health and the environment through its ESIA screening process and by adhering to the following acts and policies:

- Litter Promulgation Act 2008;
- Sewerage Act 1966 (Chapter 128); and
- Ozone Depleting Substances Act 1998
- Maritime Transport (Amendment) Act 2014

Projects implemented by the MoE shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.

### 3.6 Public Health

The MoE will strive to ensure that its projects and programmes are designed and implemented in a way that avoids potentially significant negative impacts on public health. This includes fully complying with relevant national legislation including: 1996 Health and Safety at Work Act (HASAWA), Public Health Act 1936 (Chapter 111), and Fiji Factories Act 1971. The MoE will also remain vigilant in ensuring that initiatives and projects supported by the international community do not increase the risk of Covid-19 or other infectious diseases.

### 3.7 Gender Equality, Women's Empowerment and Social Inclusion

The MoE is committed to gender equality and social inclusion (GESI) and will adopt a mainstreaming approach to ensure that all genders have equal access to opportunities, resources, justice, information, decision-making and planning processes as committed by the Government of Fiji through a wide range of national, regional and global policy platforms.

Projects implemented by the MoE shall be designed and implemented in such a way that women and men of all ages and people with disabilities:

- a) have equal opportunity to participate in project planning, implementation and review;
- b) derive comparable social and economic benefits,
- c) are not subjected to unnecessary risks, and
- d) do not suffer adverse effects during the development process or as a result of the project.

### 3.8 Non-discrimination and Vulnerable Groups

The MoE requires that all approved projects be non-discriminatory and strives to ensure that environmental, social, gender and economic benefits be equitably distributed among vulnerable and marginalized populations. Projects implemented by the MoE shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups. This may include Free, Prior and Informed Consent under certain circumstances.

### 3.9 Involuntary Resettlement

Projects implemented by the MoE shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation. If projects or programmes require resettlement or relocation and economic displacement of individuals, compensation should be provided after a thorough environmental and social impact assessment (ESIA) has been conducted.

The decision will be guided through legislation stipulated in the Constitution of the Republic of Fiji (2013), iTaukei Lands Act and subject to the provisions of the Crown Acquisition of Lands Act, iTaukei Lands Trust Act (1940), the Forest Act, the Petroleum (Exploration and Exploitation) Act and the Mining Act. For a project, this requires that a Resettlement Action Plan be consultatively developed, including notification, negotiation, and the agreement and fair compensation of the owner prior to project implementation. Once agreed, landowners and occupiers are relocated and provided with improved dwelling conditions. The Fijian Government's Planned Relocation Guidelines will be used to assist and guide relocation efforts at the local level and proceeds from the Climate Relocation and Displaced Peoples Trust Fund for Communities and Infrastructure may be used for the purpose

### 3.10 Biodiversity and Natural Habitats

The MoE meets its national (legislative) and international obligations for biodiversity conservation and natural resources management by adhering to the following laws and policies:

- Environmental Management Act (2005) and Subsidiary Legislation (2008)
- EIA Regulations 2007
- Birds and Game Protection Act 1923 (Chapter 170)
- Forest Decree 1992 (Chapter 150)
- Protection of Animals Act 1954 (Chapter 169)
- Endangered and Protected Species Act 2002
- Fisheries Act 1941 (Chapter 158)
- Offshore Fisheries Management Decree 2012; and
- Marine Spaces Act 1978 (Chapter 158A)
- National Trust of Fiji Act 1970
- Preservation of Objects of Archaeological and Paleontological Interest Act

The MoE shall not engage in the implementation of projects that would involve unjustified conversion or degradation of critical natural habitats, including those that are:

- a) legally protected,
- b) officially proposed for protection,
- c) recognized by authoritative sources for their high conservation value, including as critical habitat; or
- d) recognized as protected by traditional or indigenous local communities.

### **3.11 Indigenous Peoples**

The MoE shall not engage in the implementation of the projects that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples, rights of Indigenous People as per the Fiji Constitution and other applicable international instruments relating to indigenous peoples such as the iTaukei Lands Trust Act (1940) and Fisheries Act 1941. This may include Free, Prior and Informed Consent under certain circumstances.

### **3.12 Cultural Heritage**

Projects implemented by the MoE shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural or religious values recognized as such at the community, national or international level. Projects should also not permanently interfere with existing access and use of such physical and cultural resources. This includes fully complying with relevant national legislation including the Fiji Museum Act (1929), National Trust of Fiji Act 1970 and the Preservation of Objects of Archaeological and Paleontological Interest Act. Care must also be taken that projects implemented by the MoE do not lead to a property facing threats which could have negative effects on its World Heritage values such as Fiji's World Heritage Site on Levuka and the island of Ovalau.

