



# Environmental & Social Management System

Cambodian Climate Financing Facility

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# I. Definitions

The following definitions shall apply in this document.

<b>Activities</b>	for the purposes of this ESMS and unless otherwise specified, refers to projects and subprojects financed by the CCFF loan and grant instruments.
<b>Borrower</b>	means a private sector entity registered and operated in Cambodia that receives funding under CCFF wholesale green lending or direct green lending under Component 2.
<b>CCFF Working Group</b>	means the Cambodia Climate Finance Facility (CCFF) Working Group to be established pursuant to the provisions of the implementation arrangements of the funding proposal to manage the activities financed under Component 2
<b>Cultural Heritage</b>	refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values. unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles
<b>Cumulative impacts</b>	the incremental impact on areas or resources used or directly affected by the project from other existing, planned or reasonably defined developments at the time the risks and impacts are identified.
<b>Due diligence</b>	in the context of this environmental and social management system, refers to the process of investigating potential investments to confirm all facts, such as reviewing environmental and social safeguards, audits, assessments, and compliance before deciding on financing or entering into the agreement with the project counterparty.
<b>E&amp;S</b>	Environmental and social.
<b>Environmental and Social Action Plan (ESAP)</b>	refers to a document that contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including to minimize them to acceptable levels or to mitigate and compensate them and usually the main output of the E&S due-diligence process. ESAP is the same as ESMP for GCF terminology purposes.
<b>Environmental and social assessment</b>	means the assessment of environmental and social risks, impacts and opportunities undertaken in accordance with this ESMS and referenced IFC Performance Standards.
<b>Environmental and social management system (ESMS)</b>	refers to a set of management processes and procedures that allow an organization to identify, analyze, control and reduce the environmental and social impacts of its activities in a consistent way and to improve performance in this regard over time.
<b>Environmental and Social Performance Standards</b>	refers to a set of the International Finance Corporation's standards that specify the desired outcomes and the specific requirements to achieve these outcomes through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts.
<b>Environmental and social risk</b>	is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.
<b>Executing entities</b>	means the Ministry of Economy and Finance (MEF), Agricultural and Rural Development Bank (ARDB) and Mekong Strategic Capital (MSC), as per the implementation arrangements of the funding proposal.
<b>FI</b>	Financial Intermediation.
<b>GCF</b>	Green Climate Fund.

<b>Green Credit Committee (GCC)</b>	means the green credit committee to be established pursuant to the provisions of the implementation arrangements of the funding proposal.
<b>IFC</b>	International Finance Corporation.
<b>Involuntary resettlement</b>	means physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets, or access to assets, including those that lead to loss of income sources or other means of livelihood), or both, caused by project-related land acquisition or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.
<b>KDB</b>	The Korea Development Bank, the Accredited Entity of the Green Climate Fund.
<b>Land acquisition</b>	refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way.
<b>Meaningful consultation</b>	refers to a two-way process, that: (a) begins early in the project planning process to gather initial views on the project proposal and inform project design; (b) encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (c) continues on an ongoing basis, as risks and impacts arise; (d) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders; (e) considers and responds to feedback; (f) supports active and inclusive engagement with project affected parties; (g) is free of external manipulation, interference, coercion, discrimination, and intimidation; and (h) is documented and disclosed
<b>Mitigation hierarchy</b>	a process that sets prioritized steps for limiting adverse impacts through avoidance, minimization, restoration, and compensation, as well as opportunities for culturally appropriate and sustainable development benefits.
<b>Oversight Committee (OC)</b>	means the oversight committee to be established pursuant to the provisions of the implementation arrangements of the funding proposal.
<b>Project counterparty</b>	borrower for the purposes of the loan instrument, and the TA Provider for the purposes of the grant instrument benefiting from the CCFF funding for the proposed activities.
<b>SEAH</b>	means sexual exploitation, sexual abuse and sexual harassment.
<b>Stakeholders</b>	refers to persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses.
<b>Vulnerable</b>	refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so.

## II. Introduction

### 2.1 Background Information

The Cambodian Climate Financing Facility (CCFF) is an innovative, dedicated national climate finance facility expected to mobilize US\$ 105 million, blending US\$ 100 million loans and US\$ 5 million grants to catalyze private sector investments into high impact climate mitigation and adaptation projects in line with Cambodia's updated Nationally Determined Contribution (NDC) pathway and Sustainable Development Goals (SDGs).

The CCFF will be housed under the Cambodian policy bank, the Agricultural and Rural Development Bank (ARDB). ARDB is a public enterprise, whose sole shareholder is the Ministry of Economy and Finance (MEF) of the RGC. ARDB is a state-owned commercial bank subject to the technical and financial supervision of the MEF and the regulatory supervision of the National Bank of Cambodia (NBC).

To issue loans under the Programme, ARDB will establish a dedicated CCFF Working Group, responsible for deal sourcing, credit assessment, and loan issuance and administration as per CCFF Operational Guidelines. Mekong Strategic Capital (MSC) will manage the CCFF TA Facility as per the terms and conditions of the subsidiary agreement and Grant Policy. All activities to be funded by this Programme (including through financial intermediaries) need to comply with the fit for purpose, Environmental and Social Management System developed for this programme below.

The Programme consists of the following components:

- Component 1 (Grant, US\$3 million): Establishment of the Cambodian Climate Financing Facility
- Component 2 (Loan, US\$100 million): Climate Financing for High Climate Impact Mitigation and Adaptation Projects
- Component 3 (Grant, US\$2 million): Technical Assistance Facility to Address Non-financial Barriers Hindering Uptake of Climate Projects in Cambodia

### 2.2 Risk Categorization of the CCFF Programme

The Programme will invest into high climate impact projects across the target sectors of energy (renewable energy and energy efficiency), water infrastructure, sustainable agriculture and forestry, and low-emission transportation. The eligible activities for financing under each sector are provided in the CCFF Operations Manual (Investment and Eligibility Criteria).

The Programme shall only finance projects that have **low to medium** environmental and social risks, which are generally site specific, largely reversible, and readily addressed through mitigation measures. High risk (Category A and I1) projects will be excluded from the activities to be funded by the CCFF as per the Exclusion List of this ESMS (See Annex I).

The Programme will not finance projects that do not comply with its ESMS policy statement or any activities on the Exclusion List. Nor will it finance projects that do not comply with the Cambodia's social and environmental laws and regulations, including those laws implementing Cambodia's obligations under international law.

Provided that the Programme includes categories of activities involving investment through financial intermediation, the Cambodian Climate Financing Facility is categorized as medium level of intermediation, **I2** as per GCF's revised environmental and social policy.

## 2.3 Implementation Arrangements for the CCFF Programme

The Accredited Entity (AE) of the CCFF Programme is The Korea Development Bank (KDB), who will oversee the implementation of the CCFF Programme in line with the Funding Proposal and FAA obligations. KDB has undergone a robust GCF accreditation process, including for environmental governance, and has the strong institutional capacity to oversee the implementation of this ESMS in its role of AE. KDB shall submit annual environmental reports to GCF in accordance with its Accreditation Master Agreement obligations. See also section 3.5.3 on the reporting to the GCF.

## 2.4 Development, Use, and Update of ESMS

The ESMS will be continuously reviewed and updated in a transparent and participatory manner to sustain its relevance and responsiveness to the prevailing organizational, social, economic, and political conditions. The ESMS will also be consistently aligned with international best practices and applicable standards, reflecting the experiences and lessons learned by its Accredited Entity (KDB), CCFF Programme itself and borrowers. It is noteworthy, that the E&S performance of the CCFF Programme will be subject to annual review<sup>1</sup> and hence, ESMS will be updated capitalizing on lessons learned and to ensure its effectiveness and relevance to CCFF's programme objectives, needs and implementation measures of this ESMS.

This ESMS is approved by the CCFF Oversight Committee, where the AE is also a voting member. It is acknowledged that the ESMS may be amended or updated from time to time, subject to approval of the Oversight Committee.

## III. Environmental and Social Management System:

This section describes the CCFF's Environmental and Social Management System (ESMS), which is the set of policies and procedures to identify, manage, and reduce environmental and social (E&S) risks and impacts associated with CCFF's operations and investment. This ESMS consists of the following elements:

1. E&S Policy
2. ESMS, procedures to identify, manage and reduce E&S risks and opportunities.

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<sup>1</sup> This will be achieved through annual performance report submitted to CCFF OC Committee.

3. Stakeholder Engagement Plan
4. Exclusion List
5. Guidance Note on SEAH Assessment

This CCFF ESMS applies to all activities financed by it.

### 3.1 Environmental and Social Policy (ESP)

The CCFF is committed to ensuring the social and environmental sustainability of the activities it supports. In this context, the objective of the ESP is to:

- Avoid adverse impacts of its activities on the environment and affected people, and where avoidance is impossible, mitigate adverse impacts to people and the environment.
- Respect human rights in all forms, avoiding prejudice and discrimination. This includes efforts to avoid, and where avoidance is impossible, mitigate the risks of SEAH to people impacted by CCFF activities.
- Support borrowers to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

CCFF Team promotes following ESP Principles<sup>2</sup>:

- **Compliance with the Local Law:** All activities financed by the CCFF shall comply with local laws, regulations and permits in Cambodia relevant to environmental and social safeguards<sup>3</sup>.
- **Harmonized application of best practice environmental and social standards:** The activities supported by the CCFF will be encouraged to comply with GCF Environmental and Social Policies and relevant GCF Environmental and Social Safeguards<sup>4</sup>.
- **Scaled risk-based approach.** The ESS standards will be implemented in a risk-based manner and not in a blunt, one-size-fits-all approach. This approach will require that environmental and social requirements and processes are commensurate with the level of risk and meeting the relevant ESS standards (IFC PS).
- **Mitigation hierarchy.** The CCFF ESMS adheres to the mitigation hierarchy as an overall principle to managing environmental and social risks and impacts, suitable for all instances of CCFF Programme- financed activities. The mitigation hierarchy aims to:
  - (a) Anticipate and avoid adverse risks and impacts on people and the environment, through screening and due diligence.
  - (b) Where avoidance is not possible, adverse risks and impacts are minimized through abatement measures.
  - (c) Mitigate any residual risks and impacts; and

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<sup>2</sup> Source: Climate4Action LLC, adapted for CCFF and aligned to GCF E&S Policy

<sup>3</sup> See Annex V for a non-exhaustive list of the relevant requirements for reference, as well as GAP assessment against GCF ESS (IFC PS).

<sup>4</sup> The interim Environmental and Social Safeguards of the GCF are the International Finance Corporation's Environmental and Social Performance Standards (Source: [GCF](#) )



(d) Where avoidance, minimization or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, design and implement measures that provide remedy and restoration before adequate and equitable compensation of any residual risks and impact.

- **Access and Equity:** Activities financed by the CCFF Programme shall provide fair and equitable access to resources and benefits, including ensuring that due consideration is given to vulnerable and marginalized populations, groups, and individuals, local communities, indigenous peoples (see table 15 for guidance on IP definition), in case existence of such group is recognized by the state), and other marginalized groups of people and individuals that are affected or potentially affected by CCFF financed activities.
- **Labor and Working Conditions:** The CCFF Institutional and Operational Arrangements, as well as all its investments shall promote decent work, fair treatment, non-discrimination, and equal opportunity for workers, free of Sexual Exploitation, Sexual Abuse and Sexual Harassment and guided by the core labor standards of the International Labor Organization (ILO).
- **Gender Equity:** The CCFF Institutional and Operational Arrangements, as well as all activities supported by it shall promote Gender Equity and Inclusiveness.
- **Stakeholder Engagement:** As and where required, the activities financed by the CCFF shall encourage early and continuing engagement and meaningful consultation with stakeholders as per the Stakeholder Engagement Plan as well as appropriate grievance mechanism.
- **Sustainability:** CCFF is committed to environmental sustainability, through its investment and eligibility criteria, with investments encouraged to demonstrate how they contribute to one or more sustainability goals such as energy efficiency, resource efficiency, pollution prevention and control, biodiversity and community health and safety.

#### The scope of application

This policy shall apply to all activities supported by the Programme through its components. The Programme shall only support activities that are consistent with and within the boundaries of this ESMS. At the activity level, the policy establishes the requirements for environmental and social risk assessment and management, including SEAH risks, to be aligned to ESMS standards ensuring that due diligence is undertaken for all CCFF Programme financed activities, including subprojects financed from it through financial intermediaries in case of wholesale green loan under Component 2.

To implement this policy, the Executing Entity has developed an Environmental and Social Management System (ESMS) below, to ensure that the policy is fully implemented throughout the funding value chain (project identification, development, investment, monitoring and reporting).

## 3.2 Environmental and Social Management System (ESMS)

This environmental and social management system has been developed in accordance with GCF revised ESS Policy and IFC Performance Standards. The ESMS provides a set of policies, procedures, and resources to identify, manage, and reduce environmental and social (E&S) risks and impacts associated with CCFF's operations and investment. The CCFF's environmental and social management process is summarized below; please refer to section 3.4 for further details.

**TABLE 1: SUMMARY OF CCFF'S E&S MANAGEMENT PROCESS**

Summary of CCFF's E&S Management Process	
E&S screening of activities to be financed by the CCFF loan and grant instrument	<p>Screening of activities against ESMS Exclusion List to ensure that activity does not fall under exclusion list.</p> <p>The screening stage includes categorization of E&amp;S risks; only category B (medium) and category C (low) E&amp;S risk projects will advance to DD stage, as category A (high) E&amp;S risk activities are excluded from CCFF investment<sup>5</sup>. The categorization ensures that the extent of due diligence is commensurate with the risks posed by a potential investment.</p>
E&S due diligence (DD)	<p>Assess E&amp;S risks, impacts as per IFC Performance Standards, and borrower's capacity to manage the E&amp;S risk.</p> <p>Identify gaps in borrower's capacity.</p> <p>Develop time-bound and measurable borrower specific Environmental and Social Action Plan (ESAP) to mitigate risks/gaps.</p>
Decision-making	<p>The CCFF <b>Green Credit Committee (GCC)</b> will review the environmental and social assessment of the activities and make an investment decision accordingly. Only invest in projects where risks are largely reversible and readily addressed through mitigation measures as detailed in ESAP.</p>
Monitoring and reporting (post investment)	<p>CCFF will monitor E&amp;S activities through review of quarterly and annual E&amp;S reporting of the borrowers, as well as site visits and project effected stakeholder engagement as necessary. The extent of monitoring will be based on the type and level of risks identified, including environmental and social risks.</p>

## 3.3 ESMS Governance

This section is divided into 3 sub-sections, highlighting ESMS implementation roles and responsibilities within CCFF governance structure, ESMS action plan, identifying required actions to operationalize and internalize ESMS within ARDB CCFF Working Group and borrowers' responsibilities, explaining responsibilities of the borrower within the framework of this ESMS.

<sup>5</sup> The CCFF will not invest in any "high risk" projects classified as Category A or I1 as per CCFF ESMS.

### 3.3.1 ESMS Implementation Roles and Responsibilities

- **Oversight Committee (OC):** overall oversight of this ESMS within the CCFF governance structures rests upon the OC. They approve the E&S Policy and ESMS upon programme commencement, as well as any reviews to it.
- **CCFF Working Group:** CCFF Working Group will have an overall responsibility for implementing this ESMS. The CCFF Working Group shall identify and appoint a qualified Environmental and Social Manager (“E&S Manager”) to manage the implementation of the E&S Policy and ESMS and report to the board about the ESMS performance. The CCFF Working Group is also responsible for ensuring that there is an appropriate budget and resources to implement this policy.
- **E&S Manager:** The E&S Manager shall manage the day-to-day environmental and social safeguards of the activities funded by the Programme. The E&S Manager will be supported by ARDB existing E&S Management team member<sup>6</sup> who will be seconded from the ARDB’s Environmental, Social and Advisory Evaluation division to CCFF Working Group.

In addition, the E&S Manager will be supported by the CCFF Credit Officers, who will perform initial screening of the projects under the guidance of the E&S Manager. The E&S Manager shall perform training for the core CCFF team so to ensure that ESMS is internalized and operationalized by the CCFF staff. The E&S Manager will report to the CCFF Working Group co-heads.

**The roles and responsibilities of E&S Manager are provided below<sup>7</sup>:**

- Oversee implementation of the ESMS and its periodic reviews, improvements, and amendments.
- Regular reporting to the CCFF Working Group and **Oversight Committee** about ESMS performance.
- Ensure that each activity to be funded from the Programme is screened against the Exclusion List, and that the proposed project has been categorized for potential E&S risk.
- During project due diligence, ensure that that the project’s environmental performance/compliance against IFC applicable performance requirements has been assessed.
- Collaborate with CCFF Gender Focal Point on SEAH risk assessment (during E&S screening and due diligence), ESAP development (actionable items for GBV/SEAH mitigation) and post-investment E&S monitoring and reporting.

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<sup>6</sup> For avoidance of any doubt, this ESMS has been developed as per GCF Environmental Standards and IFC PS best practices and it shall govern all activities financed from the programme. To this end, existing ARDB E&S team as well as credit officers seconded to the CCFF Working Group will be trained to implement this ESMS. The E&S Manager will report to the CCFF Working Group Co-Heads.

<sup>7</sup> Source: Climate4Action LLC, adapted for CCFF

- Ensure that standard E&S terms are incorporated into the legal agreement with the borrower.
- Ensure that projects in the portfolio are supervised and monitored against ongoing compliance with the applicable requirements.
- Review all submitted projects E&S monitoring reports.
- Prepare quarterly and annual environmental and social performance reports, based on periodic monitoring reports prepared by the borrowers, and other E&S reports as required.
- Provide training to the CCFF team on ESP and ESMS procedures.
- Provide capacity building to the CCFF borrowers to ensure they manage E&S risks and opportunities as per this ESMS.
- Within a framework of CCFF staff training and borrower's capacity building responsibilities above, collaborate with the Gender Specialist to increase awareness of SEAH prevention and response regarding CCFF-financed activities, and on how it can be effectively addressed in a survivor-centered and gender-responsive way, sensitize CCFF staff and borrowers to their respective roles and responsibilities in SEAH prevention.
- Work with the CCFF Working Group to ensure that adequate human, financial and material resources are available for effective implementation of E&S policies and procedures, including approval of annual budget to carry out required E&S due diligence, knowledge management, monitoring, evaluation, learning, capacity development, and implementation support.
- Maintain a file of qualified environmental consultants and specialists who can be called upon to assist in conducting environmental due diligence and environmental and social action plan (ESAP) development, including relevant expertise to perform SEAH risk assessments, and capacity building.
- Ensure that a Grievance Mechanism is in place and that comments are managed in compliance with CCFF E&S Policy.
- Ensure that whenever Indigenous Peoples are present in, have or had a collective attachment or right to areas where CCFF-financed activities will be implemented, the requirements as set out in Indigenous Peoples Planning Framework of this ESMS is followed.
- Ensuring that project E&S disclosures are undertaken as per the disclosure policy.
- Other activities relevant to the implementation of this ESMS.

### 3.3.2 Borrower's Responsibilities

The E&S Manager will take steps to ensure that the requirements of this ESP and ESMS apply to the borrowers. In particular, the borrower shall be obliged to:

- Develop and implement an environmental and social management system to manage the environmental and social risks and impacts associated with the activities funded by the CCFF Programme, that allows for the inclusive multi-stakeholder consultation and engagement throughout the lifecycle of activities considering the vulnerable groups,

Indigenous Peoples and individuals that are affected or potentially affected by CCFF financed activities, appropriate to its risk category<sup>8</sup>.

- Financial Institutions benefiting from the CCFF wholesale loan shall further ensure that activities proposed for CCFF financing are properly screened, assigned appropriate environmental and social risk categories as per this ESMS requirement, and that the environmental and social risks and impacts are not on the CCFF exclusion list.
- Ensure cooperation with the CCFF E&S Manager in its due diligence of the activities proposed for financing.
- Take required measures as per ESAP to avoid, minimize or mitigate adverse impacts, to compensate for residual impacts.
- Take the required steps to disclose information as per information disclosure policy of this ESMS.
- Ensure access to the independent grievance mechanism and that any remedial actions are respected and promptly implemented.
- Report on their compliance with applicable standards of this ESMS and progress on the borrower specific ESAP (if applicable) on pre-agreed frequency. Borrowers must facilitate the CCFF E&S Manager supervision throughout the period of the legal agreement.
- Notify of any changes in events or circumstances that would alter the compliance status to applicable standards or may otherwise change risk categorization of the project funded from the CCFF.

### 3.3.3 ESMS Action Plan

This section identifies key actions to ensure implementation of this ESMS. It should be noted that it is IC's responsibility to ensure that there is an appropriate budget and resources to implement ESMS each year. As the Programme is yet to be commenced and IC members appointed, this section includes initial resource needs which may be refined upon the Programme start.

**Financial Resources for ESMS Action Plan Implementation:** The CCFF Working Group shall allocate yearly budget to implement this ESMS and respective actionable items during the programme implementation.

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<sup>8</sup> ESMS development requirement is applied to category B and Financial Intermediation (I2-I3) projects as per table 6 of this document.