### **3.13 Exclusions List**

The MoE shall not use funds for the following purposes:

- Production or activities involving forced labor or child labor as defined by the core conventions of the International Labour Organization
- Production or trade in any product or activity deemed illegal under country laws or regulations or international conventions and agreements.
- Any business relating to pornography or prostitution.
- Illegal trade in wildlife or wildlife products regulated and/or trade that is regulated by the United Nations' Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).
- Production or use of or trade in hazardous materials such as radioactive materials etc

- Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations
- Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.
- Destruction of Critical Habitat
- Production and distribution of racist, sectarian and/or hate material.

In addition to the above, the financing of projects is excluded, when the following activities form a substantial part of a project sponsor's primary operations or those of the project:

Production or trade in:

- a) alcoholic beverages;
- b) gambling, casinos and equivalent enterprises;
- c) Production or trade in weapons and munitions;

The following do not qualify for financing:

- (i) Transactions that will entail involuntary acquisition of land, involuntary restrictions on land use or on access to legally designated parks and protected areas that will cause physical or economic displacement, unless covered by local laws and/or sanctioned by the Government.
- (ii) Transactions that will trigger direct or indirect impacts on Indigenous Peoples dignity, human rights, livelihood systems, culture or impact the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset.

## 4. ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM) PROCEDURES

The ESRM Procedures articulate the MoE's approach to environmental and social risk management. Understanding a project's environmental and social (E&S) performance is an important element of the Ministry of Economy's ESMS. The ESRM assesses and manages E&S risk since if left unmanaged, these risks can impact the country's reputation and the communities and environment in which the projects are.

### 4.1 Screening and Risk Categorization

All projects will be screened for their environmental and social impacts and categorized to reflect the magnitude of risks and impacts. Projects will be rated on their **likelihood** (probability of a hazard occurrence causing harm) and **severity** (level of impact caused by the occurrence)/ **frequency** (occurrence of activity that creates the risk or impact). The risk categorizations are as follows:

Category	Risk Level	Impacts
<b>A</b>	High-Risk category with high levels of investment/lending and/or potentially severe and significant adverse environmental and social risks involved.	Diverse, irreversible, or unprecedented
<b>B</b>	Medium Risk category with moderate levels of investment/lending and/or limited environmental and social impacts.	Few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures
<b>C</b>	Low to Minimal Risk category with low levels of investment/lending and/or minimal environmental and social risks.	Minimal or none

Regardless in which category a specific project is screened, all environmental and social risks shall be adequately identified and assessed by the implementing entity in an open and transparent manner with appropriate consultation. The policy is aimed at allowing for a variety of approaches.

The scope of the environmental and social assessment shall be commensurate with the scope and severity of potential risks. Since it is determined by the Environmental Management Act (2005) and Subsidiary Legislation (2008) if an environmental and social assessment is required, the assessment should assess all potential environmental and social risks and include a proposed risk management and action plan. The plan should typically be included with the project document. All proposed projects shall be screened by the MoE to determine their potential to cause environmental or social harm.

## 4.2 Environmental and Social Due Diligence

Pivotal to the ESIA process is a stakeholder consultation process with project affected communities and individuals in which the proposed project is presented including potential environmental, and socio-economic impacts, in the presence of the MoE and other relevant Government agencies. The view and concerns of stakeholders, including women, men, and vulnerable groups, must be captured and submitted as part of the final report on the ESIA. Development projects are required to appropriately address such concerns prior to formal approval and implementation. There must be adequate opportunities to ensure the informed participation of all stakeholders in the formulation and implementation of projects/programmes implemented by the MoE.

As part of the MoE’s responsibilities for the project, it has:

- i. environmental and social risk management (ESRM) procedures that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/programme design,
- ii. adopted measures to avoid or where avoidance is impossible to minimize or mitigate those risks during implementation, and

- iii. monitoring and reporting capacities on the status of those measures during and at the end of implementation.

For all projects that have the potential to cause environmental or social harm, the MoE shall prepare an environmental and social impact assessment (ESIA) that identifies any environmental or social risks, including any potential risks associated with the MoE's environmental and social principles set forth above. The assessment shall:

- i. consider all potential direct, indirect, trans-boundary, and cumulative impacts and risks that could result from the proposed project/programme,
- ii. assess alternatives to the project/programme; and
- iii. assess possible measures to avoid, minimize, or mitigate environmental and social risks of the proposed project/programme.

## 5. ENVIRONMENTAL AND SOCIAL ACTION PLAN

Where the environmental and social due diligence identifies environmental or social risks, the assessment shall be accompanied by an Environmental and Social Action Plan (ESAP) that identifies those measures necessary to avoid, minimize, or mitigate the potential environmental and social risks. This ESAP describes the actions necessary to implement the various sets of mitigation and adaptation measures or corrective actions to be undertaken, prioritizes these actions; includes a timeline for their implementation and describes the schedule and mechanism for external reporting on the project's implementation of the ESAP.