**TABLE 2: ESMS ACTION PLAN**

<b>ESMS Action Plan</b>		
<b>Activity</b>	<b>Timeline</b>	<b>Responsibility</b>
1. Recruitment of the E&S Manager to manage the day-to-day implementation of ESMS during programme duration	Within 12 months of programme commencement <sup>9</sup>	CCFF Working Group co-heads
2. Developing standardized tools (e.g., Due-Diligence Checklist, standard legal E&S clauses, SEAH Risk Assessment tool, E&S Due Diligence Report template, Guidance Documents for LFI/borrowers on (a) what constitute/outline contents of a typical ESMS, (b) Guidance on Chance Find Procedures for Borrowers and (c) Guidance on Environmental and Social Impact Assessment) to implement the ESMS	Within 12 months of programme commencement subject to conditions in the Term Sheet.	E&S Manager
3. Adoption of ESMS and respective tools by the EC; allocation of the 1 <sup>st</sup> year budget by the CCFF Working Group.	Within 12 months of programme commencement	OC CCFF Working Group
4. Secondment of respective ARDB ESS team members to the CCFF	Within 12 months of programme commencement	ARDB, E&S Manager
5. Training of CCFF team on this ESMS and respective tools developed thereafter	Within 12 months of programme commencement, once a year thereafter	E&S Manager
6. Identifying external consultants to support ESMS implementation (e.g., transaction specific due-diligence-including for SEAH risk assessment, development of borrower specific Environmental and Social Action Plan, Indigenous Peoples Plans and other activities, as necessary such as SEAH capacity building). Collating information on dedicated file	Within 12 months of programme commencement, updated annually	E&S Manager
7. Capacity building of borrowers (ongoing) on this ESMS, includes targeted training to borrower's E&S team to ensure implementation.	Ongoing, through borrower onboarding activities upon signing of the agreement, as well as "on the job" training during site visits	E&S Manager
8. Annual workshops with the project counterparties to share lessons learned on ESMS Implementation.	In-house workshops with project counterparties to ensure that ESMS knowledge is up to date and counterparties benefit from lessons learned	E&S Manager
9. Given relative newness of SEAH policy statement and risk assessment tool for Cambodia's financial institutions and borrowers, include targeted, capacity building events and other activities (e.g., public outreach event) to raise awareness of, and disseminate good practice on, SEAH safeguarding and the use of the Tool	In-house workshops with project counterparties to ensure that capacity to use SEAH questionnaire to assess SEAH risks is available, and counterparties benefit from lessons learned.	E&S Manager in collaboration with the CCFF Gender Focal Point

<sup>9</sup> For the purposes of this document, programme commencement is defined as date of GCF Funds disbursement.

### 3.3.4 Emergency Preparedness & Response

**CCFF Programme Level Emergency Preparedness and Response:** The CCFF E&S Manager in collaboration with appropriate and relevant third parties, shall prepare and establish an **institutional level emergency preparedness plan** where and if the premises where the CCFF team is located involves identified physical elements, aspects and facilities that are like to generate impacts. The emergency preparedness plan should respond to accidental and emergency situations in a manner appropriate to prevent and mitigate any harm to people and/or environment, with respective signage in place.

**CCFF Project Level Emergency Preparedness and Response:** The E&S due diligence should check borrower’s preparedness to respond to accidental and emergency situations associated with project in manner to prevent and mitigate any harm to people and environment. This preparation will include the identification of areas where accidents and emergency situations may occur, communities and individuals that may be impacted, response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response. In case Borrower does not provide adequate evidence for their emergency preparedness plan, or evidence for accessible emergency signs and equipment, then CCFF E&S Manager shall take necessary steps to incorporate relevant actionable items in time-bound project specific ESAP.



See also guidance on the effective emergency preparedness and response plans under Annex 9 “Emergency Preparedness and Response Plan Framework”.

## 3.4 Evaluation of Project Specific ESG Risks and Impacts

### 3.4.1 Risk Categorization

All activities to be funded by the CCFF Programme will be assigned one of the six risk categories, based on the E&S screening as per Table 3 below. Only activities categorized as B and C, or I2 and I3 can be funded by the Programme, as Category A and I1 activities are excluded from financing as per exclusion list (Annex I).

**TABLE 3: RISK CATEGORIZATION**

Risk Categorization	
<b>Category A</b>	Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.
<b>Category B</b>	Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.
<b>Category C</b>	Activities with minimal or no adverse environmental and/or social risks and/or impacts.
If proposed funded activity involves wholesale green lending through local financial institutions, then the risk categorization of activities is defined as financial intermediation as follows <sup>10</sup> :	
<b>I1</b>	When an intermediary’s existing or proposed portfolio includes or is expected to include financial exposure to activities with potential significant adverse environmental and social

<sup>10</sup> The risk classification of the wholesale green loan through financial institution will be determined by considering the type of financial instrument to be provided and the level of risks associated with the proposed sub-projects.

<b>(High level of intermediation)</b>	risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.
<b>I2 (Medium level of intermediation)</b>	When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented
<b>I3 (Low level of intermediation)</b>	When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and social impacts

The CCFF E&S Manager shall review risk classification assigned to the activities each quarter during activity implementation, and will change the classification where necessary, to ensure that it continues to be appropriate.

### 3.4.2 Environmental and Social Screening

**Purpose and Output of the Screening:**

- Screen each activity (projects) to be funded by the CCFF Loan or Grant for exclusion list, and potential environment and social risks and impacts.
- Identify applicable GCF standards and IFC Performance standards triggered.
- Determine/assign the E&S risk category of the proposed project; and,
- Determine the nature and depth of environmental and social due diligence required, appropriate stakeholder engagement, and the type of information to be disclosed.

**Screening Steps:**

1. The CCFF team (credit officers under oversight of E&S Manager) shall screen each activity (to be funded by the CCFF loan or grant instrument, including through financial institutions) against Exclusion List to ensure that the activity does not fall under excluded activities. Given that Category A and I1 activities are under the Exclusion List, proposed activities to be funded by the CCFF Programme will be classified into one of the six risk categories (A, B, C or I1, I2, I3).
2. In determining the appropriate risk categorization, the risks and impacts considered will include direct and indirect, induced, long-term and cumulative impacts, potential environmental and social risks to the activities, including risks related to SEAH and Indigenous Peoples, and will consider the activities' areas of influence, including associated facilities and third-party impacts. In screening activities, the environmental and social risks and impacts, as well as the nature, magnitude, and complexity of these risks, the specific characteristics of the influence area including risks of displacement, involuntary resettlement of indigenous peoples and impact on the use and access of their lands, natural resources and cultural heritage, and legal and policy contexts will be considered. In addition, commitment, capacity, and track record of the borrower to manage the environmental and social impacts in a manner consistent with the ESMS will be also assessed.



3. The preliminary screening checklist is provided in Table 10; this screening tool can be refined by the E&S Manager to be appointed by the IC during 1<sup>st</sup> year of Programme commencement.
4. The risk category to be assigned will be proportional to the nature, scale, and location of the activity, its environmental and social risks and impacts, including in relation to SEAH, and the vulnerability of the receiving environments and communities, including Indigenous Peoples. During screening stage, applicable GCF standards and IFC PS will be determined.
5. The activities that are identified to be part of the exclusion list, or that does not meet ESP and local legislation will not be funded. **Only activities categorized as B, C or I2 and I3** will advance to environmental and social due-diligence stage.
6. The environmental and social risk category (B or C, I2 and I3) will further determine the nature and depth of environmental and social due diligence, appropriate stakeholder engagement, and the type of information to be disclosed.
7. As part of the result of the Screening, the CCFF E&S Manager shall advise the borrower on next steps of due diligence, including type of assessment and documents/instruments and information to be made available for review during due diligence.

It shall also advise that potential outcome of DD can be **Environmental and Social Action Plan**, and explain the nature and requirements of ESAP, including any relevant management plans to be developed to address potential risks and impacts.



See Annex 2 “Screening Checklist” for screening questions. The Screening Checklist includes questions to identify cumulative, indirect, and induced impacts, in line with relevant GCF E&S safeguards.

### 3.4.3 Environmental and Social Due-Diligence

- The CCFF shall conduct environmental and social due diligence of all projects proposed for loan financing under Component 2 that passed the screening stage, and projects to be financed by the grant that are categorized as category B<sup>11</sup>.
- The purpose of the environmental and social due diligence is to decide whether to provide support for the proposed project and if so, which environmental and social risks and impacts will be addressed in the assessment, development, and implementation of the project.
- All activities to be financed by the CCFF shall be assessed and reviewed to meet the following [IFC Environmental and Social Performance Standards<sup>12</sup>, and any other relevant GCF standards, including the GCF Indigenous Peoples Policy.](#)

<sup>11</sup> Given the nature of the grant activities, we expect that majority of activities to be funded by the CCFF grant instrument shall be category C.

<sup>12</sup> The PSs are based on Environmental and Social Sustainability Performance Standards of the International Finance Corporation (IFC).

**TABLE 4: IFC ENVIRONMENTAL AND SOCIAL PERFORMANCE STANDARDS**

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

- The purpose of the E&S due diligence is to review and confirm that:
  - i) All key potential social and environmental impacts and risks of a project are identified.
  - ii) Effective measures to avoid, minimize, mitigate, or compensate for the adverse impacts are incorporated into the environmental and social action plans (ESAP)
  - iii) The project counterparty (borrower, TA Provider) understands CCFF ESMS requirements.
  - iv) The project counterparty has the necessary commitment and capacity to manage social and environmental impacts and/or risks.
  - v) The role of third parties is appropriately defined in the management plans; and consultations with affected people are conducted and other stakeholders are conducted in accordance with the stakeholder management plan.
  - vi) The free, prior and informed consent of Indigenous Peoples that may be affected by the proposal has been properly sought for all activities proposed before implementation; and meaningful consultation has been undertaken in line with the requirements of Indigenous Peoples Planning Framework (IPPF) and applicable GCF Indigenous People Policy/Performance Standards.



**Note:** during E&S due diligence, both the GCF Environmental and Social Policy and any other relevant GCF policy, IFC Environmental and Social Performance Standards, as well as [sector guidance notes](#), will be utilized to assess the E&S impacts of the proposed activity and design respective mitigation measures. See also “Risk Matrix” as initial guidance for sector specific risks and potential entry points for CCFF Programme targeted sectors (Annex 6).

- The **nature of the due diligence** will depend on the complexity of the project and likely impacts. Category C projects can be based on desk studies, category B projects require both desk study and field visits to identify project site, area of influence, associated facilities and project affected persons, while category A projects are not funded.
- Where identified risks and impacts cannot be avoided, the CCFF E&S Manager in collaboration the borrower, and in close collaboration with potentially Indigenous Peoples if they are involved (see IPPF of this ESMS), will identify **mitigation** and **performance measures** and establish corresponding actions to ensure the project will operate in

compliance with applicable laws and regulations and meet GCF standards, the requirements of **IFC Performance Standards 1 through 8 and this ESMS**. The level of detail and complexity of these measures and the priority of the identified measures and actions will be commensurate with the project’s risks and impacts and will take account of the outcome of the engagement process with affected communities as appropriate. At this stage, measures to address gaps in borrower’s capacity to implement such mitigation measures will be also defined.

The minimum mitigation requirement for risk category B and C funded activities is provided in Table 5 below, with project specific measures to be further identified during E&S due diligence state.

**TABLE 5: MINIMUM MITIGATION REQUIREMENTS FOR RISK CATEGORY B AND C FUNDED ACTIVITIES**

Minimum Mitigation Requirements for Risk Category B and C Funded Activities <sup>13</sup>	
Category B	The CCFF counterparties (borrowers, TA providers, if any) with category B funded activity specific E&S risks and impacts will be required at minimum to institutionalize borrower level ESMS proportionate to the E&S risks and impacts of its activities and, where applicable, appropriate processes for timely disclosure of E&S information in line to this ESMS disclosure policy, conduct of stakeholder engagement activities, and establish of company-level Grievance Mechanisms (GRMs) to address concerns and grievances from project-affected people.
Category C	The CCFF counterparties (borrowers, TA providers) will be required to adhere to local legislation with regard to environmental and social governance (including labor codes), provided that activities pose minimal or no adverse environmental and/or social risks (including SEAH) and/or impacts.
Category FI (both I2 and I3)	<p>The CCFF E&amp;S Manager shall evaluate all E&amp;S risks associated with a local financial institution proposed projects to be funded from the CCFF programme, including the capacity and commitment to manage the E&amp;S risks. The results of the assessment will help CCFF to select suitable borrowers.</p> <p><b>All Local Financial Institutions to be funded from the CCFF Programme loan instrument will be required to develop and operate an ESMS</b> in instances where the activities supported by CCFF financing present E&amp;S risks<sup>14</sup>. The scope and complexity of the ESMS should be commensurate with the level of E&amp;S risk associated with the asset class supported. The ESMS should at minimum be aligned with the ESP of this ESMS and incorporate relevant principles of this ESMS, as well as IFC Performance Standard 1 on Assessment and Management of Environmental and Social Risks and Impacts, with the sub-projects to be financed from the CCFF proceeds required to apply the IFC Performance Standard in evaluation and post-investment monitoring. The level and scope of Performance Standards application at the subproject level will vary depending on the E&amp;S risk and impact assessment.</p>

- The **identified mitigation actions** above will be translated into the time-bound and measurable borrower specific **Environmental and Social Action Plan (ESAP)<sup>15</sup>, and/or**

<sup>13</sup> As detailed in the IPPF, whenever Indigenous Peoples are involved, all minimization, avoidance and compensation measures adopted to manage risk will need to be decided together with the Indigenous Peoples in the framework of a meaningful consultation guided by the principle of the free, prior, and informed consent with the Indigenous Peoples affected by a project throughout the project’s lifecycle.

<sup>14</sup> I3 borrowers will be required to implement a simple E&S screening procedure. Such screening is considered to constitute an ESMS that is commensurate with the minimal level of E&S risk in these transactions as per IFC Interpretation Note on Financial Intermediaries

<sup>15</sup> For the purposes of the GCF terms, the ESAP is same as ESMP.

**the IPPF and other relevant plans as per requirements of this ESMS.** Those documents shall define the desired outcomes and actions to address the issues raised in the risks and impacts identification process, as well as measurable actions with elements such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods, and with estimates of the responsibilities for implementation.



See also Annex 4 for the “Preliminary ESAP Template”.

Recognizing the dynamic nature of the project, the ESAP will be responsive to changes in circumstances, unforeseen events, and the results of monitoring and review.

**Only the projects that are expected to meet the requirements of the Performance Standards in line to borrower specific ESAP within a reasonable period of time will be funded. Persistent delays in meeting these requirements can lead to termination of the funding.**

- **Other:**
  - i) Projects will be monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required.
  - ii) Environmental and social due diligence may be outsourced to the third-party consultants as deemed necessary by the E&S Manager.
  - iii) An environmental and social due diligence checklist to supplement this guidance will be developed within the 12 months of adopting this ESMS by the OC.

#### 3.4.4 Decision Making

- The Green Credit Committee (GCC) approves the funded activity based on the Credit Memorandum (CM). The CM will include Environmental and Social (E&S) Summary Report section, summarizing the material E&S risks and opportunities found in the course of E&S due-diligence, and will include respective ESAP as appropriate.
- The GCC will review the environmental and social assessment of the activities; and make an investment decision accordingly. Only projects where risks are largely reversible and readily addressed through mitigation measures as detailed in Borrower Specific ESAP will be approved.
- The E&S Summary Report content is provided in the text box below.

**TABLE 6: E&S SUMMARY REPORT CONTENT**

<b>E&amp;S Summary Report Content</b>	
<b>Environmental and Social Review Summary</b>	
<b>Project Name:</b>	
<b>Environmental Category:</b>	
<b>Date:</b>	
I.	Project Description
II.	Rationale for Environmental and Social Categorization
III.	Applicable IFC PS Standards
<i>Guidance notes: list all applicable IFC performance standards and explain why they are applicable.</i>	
IV.	Key Documents and Scope of E&S Due Diligence
V.	Key Issues and Mitigation Measures
<i>Guidance note: identify key issues as per applicable IFC performance standards and propose mitigation measures as relevant. Attach ESAP, and any other supporting documents.</i>	

- At this stage, investment decision meeting conclusion and any follow-up steps with regard to E&S as identified by the GCC will be also included.

### 3.4.5 Conditions of Financing

For the funded activity that receives a positive GCC decision, the E&S Manager shall liaise with the credit officer so that respective legal clauses are incorporated into agreements with the borrower to ensure compliance of the “funded activity” with the relevant local laws in Cambodia, CCFF ESMS and borrower specific ESAP developed during DD stage. These standard E&S contractual terms will be developed during the CCFF Programme implementation stage with expert legal guidance and will be annexed to this ESMS. These standard terms are likely to be represented in legal agreements under definitions, representations and warranties, disbursement conditions (if any) and loan covenants.

## 3.5 Monitoring and Reporting (Post-Investment)

As demonstrated below, the CCFF shall deploy robust, double layer E&S performance monitoring and reporting process.

### 3.5.1 Activity Specific Monitoring

- The E&S Manager with the support of the CCFF team responsible for monitoring of the funded activity (project) implementation will monitor **post-investment** the environmental and social performance of the project in accordance with the requirements of the legal agreement signed with the project counterparty, including Environmental and Social Action Plan.

- At minimum, the CCFF team under guidance of the E&S Manager shall undertake the following **post-investment monitoring activities** to ensure compliance of the funded activity (project) with E&S terms (including ESAP) specified in legal agreements:
  - Conduct periodic site visits for projects with adverse environmental or social impacts (required for category B, FI Projects)
  - Review the environmental and social performance of the project, which will include reviewing of the counterparty’s monitoring reports on compliance with the E&S terms of legal agreements, including ESAP.

**Note:** the project counterparties will be obliged by the legal agreement to submit the E&S Monitoring reports. The minimum period for such reporting will be annual, with borrowers funded by the CCFF loan instrument to report quarterly to the CCFF Working Group on project E&S performance. Tentatively, the timeline for submission of the annual and quarterly reports are provided below:

**TABLE 7: TIMELINES FOR REPORTING FOR THE PROJECT COUNTERPARTY**

Timelines for Reporting for the Project Counterparty	
Annual report from the project counterparty	60 days from the end of the fiscal year.
Quarterly report	45 days from the end of the quarter; the 4 <sup>th</sup> quarter report will be annual report submitted in 60 days as per timeline above.

- Work with borrowers to address any failures to comply with their E&S commitments, as covenanted in the legal agreements, and exercise remedies to reestablish compliance as appropriate.
  - Prepare a project completion report that assesses whether the objective and desired outcomes of the ESAP have been achieved, considering the baseline conditions and the results of monitoring. A project will not be considered complete until the measures and actions set out in the legal agreement (including the ESAP) have been implemented.
- The E&S Manager may retain qualified and experienced independent external experts to verify monitoring information for projects on a need basis.

### 3.5.2 Programme Level Monitoring and Reporting of the CCFF Portfolio

- At a program level, the E&S Manager shall monitor the aggregate performance across the CCFF portfolio based on the project specific monitoring and reporting process detailed under 3.5.1 above. A summary of information on Environmental and Social Performance of the CCFF Portfolio will be submitted to the **CCFF Working Group** Co-heads, who will then report to the **Green Credit Committee** and **Oversight Committee** based on below periodicity:

**TABLE 8: TIMELINES FOR CCFF PORTFOLIO LEVEL MONITORING**

Timelines for CCFF Portfolio Level Monitoring	
Annual report to the CCFF WG Co-heads, GCC and OC	90 days from the end of the fiscal year.
Quarterly Report to the CCFF WG Co-heads, GCC and OC.	60 days from the end of the quarter; the 4 <sup>th</sup> quarter report will be an annual report submitted within 90 days of year end.

### 3.5.3 Reporting to the Green Climate Fund

- KDB is a member of the Oversight Committee, hence the Environmental and Social Performance of the Programme will be overseen by KDB in its capacity of the Accredited Entity. The Annual Performance Reports to GCF submitted within **120 days** of the year end will also include updates on the environmental and social performance, prepared in a reporting format acceptable to the Green Climate Fund. The report will be prepared based on the information received from the CCFF Executing Entities as per the above M&E process.
- The interim and final evaluation reports will also assess the E&S performance and compliance with intended outcomes as per the GCF requirements.

### 3.6 Information Disclosure

The CCFF will operate in a transparent and accountable manner, ensuring public access to information and stakeholder participation in financing activities. This ESMS will comply with the following information disclosure requirements, in line with the GCF Information Disclosure Policy:

- In the case of the Category B projects to be funded by the CCFF, the E&S Summary reports (including the fit for purpose ESIA and ESAPs as relevant) will be disclosed at least 30 days in advance of the Green Credit Committee's decision, whichever is earlier. These will be available in English and the local language. The reports will be submitted to GCF and made available to GCF via electronic copy on both the AE and GCF website, as well as in locations convenient to affected peoples in consonance with requirements of GCF Information Disclosure policy.
- In the case of Category I2 projects, the ESMS will be disclosed at least 30 days in advance of the Green Credit Committee's decision, whichever is earlier.
- The information will be disclosed on the ARDB website. In addition to the project level information, this ESMS including grievance mechanism and stakeholder engagement plan will be publicly disclosed.