The ESAP identifies feasible and cost-effective management programs/projects and specific mitigation and adaptation measures expected to reduce potentially adverse impacts to acceptable levels. The environmental monitoring aspect of the plan provides a check to determine effectiveness of mitigation and adaptation during all phases of the programme/project. The plan also provides for timely and effective implementation of mitigation and adaptation measures by specifying institutional responsibilities, an implementation schedule, and cost estimates. As an adaptive management strategy, the plan provides for modifications over time if information shows that changes should be implemented.

The ESAP report contains a brief about the project summary and the impact analysis completed in the E&S due diligence. Even the risk mitigating tasks that have been embedded in the project design from the start will need to be enlisted and included in the ESAP.

For the measures that have been completed or are on-track, the effectiveness for the mitigating measures need to be reported as to the intended outcomes. In case there has been no effect, or the adverse impact and/or potential risk persists then the mitigating actions might need to be adjusted.

### 5.1 Monitoring and Compliance

Projects implemented by the MoE shall follow all applicable domestic and international law. The MoE produces an annual monitoring and compliance program of activities which is made available for review and assessment feedback reports from CEOs (Heads) of different ministries and other



stakeholders. MoE's monitoring and evaluation of projects shall address all environmental and social risks identified during project assessment, design, and implementation. The MoE's annual project performance reports shall include a section on the status of implementation of any environmental and social action plan, including those measures required to avoid, minimize, or mitigate environmental and social risks. The reports shall also include, if necessary, a description of any corrective actions that are deemed necessary. The midterm and terminal evaluation reports shall also include an evaluation of the project performance with respect to environmental and social risks.

## **5.2 Grievance Redressal Mechanism**

The MoE shall identify a grievance redressal mechanism (GRM) that provides people affected by MoE projects with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental or social harms or gender discrimination caused by any such project. Potential stakeholders who may be affected by a development or donor funded project can communicate their concerns about any environmental, social, gender or economic performance of the development through the MoE's grievance redressal mechanism. The details of the Grievance Redressal Mechanism are given in MoE's Information Disclosure Policy.

## **5.3 Disclosure and Public Consultation**

The MoE requires that relevant information on a project's environmental, social or economic risks are made accessible and understandable to stakeholders who may be affected in a fashion that enables them to provide important input into the design and implementation of the project. This is particularly important in projects that may involve land acquisition, economic displacement, or involuntary resettlement. Therefore, MoE shall identify stakeholders and involve them as early as possible in planning any project.

The MoE will make project-related environmental and social safeguard information available to the public in accessible formats and will ensure timely posting of project information on its website. Stakeholder engagement plans are disclosed early in project development and summary reports of consultations are circulated and stored electronically. Any significant proposed changes in the project during implementation shall be made available for effective and timely public consultation with directly affected communities.

## **5.4 Reporting on E&S Performance**

The purpose for reporting progress is to constantly improve the ESAP design framework by assessing the effectiveness of measures that have been taken. Monitoring can be defined as a continuing function that uses systematic collection of data on specified indicators (such as data on sex and age-disaggregated data) to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Thus, monitoring embodies the regular tracking of inputs, activities, outputs, outcomes and impacts of development activities at the project, program, sectoral and national levels. Evaluation can be defined as the process of determining the worth or significance of a development activity, policy, or program. Periodic monitoring will need to be conducted to track the progress of each mitigation measures identified in the ESAP. This can be through on-site audits but also through methods like document review,

worker, and stakeholder interviews. The frequency of these M&E reports depends on the overall project/activity but will be done on a periodic basis, as mutually agreed with the terms of the project.

Each measure identified in the ESAP will be evaluated in terms of its progress (% of completion) and identifying whether it is on schedule, slightly delayed or delayed. Reasoning should be provided for the delays. The M&E process will also report on new risks identified as well as assessing the effectiveness of mitigating measures. In case mitigating measures have not fulfilled the intended outcomes or have other implementing roadblocks, alternative measures will be suggested to counter the risks and/or impacts.

## 6. E&S CAPACITY BUILDING

### 6.1 Roles & Responsibilities

The roles and responsibilities are as follows:

#### **Permanent Secretary for Ministry of Economy**

The Permanent Secretary is responsible to:

- approve the Environmental and Social Management System and ESS Policy for MoE and initiate a review of the ESMS and ESS Policy as required.

#### **Senior Management**

The Senior Management is responsible to:

- ensure compliance to the Environmental and Social Management System (ESMS);
- review capacity building measures for relevant staff to ensure that the MoE's ESMS and ESS objectives are met.

#### **Budget and Planning Division**

Budget and Planning Division is responsible to:

- assign one or two officers as Environmental Risk Manager(s), who will have expertise in environmental risk assessment and management. These officers will work within an existing or a new Unit responsible for monitoring compliance with the ESMS, as directed by the Permanent Secretary for Economy.

### 6.2 Training

MoE will continue to train employees and other stakeholders to understand and effectively implement the ESMS by building capacity in risk mitigation and facilitating implementation of environmental, social and gender safeguards. Staff will be provided with necessary resources to ensure that environmental, social and gender objectives are met, and procedures, policies and standards are implemented through adequate monitoring.