### 3.7 Grievance Redress Mechanism

The CCFF provides grievance and redress at the CCFF Programme level and activity (project level) as follows:

### 3.7.1 AE Level Grievance Mechanism

The KDB through membership of the CCFF Oversight Committee shall oversee the grievances and complaints, as the CCFF Working Group will report quarterly and annually to Oversight Committee (where AE is a voting member) on the number of grievances, their nature, and a summary of resolutions. Furthermore, through membership of Oversight Committee, the AE will ensure that CCFF Programme informs the communities affected (or likely to be affected by the activities (projects) funded from the CCFF Programme at Grievance and Redress Mechanisms at all three levels. This will be achieved through:

- Maintaining a “redress” email at a level of KDB for the CCFF Programme that addresses complaints by people who believe they are negatively affected or may be affected by projects funded by the CCFF Programme, and who believe that their grievances were not properly addressed at the level of the activity (project) itself and the CCFF Programme.
- On the dedicated webpage of ARDB, maintain “hotline” and “redress email” that provides specific instructions on submission of grievances at the programme level. See 3.7.2 below for detailed instructions.
- Activity (Project) Specific Grievance Redress Mechanism, see 3.7.3 below for detailed instructions.

### 3.7.2 CCFF Programme Level Grievance Mechanism

On the dedicated ARDB webpage, CCFF will maintain a “hotline” and “redress” email address that will provide specific instructions on submission of the grievances. Grievances and complaints can be filed by external and internal stakeholders (including employees) who may be or have been affected by the adverse impacts of the projects in connection to CCFF financed activities. In all cases, confidentiality will be respected.

- Emails received through this address will be directed to the ARDB compliance officer. Any grievances regarding E&S matters will be shared with the CCFF E&S Manager. If requested, emails submitted to the email address will be kept confidential.
- All incoming grievances will be reflected in a grievance log, which will assign the unique reference number and the complainant will be informed about the reference number assigned to the complaint within 14 days of receipt.
- The grievance log shall at minimum involve the following information:
  - Date of grievance
  - Name of complainant party and any affiliation/organization
  - Contact details of aggrieved party
  - Category of grievance (environmental, social, governance, other (e.g., SEAH))
  - Whether the grievance is directed at CCFF or its funded activity (e.g., borrower)
  - Parties responsible for the addressing the issue
  - Recommended investigation of the issue, including time frames for resolution. It is recommended that grievance resolution does not exceed 90 days
  - The outcome of the investigation and actions taken
  - Date of closure and information provided to the complainant party



- Any outstanding actions for non-closed grievance cases.
- The ARDB compliance officer is responsible for liaising with the aggrieved party of the outcomes, as well as internally.
- The management of grievances will respect the confidentiality of the complainant party to the extent practical, and there will be no retaliation against aggrieved parties or whistleblowers. This will be clearly communicated to both external and internal stakeholders.
- The resolution of grievances will be facilitated promptly through an accessible, fair, transparent and constructive process, that is also a **survivor-centered** and **gender-responsive** in the case of **SEAH**<sup>16</sup>
- The grievance issues will be included in the quarterly and annual reports to the GCC and OC.
- Stakeholders will be made aware of the Grievance Mechanism through their public website, as well as during project start-up workshops, and during relevant project-related meetings.

### 3.7.2 Activity (Project) Specific Grievance Redress Mechanism

This ESMS establishes the requirement for setting up a grievance redress mechanism at the activity level to receive and facilitate the resolution of concerns and grievances about the environmental and social performance of CCFF financed activities. This requirement applies to risk category B and FI I2 activities and the requirement shall be stipulated through the legal agreement signed with the counterparty.

This is to recognize that the project level grievance mechanism can provide an effective and direct remedy to complainants.

The availability of the grievance mechanism at the project level will be communicated during the stakeholder engagements; so, to ensure that stakeholders are aware of such mechanism. Given the local context in Cambodia, it will be recommended to the project counterparty that grievance method includes “grievance book” at the physical location as well as one other culturally appropriate alternative method (e.g., telephone or email).

In case where incidences of SEAH have high chance of occurring as identified during E&S due-diligence stage (e.g., renewable energy development and construction projects), CCFF project specific ESAP shall be required to include following actionable items:

- Established accessible and inclusive survivor-centered and gender-responsive grievance redress mechanisms in place, with specific procedures for SEAH including confidential reporting with safe and ethical documenting of such cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; &

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<sup>16</sup> In case incidences of SEAH occur, CCFF will require it's borrowers to put in place Established and operate accessible and inclusive survivor-centered and gender responsive grievance redress mechanisms (GRMs) (namely project-level mechanisms and their own institutional level GRMs), with specific procedures for SEAH including confidential reporting with safe and ethical documenting of such cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and (ii) Modalities to provide timely services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.

- Project specific modalities to provide timely services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.

**Grievance Mechanism for Indigenous Peoples:** In addition to above, All CCFF-financed activities affecting indigenous peoples will establish an effective grievance redress mechanism at the project level to address indigenous peoples' project-related concerns. The GRM will be included in the IP Plan.

- The mechanism will be designed in consultation with the affected or potentially Indigenous People.
- The mechanism will facilitate the resolution of grievances promptly through an accessible, fair, transparent and constructive process. It will also be culturally appropriate and readily accessible, at no cost to the affected communities, and without retribution to the individuals, groups, or communities that raised issues or concerns. Where feasible and suitable for the project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements.
- The mechanism will not prejudice the access to judicial or administrative remedies that may be available through the state systems, acknowledging that these localized systems may provide more robust information and better reflect the context of the issues on the ground.
- The mechanism will take into account the “effectiveness criteria” for non-judicial grievance mechanisms outlined in Article 31 of the United Nations Guiding Principles on Business and Human Rights in order to maximize effectiveness.
- The scope, scale and type of grievance redress mechanism required for the project- and programme-level will be proportionate to the nature and scale of the potential risks and impacts of the project or activity according to CCFF ESMS mitigation hierarchy.
- The grievance redress mechanism will include the following:
  - a) Different ways in which indigenous peoples can submit their grievances, and taking into account language barriers/limitations and the need for anonymity if a complainant fears retaliation or submission by an authorized representative or civil society organization;
  - b) Provision to keep complainants' identities confidential, especially in instances where the complainants fear retaliation;
  - c) Provision for interpretation/translation to overcome language barriers/limitations;
  - d) A log where grievances are registered in writing and maintained as a publicly available database, aligned to CCFF Grievance Mechanism;
  - e) Publicly advertised procedures, identifying the means for submitting grievances, setting out the length of time users can expect to wait for acknowledgment, response, and resolution of their grievances, descriptions of the transparency of the procedures, and the governing and decision-making structures;
  - f) An appeals process to which unsatisfied grievances may be referred when the resolution of grievance has not been achieved;
  - g) Information about other available grievance mechanisms, including at the level of the CCFF Programme and the Accredited Entity;

- h) Measures in place to protect complainants from retaliation.

## IV. Stakeholder Engagement Plan

This stakeholder engagement plan describes how the identified stakeholder will be engaged during project preparation and implementation. It is a planning tool to ensure that:

- i) Stakeholders' concerns are captured, and potential risks are adequately identified early on, during the project preparation stage
- ii) Groups and peoples whose lives might be affected by the project are properly consulted to verify and assess the significance of any impacts
- iii) Affected groups and communities participate in the development of mitigation measures, in decision making regarding their operationalization, and in monitoring their implementation.

For the purposes of this stakeholder engagement plan, stakeholders are defined as persons, groups or Indigenous Peoples who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses. In addition, for Indigenous Peoples, their traditional authorities and institutions are to be involved and engaged all through the project cycle (see IPPF for further guidance on requirements for meaningful consultations for engagement of IP).

This Stakeholder Engagement Plan was developed in accordance with GCF Stakeholder Engagement Policy. Each category B/I2 project to be financed by the CCFF Component 2 shall include the requirement to perform stakeholder consultation according to this Stakeholder Engagement Plan.

The key principles of the stakeholder engagement that borrowers will be encouraged to institutionalize is below:

- i) Providing meaningful information in a format and language that is readily understandable and tailored to the needs of the target stakeholder group(s)
- ii) Providing information in advance of consultation activities and decision-making, ensuring transparency in the provision of information
- iii) Providing information in ways and locations that make it easy for stakeholders to access it and that are culturally appropriate
- iv) Respect for local traditions, language, timeframes, and decision-making processes
- v) Two-way dialogue that gives both sides the opportunity to exchange views and information, to listen, and to have their issues heard and addressed

- vi) Inclusiveness in representation of views, including people from different age groups, sex, gender<sup>17</sup>, vulnerability and/or minority groups, including indigenous peoples
- vii) Processes free of intimidation or coercion or incentivization
- viii) Clear and culturally appropriate mechanisms for responding to people’s concerns, suggestions and grievances.
- ix) Incorporating, where appropriate and feasible, feedback into the project design and reporting back to stakeholders
- x) Apply principles of transparency, accountability and “do no harm”.

The mandatory and optional steps for stakeholder engagement are summarized below; the E&S Manager shall further guide borrowers based on the IFC PS 1 and [stakeholder engagement good practice handbook](#) to prepare stakeholder management plan.

**TABLE 9: STAKEHOLDER ENGAGEMENT PROCESS**

<b>Stakeholder Engagement Process</b>	
<b>Stakeholder Identification and Analysis</b>	The borrower shall identify those stakeholders directly and indirectly affected by the project, as well as those whose “interests” determine them as stakeholders. The stakeholders will be then prioritized accordingly. The borrowers are encouraged to refer to past stakeholder information and consultation. To ensure inclusive stakeholder engagement, it is suggested to consult socio-economic fact sheets to identify vulnerable and marginalized groups and individuals who are affected or potentially affected by proposed CCFF activities.
<b>Mandatory Step</b>	Verify stakeholder representatives and engage with stakeholders in their own communities.
<b>Information Disclosure</b>	Disclosure of relevant project information helps affected stakeholders to understand the risks, impacts and opportunities of the project. The borrower will provide access to relevant information, that at minimum shall include information on (i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.
<b>Mandatory Step</b>	
<b>Stakeholder Consultation</b>	Effective consultation is a two-way process that should (i) begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; (ii) be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to Affected Communities; (iii) focus inclusive engagement <sup>18</sup> ; (iv) be free of external manipulation, interference, coercion, or intimidation; (v) enable meaningful participation, where applicable; and (vi) be documented. Documenting consultation activities and their outcomes are critical to effectively managing the stakeholder engagement process. The stakeholder consultation process should be context specific.
<b>Mandatory Step</b>	<b>Indigenous Peoples:</b> for projects with impacts or risks to Indigenous Peoples, the borrower will be required to comply to GCF Indigenous Peoples Policy and Indigenous Peoples Planning Framework (IPPF) of this ESMS, which include for the meaningful stakeholder consultations; and in certain circumstances will be required to obtain their free, prior, and

<sup>17</sup> The stakeholder engagement plan is gender inclusive, ensuring that women and men are provided with an equitable opportunity to take an active part in stakeholder consultations and decision-making during project preparation. See also gender action plan for quotas on stakeholder engagement.

<sup>18</sup> The consultation process should (i) capture both men’s and women’s views, if necessary, through separate forums or engagements, and (ii) reflect men’s and women’s different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate

	<p>informed consent (FPIC). To the extent possible, “pre-consult” with indigenous communities through their representative institutions to determine the issues for consultation in advance of the consultation process itself.</p> <p><b>Gender Consideration in Consultation:</b> the consultation process should (i) capture both men’s and women’s views, if necessary, through separate forums or engagements, and (ii) reflect men’s and women’s different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate.</p> <p>During stakeholder engagement, if women’s participation is limited, encourage borrowers to perform outreach events to increase woman participation. Target: 50% of engaged stakeholders are women and vulnerable groups, see also the CCFF Gender Action Plan for sector specific quotas on gender mainstreaming in stakeholder engagement.</p>
<p><b>Grievance Management</b></p> <p><b>Mandatory Step</b></p>	<p>All projects shall set up a formal input, feedback, and grievance mechanism with the purpose of providing stakeholders with an opportunity to submit any feedback or raise grievances during the entire project life.</p> <p>The project shall discuss the potential grievance submission options with stakeholders and agree on an appropriate method. See also section 3.7.2 for further guidance.</p>
<p><b>Stakeholder Involvement in Project Monitoring</b></p> <p><b>Optional Step, commensurate with the identified risks</b></p>	<p>If and where feasible, promote participatory monitoring as per the <a href="#">stakeholder engagement good practice handbook</a>; where appropriate, consider external monitoring of an environmental and social commitments so to strengthen stakeholder engagement processes by increasing transparency and promoting trust between the project and its key stakeholders.</p> <p>At minimum agree with the stakeholders to establish a clear and mutually agreed process for timely reporting of actions taken in the case of identified issues, with clarification regarding upcoming steps in line to IFC PS 1.</p>
<p><b>Reporting to Stakeholders</b></p> <p><b>Mandatory Step</b></p>	<p>The borrower will be encouraged to provide timely reports to the stakeholders that describe progress with implementation of the project ESAPs on issues that involve ongoing risk to or impacts on the project affected stakeholders and on issues that the consultation process or grievance mechanism have identified as a concern to those communities/stakeholders in line to IFC PS 1. It is encouraged to agree on KPIs.</p> <p>If the management program results in material changes in or additions to the mitigation measures or actions described in the ESAPs on issues of concern to the Affected Communities, the updated relevant mitigation measures or actions will be communicated to them. The frequency of these reports will be proportionate to the concerns of Affected Communities but not less than annually</p>
<p><b>Management of Stakeholder Engagement Plan (SEP)</b></p> <p><b>Mandatory Step</b></p>	<p>A mandatory requirement is to assign overall responsibility for SEP, as well as develop and maintain stakeholder database as well as processes/templates to document stakeholder engagement</p>

The minimum content of the stakeholder engagement plan to be submitted by the borrower shall include following information:

- i) Project description**
- ii) The regulatory requirements and good practices consulted to develop the Stakeholder Engagement Plan (SEP), including this ESMS.**
- iii) Stakeholder identification** (the identified stakeholders, their relevant interests, and analyses, including vulnerable groups and gender considerations).
- iv) Information disclosure** (methods and actions to achieve meaningful consultation and inclusive participation, including information disclosure)
- v) Grievance management**
- vi) Monitoring and reporting**
  - a. Information whether the stakeholders will be included in the project monitoring, as well as the level of the reporting to stakeholders
  - b. Key performance indicators of stakeholder engagement during project implementation, and steps that will be taken to monitor and report on progress and issues that arise. The KPIs shall also include quota on gender inclusiveness aligned to the CCFF Gender Action Plan
- vii) Roles and responsibilities for implementation of the Stakeholder Engagement Plan**
- viii) The timing of the engagement throughout the project cycle**
- ix) Agreed periodicity of reporting to the CCFF.**

# Annex 1: Exclusion List

The CCFF Programme shall not finance, directly or indirectly, projects involving the following:

1. Category A or I1 Projects with significant adverse environmental and social risks as per definition of this ESMS.
2. Projects involving destruction of high conservation value areas.
3. Projects involving involuntary resettlements.
4. Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.
5. Any activity that involves (1) Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>19</sup> or under the customary use or occupation of the Indigenous People (2) Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>20</sup> ; (3) Physical displacement/relocation of Indigenous Peoples from lands and Natural Resources Subject to Traditional Ownership or Under Customary Use (4) Occupational Displacement of Indigenous People <sup>21</sup> and (5) Significant negative impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including natural areas with cultural and/or spiritual values such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks/mountains ;
6. Projects damaging cultural heritage.
7. Projects which result in limiting people's individual rights and freedom, or violation of human rights.
8. 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.
9. Production or trade in weapons and munitions.
10. Gambling, casinos, and equivalent enterprises.
11. Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered to be trivial and/or adequately shielded.
12. Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
13. Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
14. Production or activities involving harmful or exploitative forms of forced labor or child labor as defined in the ILO core labor standards.

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<sup>19</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous Peoples & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

<sup>20</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, and potential adverse impacts, including loss of access to assets or resources, or restrictions on land use, can be expected.

<sup>21</sup> For the purposes of this document, Occupational displacement refers to loss of assets or access to assets that leads to loss of income sources or means of livelihood to Indigenous People

15. Commercial logging operations for use in primary tropical moist forest.
16. Production or trade in wood or other forestry products other than from sustainably managed forests.



# Annex 2: CCFF Screening Checklist

**TABLE 10: CCFF PRELIMINARY SCREENING CHECKLIST**

Preliminary Screening Checklist <sup>22</sup>
<b>PS 1: Assessment and management of environmental and social risks and impacts</b>
<ul style="list-style-type: none"> <li>▪ Will the activities involve transboundary impacts on air, water or other natural resources?</li> <li>▪ Will the activities involve associated facilities and third-party impacts?</li> <li>▪ Are the activities likely to induce potential social conflicts?</li> <li>▪ Based on the risk categorization, is there a need to deploy a project specific Environmental and Social Action Plan (ESAP)? If so, does the project counterparty (borrower, TA provider) have the <b>capacity</b> to implement such ESAP?</li> </ul>
<b>PS 2: Labor and working conditions</b>
<ul style="list-style-type: none"> <li>▪ Are the activities (projects) likely to involve a significant number of employees, laborers?</li> <li>▪ Are the activities (projects) likely to involve a significant number of employees, laborers? Where would these workers come from?</li> <li>▪ Are the activities likely to affect working conditions, particularly in terms of employment, compliance with labor and other laws pertaining to non-discrimination, equal opportunity, child labor, and forced labor of direct, contracted and third-party workers? Particular diligence should be taken to check if there are activities to be hiring children, migrant workers, informal contract community workers?</li> <li>▪ Are there UXO in this region or around the subproject area?</li> <li>▪ Will the activities pose occupational health and safety risks to workers, including supply chain workers? Within scope of this screening question, CCFF E&amp;S team should also check if (1) there are issues relating to labor management and OSH practices in this type of activity (project) in this city or region? And (2) Is the subproject operation largely dependent on supply chains which are notorious for exploitation of children or forced labor?</li> <li>▪ Will the activities pose an occupational health and safety risks to workers, including supply chain workers?</li> <li>▪ Are activities aligned to local labor requirements, are there gaps vis a vis ILO best practice?</li> <li>▪ Are there any SEAH risks in labor and working conditions given local context<sup>23</sup>?</li> </ul>
<b>PS 3: Resource efficiency and pollution prevention</b>
<ul style="list-style-type: none"> <li>▪ Will the activities generate emissions; discharge pollution into water and land; generate activity related greenhouse gas emissions; use hazardous materials; generate noise and vibration; and/or generate waste including hazardous waste?</li> <li>▪ Are the activities likely to utilize natural resources, including water and energy?</li> <li>▪ Will there be a need to develop and implement measures to reduce pollution and promote sustainable use of resources?</li> </ul>
<b>PS 4: Community health, safety, and security</b>
<ul style="list-style-type: none"> <li>▪ Will the activities potentially generate risks and impacts on the health and safety of the affected communities, including impacts on ecosystem services affecting the local community health and safety?</li> </ul>

<sup>22</sup> Source: [Adapted from GCFE](#) ; updated for SEAH relevant questions under PS 2 and PS 4. See guidance note for SEAH under Annex 3 below.

<sup>23</sup> CCFF shall take risk based, proportional approach to SEAH, where E&S Manager in collaboration with Gender Specialist will screen level of SEAH risk (high, medium, low) applicable to the funded activity. Only activities with medium to low SEAH risks will be funded.

- Will the activities increase the risk of sexual exploitation, abuse and harassment?
- Will there be a need for an emergency preparedness and response plan that also outlines how the affected communities will be assisted in emergencies?
- Will there be potential risks posed by the security arrangements and potential conflicts at the project site between the workers and the affected community?
- Does assessment consider positive and negative SEAH and Gender Based Violence impacts on the community?

#### **PS 5: Land acquisition and involuntary resettlement**

- Are the activities likely to involve the acquisition of lands, land rights or land-use rights through expropriation or other compulsory procedures in accordance with the legal system of the country?
- Are the activities likely to alter existing land use and restrict access to natural resources resulting in loss of livelihoods and other economic activities?

#### **PS 6: Biodiversity conservation and sustainable management of living natural resources**

- Is the project likely to be located on modified, natural and/or critical habitats or in protected or internationally recognized ecological areas?
- Is the project or programme likely to introduce invasive alien species of flora and fauna, affecting the biodiversity of the area?
- Is the project or programme likely to have potential impacts on biodiversity (especially critically endangered and/or endangered species, endemic or restricted-range species, and globally significant migratory or congregatory species) and ecosystem services, including production of living natural resources?

#### **PS 7: Indigenous peoples**

- Are the activities likely to have impacts on indigenous peoples, use of / access to / restrictions on lands and natural resources subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples?
- Are the activities likely to lead to physical displacement of indigenous peoples?
- Are the activities likely to lead to restrict the access of indigenous peoples to lands and resources resulting in loss of livelihood?
- Will the activities need to obtain free, prior and informed consent (FPIC)? If so, has the project obtained FPIC? Please refer to Section 7.2. of the GCF Indigenous Peoples Policy to identify the circumstances that require the free, prior and informed consent from Indigenous Peoples
- Does the project involve any impact on cultural heritage of indigenous people?

#### **PS 8: Cultural heritage**

- Will the project or programme be located on areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic and religious values or contain features considered as critical cultural heritage?

## Annex 3: Guidance Notes on SEAH Assessment

**This guidance note has been aligned to GCF** revised Environmental and Social Policy; it may be subject to update based on lessons learned in Cambodia but compliance with GCF requirements will be considered at all times.

The responsibility for SEAH assessment rests with the E&S Manager, who shall collaborate with a Gender Specialist on SEAH Risk Assessment as per the guidance note below:

**TABLE 11: GUIDANCE NOTES ON SEAH ASSESSMENT**

<b>Guidance Notes on SEAH Assessment</b>
<ul style="list-style-type: none"><li>• Any risks or potential adverse impacts on women, men, girls and boys should be identified as early as possible as part of the E&amp;S screening process and reflected in relevant due-diligence requirements. The risks and impacts should be differentiated by gender and age where relevant, including Sexual Exploitation, Sexual Abuse and Sexual Harassment</li><li>• The relevant mitigation measures should be reflected in ESAP; it should include measures to enhance gender equality, and to prevent, address and eliminate SEAH</li><li>• All measures to mitigate and manage the identified SEAH risks and impacts are consistently monitored and implemented as per ESAP</li><li>• Progress and performance are reported to the CCFF Working Group Co-heads, Green Credit Committee and Oversight Committee on a quarterly basis</li><li>• In case incidences of SEAH occur there are (i) established accessible and inclusive survivor-centered and gender-responsive grievance redress mechanisms in place, with specific procedures for SEAH including confidential reporting with safe and ethical documenting of such cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and (ii) modalities to provide timely services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.</li></ul>

# Annex 4: ESAP Template

**TABLE 12: PRELIMINARY ESAP TEMPLATE**

Preliminary ESAP Template				
Outcome as per PS	Actionable Item	Indicators and Targets	Timeline	Responsibilities
PS 1				
PS 2				
PS 3				
PS 4				
PS 5				
PS 6				
PS 7				
PS 8				

# Annex 5: RGC Environmental Laws, Institutional Framework and GAP Analysis

**Institutional Framework:** The national agencies that oversee environment and natural resources management are listed below:

- Ministry of Environment (MOE)
- Ministry of Agriculture, Forestry and Fisheries (MAFF)
- Ministry of Water Resources and Meteorology (MOWRAM)
- Ministry of Mines and Energy (MME)
- Ministry of Industry, Science, Technology, and Innovation (MISTI)
- Ministry of Land Management, Urban Planning and Construction (MLMUPC)
- Ministry of Tourism (MOT)
- Ministry of Public Works and Transport (MPWT)
- National Climate Change Committee (NCCC)

The MOE is the primary agency tasked to promote environmental protection and conservation of natural resources, thus contributing to improvement of environmental quality, public welfare, and the economy. The EIA Department of the MOE oversees and regulates the Environmental Impact Assessment (EIA) process, quality control on EIA report and coordinates the implementation of projects in collaboration with project executive agencies and concerned ministries.

The MOE has the following responsibilities:

- Review, evaluate, and approve submitted environmental impact assessments in collaboration with other concerned ministries; and
- Monitor to ensure a project owner (the executing agency of the project) satisfactorily implements the Environment Management Plan (EMP) throughout pre-construction, construction and operational phases of the projects.

## **Relevant Regulatory Environment:**

- **The Constitution of the Royal Kingdom of Cambodia (1993)** is the overarching legal framework for the country and guarantees all Khmer citizens the same rights regardless of race, color, language and religious belief. Aside from the Constitution, the Government of Cambodia has established specific laws and regulations for forests, protected areas, and land law to ensure sustainable development.
- **Law on Environmental Protection and Natural Resources Management:** In 1996, the Law on Environmental Protection and Natural Resources Management (NS/RKM/1296/36) came into force. The law requires the government to prepare national and regional environmental plans and sub-decrees concerning a wide range of environmental issues, including EIAs, pollution prevention and control, public participation, and access to information. The Law on Environmental Protection and Natural Resource Management (1996) is the enabling legislation which allows the MOE to pass sub-decrees and regulations to protect the environment. 2.1.2 Sub-Decree on Environmental Impact Assessment Process #72 ANRK.BK18 (1999) This Sub-decree

sets out the current statutory requirements for Environmental Impact Assessment (EIA) process for private or public projects, including providing avenues for public participation (in particular Prakas on Public Participation in the EIA Process 2017). It sets out the minimum requirements for the nature and size of projects and activities (both existing and proposed) that shall be subject to EIAs<sup>24</sup>. The guidance for preparing IEIA / EIA report is provided in the Prakas on General Guideline for Preparing IEIA and Full EIA, 2009 N. 376 BRK.BST. The Guidelines also list the specific content required in EIA reports, including: (i) introduction (ii) legal framework, (iii) project description, (iv) description of the baseline environment, (v) public participation/stakeholder engagement, (vi) assessment of impacts and mitigation measures, (vii) environmental management plan, (viii) economic assessment and valuation of environmental damages and losses, (ix) conclusion and recommendations.

- **Other relevant laws:** See GAP Analysis, for preliminary mapping of laws and gap analysis against GCF ESS (IFC Performance Standards) on next page below.

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<sup>24</sup> [http://www.cambodiainvestment.gov.kh/sub-decree-72-anrk-bk-on-environment-impact-assessment-processpdf\\_990811.html](http://www.cambodiainvestment.gov.kh/sub-decree-72-anrk-bk-on-environment-impact-assessment-processpdf_990811.html)

## GAP Analysis of National Legislation vis a vis GCF ESS (IFC PS)

While Cambodia has relatively strong regulatory and planning framework on environment, several opportunities remain to further strengthen its legal instruments. Furthermore, there are also existing legal frameworks in Cambodia to cover the rights of workers, deal with occupational and safety hazards, as well protect women against violence. However, some of these regulations are sometimes weakly enforced and may need enhanced monitoring. Hence, the table below summarizes the key requirements defined under applicable IFC PS for the CCFF Programme and equivalent provisions in the national legislative and regulatory framework. The right-hand column identifies the key measures put forward in this ESMS to address differences.

**TABLE 13: GAP ANALYSIS OF NATIONAL LEGISLATION VIS-A-VIS GCF ESS (IFC PS)**

GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
<p><b>IFC PS 1:</b> Assessment and Management of Environmental and Social Risks and Impacts</p>	<ul style="list-style-type: none"> <li>• <u>Law on Environmental Protection and Natural Resources Management (1996)</u>: The law requires the government to prepare national and regional environmental plans and sub-decrees concerning a wide range of environmental issues, including EIAs, pollution prevention and control, public participation, and access to information.</li> </ul>	<ul style="list-style-type: none"> <li>• RGC legislation focuses on project impacts from an environmental &amp; social point of view, however, does not seem to fully consider the specific needs of vulnerable people (the poor, elderly, women-headed households, people living with a disability, etc.)</li> <li>• There is no mitigation hierarchy in RGC legislation.</li> <li>• While there are provisions for stakeholder engagement in various legislation (including EIA and SOP), there are gaps in maintaining stakeholder relations during the length of the project cycle, ensuring appropriate disclosure of information, meaningful consultations and means to grievance redress.</li> <li>• E&amp;S capacity gaps anticipated at the level of borrowers</li> </ul>	<ul style="list-style-type: none"> <li>• The scope of this ESMS covers both direct, indirect, and cumulative environment and social proportionate mitigation measures (as per Mitigation Hierarchy), taking a holistic approach to the project and looking at impacts in an integrated way, including considering the needs of disadvantaged and vulnerable persons or groups.</li> <li>• Mitigation hierarchy in place and also encouraged through ESP.</li> <li>• Principles and requirements for stakeholder engagement, information disclosure and grievance redress mechanism are part of ESMS.</li> <li>• Robust M&amp;E process is part of ESMS, borrow specific M&amp;E in ESAP (see Annex 6).</li> <li>• E&amp;S Capacity enhancement at the level of borrower part of ESAP (where triggered), can be supplemented with TA Facility external consultancy under component 3.</li> </ul>

GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
			<ul style="list-style-type: none"> <li>See also mitigation measure entry points for project specific ESAP in Risk Matrix (Annex 6) for this IFC PS 1.</li> </ul>
<p><b>IFC PS 2:</b> Labor and Working Conditions</p>	<p><u>Labor Law (1997)</u> has corresponding provisions that largely or fully match the IFC PS 2 and ILO requirements in the following areas:</p> <ul style="list-style-type: none"> <li>Terms and Conditions of Employment</li> <li>Non-Discrimination and Equal Opportunity</li> <li>Rights to Organize</li> <li>Prevention / restriction of child labor</li> <li>Prevention of forced labor</li> <li>Employer’s liability (remedies for adverse impacts) is stated in general terms.</li> </ul> <p><u>Prakas on Light Work (2008)</u>: Minimum working age in Cambodia is 15, though according to the legislation children between 12-15 years can perform light work that does not conflict with schooling. No hazardous work is permitted for children under 18.</p> <p><u>Prakas on the Prohibition of Hazardous Child Labour (MoSALVY #106, April 28, 2004)</u> The Prakas prohibits the employment of anyone under the age of 18 in any of the 38 scheduled hazardous works / activities listed in the Prakas.</p> <p>Other relevant Laws:</p> <ul style="list-style-type: none"> <li>Law on the Prevention of Domestic Violence and the Protection of Victims, (NS/RPM/1005/031), 2005:</li> </ul>	<ul style="list-style-type: none"> <li>Regulations against forced labor exist in Cambodia. However, there are claims that this is not strictly enforced<sup>25</sup>.</li> <li><b>Workers’ rights to organize</b> are protected by Cambodian labor law but may not be respected in practice. The Labor Law does not require employers to institute a formal workers’ grievance mechanism.<sup>26</sup></li> <li>Workplace safety is a general obligation of the employer, but details not provided.</li> <li>Safety training of workers not mentioned.</li> <li>Documentation and reporting of incidents are not clearly required. Emergency preparedness not an explicit obligation</li> <li>Stricter enforcement is said to be needed on minimum age, as mitigation minimum age by various CSOs.</li> </ul>	<ul style="list-style-type: none"> <li>Project specific Screening and due diligence against risks and impacts, including compliance to IFC PS 2.</li> <li>Actionable items to be translated into project specific ESAP.</li> <li>Monitoring &amp; Evaluation procedures in place</li> <li>Grievance mechanisms in place, also part of SEP</li> <li>.</li> <li>Emergency preparedness part of ESMS</li> <li>See also project specific mitigation measures entry points for ESAP in Risk Matrix (Annex 6), such as OHS and etc. for IFC PS 2.</li> </ul>

<sup>25</sup> Source: World Bank, areas for strengthening



GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
	<p>The objective of the law is to prevent domestic violence, protect victims, and strengthen the culture of non-violence.</p> <ul style="list-style-type: none"> <li>• <u>Law on the Protection and Promotion of the Rights of Persons with Disabilities 2009</u>: The goal of the law is to protect and promote the rights of persons with disabilities in the country, and prevent, reduce and eliminate discrimination against persons with disabilities. The law also seeks to ensure that persons with disabilities are able to participate fully and equally in activities within society and provide equal opportunities for employment.</li> </ul>		
<p><b>IFC PS 3:</b> Resource Efficiency and Pollution Prevention</p>	<ul style="list-style-type: none"> <li>• Sub-Decree on the Control of Air Pollution and Noise Disturbance, #42 ANK/BK20 (2000): This sub-decree outlines the measures for protecting environment quality and public health from air pollutants and noise disturbance through monitoring, curbing and mitigating activities. It lists air quality standards and noise emission levels.</li> <li>• Sub-Decree on Water Pollution Control #27 ANRK.BK21 (1999)</li> <li>• Sub-Decree on Solid Waste Management (No. 36 ANRK.BK 2009)</li> </ul>	<ul style="list-style-type: none"> <li>• Pollution prevention stipulated by local legislation as per decrees on the left (air, water, waste), however, resource efficiency measures not mapped in legislation (English Translations).</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability (including pollution prevention and resource efficiency) encouraged through CCFF investment and eligibility criteria, and through ESP of this ESMS.</li> <li>• CO2 emission reduction core of CCFF Projects.</li> <li>• Management of Hazardous and Non-Hazardous Wastes to be assessed through DD.</li> <li>• Management of Chemicals and Hazardous Materials to be assessed through DD.</li> <li>• Management of Pesticides assessed through DD.</li> <li>• See also project specific mitigation measures entry points for ESAP in risk matrix (Annex 6).</li> </ul>

GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
<p><b>IFC PS 4:</b> Community Health, Safety, and Security</p>	<ul style="list-style-type: none"> <li>The Constitution of Cambodia (1993) guarantees that there shall be no physical abuse of any individual (Article 38).</li> <li>Strategy 4 on Health, Safety and Welfare of the Community of the Guideline for Managing Environmental and Social Risks in Projects in the Framework of the National Program for SNDD dated April 2019.</li> <li>The 3rd National Action Plan to Prevent Violence Against Women (NAPVAW III) promotes prevention interventions response, access to quality services, and multi-sectorial coordination and cooperation to reduce violence against women.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation and capacity to monitor at local levels may be limited.</li> </ul>	<ul style="list-style-type: none"> <li>Site screening</li> <li>During screening and DD stage, evaluate the risks and impacts to the health and safety of the Affected Communities during the project lifecycle and will establish preventive and control measures consistent with good international industry practice such as in the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) or other internationally recognized sources.</li> <li>Include relevant measures (actionable items) in legally binding ESAP.</li> <li>Project specific Gender Analysis, with project measures to address risks of gender-based violence at all sites.</li> </ul>
<p><b>IFC PS 5:</b> Land Acquisition and Involuntary Resettlement</p>	<ul style="list-style-type: none"> <li>Shall not be triggered, as involuntary resettlement is excluded activity (See Exclusion List). No impacts are expected, but each project will be screened for possible land and resettlement issues (see screening criteria questions). Findings shall be further verified during the E&amp;S DD stage.</li> <li>In terms of local legislation gaps, note, that Sub Decree 22 on Standard Operating Procedures for Land Acquisition and Resettlement (SOP-LAR) sets out a comprehensive framework for preparation and implementation of <b>Resettlement Plans</b>. However, SOP-LAR does not emphasize avoidance of resettlement as the preferred option. Rights of land users without formal title, covered by ESS5, may not be fully covered by SOP-LAR provisions. Not clear that compensation will be at full replacement cost (“market value” is stipulated in SOP-LAR). Provisions for disclosure, consultation and informed participation may fall short of ESS5 requirements.</li> </ul>		
<p><b>IFC PS 6:</b> Biodiversity Conservation and Sustainable Management of Living Natural Resource</p>	<ul style="list-style-type: none"> <li>The 2001 Declaration on Land Policy Focuses on three sub-sectors.</li> <li>The Environmental Protection and Natural Resources Management Law was enacted by the National Assembly and launched by the Preah Reach Kram/NS-RKM-1296/36.</li> <li>The Sub-Decree No. 72 ANRK.BK on Environmental Impact Assessment Process dated August (1999) with</li> </ul>	<ul style="list-style-type: none"> <li>Law on environment protection identifies 4 zoning for Protected Areas management, however, it does not include cultural and heritage zones.</li> <li>The Law also set only criteria for zoning identification, not introduce procedure and guideline.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability (such as biodiversity protection) encouraged through CCFF investment and eligibility criteria, and through ESP of this ESMS.</li> <li>CCFF ESMS Exclusion list relevant to biodiversity and cultural heritage preservation.</li> <li>See also project specific mitigation measure entry points for ESAP in risk matrix (Annex 6) aligned to IFC PS 6</li> </ul>

GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
	<p>supporting guidelines developed in 2005, 2009 and 2017, provides guidance for IEIA and EIA under the Law.</p>	<ul style="list-style-type: none"> <li>In addition, there is no guideline/mechanism for implementing the National PA Strategic Management Plan. The law does not cover any part of Community PA outside PA boundary.</li> </ul>	<p>(mapping of hotspots, analysis of biodiversity, biodiversity action plan).</p>
<p><b>IFS PS 7:</b> Indigenous Peoples</p>	<ul style="list-style-type: none"> <li>Land Law 2001 gives recognition to the right of indigenous peoples to their traditional lands, culture, and traditions. Article 25 and 26 of Land Law states the provision of right over indigenous land in the form of collective ownership.</li> <li>Sub-Decree No. 83 on the Procedures of Registration of Lands of Indigenous Communities (2009)'s Article 6 defines the five types of land for communal land titling (1) residential land, (2) spiritual forest land, (3) burial forest land, (4) actual farming land and (5) the land reserved for shifting cultivation.</li> </ul>	<ul style="list-style-type: none"> <li>Limited information with other type of lands</li> </ul>	<ul style="list-style-type: none"> <li>Any activity that involves (1) Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>27</sup> or under the customary use or occupation of the Indigenous People (2) Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>28</sup> ; (3) Physical displacement/relocation of Indigenous Peoples from lands and Natural Resources Subject to Traditional Ownership or Under Customary Use (4) Occupational Displacement of Indigenous People <sup>29</sup> and (5) Significant negative impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including, natural areas with cultural and/or spiritual values such as sacred groves,</li> </ul>

<sup>27</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous People & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

<sup>28</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, **and potential adverse impacts**, including loss of access to assets or resources, or restrictions on land use, can be expected.

<sup>29</sup> For the purposes of this document, Occupational displacement refers to loss of assets or access to assets that leads to loss of income sources or means of livelihood to Indigenous People

GCF PS (IFC PS)	National Legislation	Gaps	Measures to address differences
			<p>sacred bodies of water and waterways, sacred trees, and sacred rocks/mountains ; .</p> <ul style="list-style-type: none"> <li>• Meaningful consultation with IPP, where FPIC is sought and verified in cases circumstances as per GCF IP 7.2 is triggered. However, most of activities requiring FPIC (exception made of the cultural heritage for commercial purposes) are under exclusion list.</li> <li>• CCFF IPP Plan aligned to GCF E&amp;S Policy and IFC PS 7, that focuses on opportunities for IPP.</li> </ul>
<p><b>IFS PS 8:</b> Cultural Heritage</p>	<ul style="list-style-type: none"> <li>• The 1996 Law on the Protection of National Cultural Heritage defines provisions for the “protection of national cultural heritage and cultural property”, including the “natural world”, against “illegal destruction, modification, alteration, excavation, alienation, exportation or importation”.</li> </ul>	<ul style="list-style-type: none"> <li>• The legal framework deals mainly with tangible cultural heritage and is less concerned with intangible cultural heritage.</li> <li>• The legal framework does not include ESS8 requirements for stakeholder consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Projects damaging cultural heritage are an excluded activity under CCFF Programme. Definition of cultural heritage includes both tangible and intangible cultural heritage.</li> <li>• Screening to ensure that IFC PS 8 is not triggered.</li> <li>• Findings verified by DD,</li> <li>• Chance finding procedure in project specific ESAP (see Annex 6).</li> </ul>

## Annex 6: Risk Matrix

Below summarizes the risks that are likely or may occur for each sector. This has been prepared as per GAP assessment and preliminary mapping of risks per sector as per IFC best practices. Potential entry points for ESAP (non-exhaustive list) are below. Depending on the nature and scale of the project, the mitigation actions should be put in place as per mitigation hierarchy of CCFF ESP.

**For all projects funded under the CCFF Programme these risks are medium to low and are mitigatable through corrective actions (see Potential Entry points for project specific ESAP).**

**TABLE 14: RISK MATRIX**

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
GCF ESS 1	<ul style="list-style-type: none"> <li>▪ Capacity of borrowers to identify, mitigate and manage E&amp;S risks.</li> <li>▪ Regulations are in place, but in some cases, implementation is a challenge and local monitoring capacity is limited.</li> <li>▪ While there are provisions for stakeholder engagement in various legislation (including EIA and SOP), there are gaps in maintaining stakeholder relations during the length of the project cycle, ensuring appropriate disclosure of information, meaningful consultations and means to grievance redress.</li> </ul>					<ul style="list-style-type: none"> <li>▪ Compliance to national legislation</li> <li>▪ Compliance to CCFF ESP</li> <li>▪ Compliance to any CCFF legal covenants with regards to E&amp;S</li> <li>▪ E&amp;S Capacity enhancement at the level of borrower part of ESAP (where triggered), can be supplemented with TA Facility external consultancy.</li> <li>▪ ESMS (mandatory for all LFIs) and/or Management Programs<sup>31</sup> per risks triggered.</li> <li>▪ Procedures to monitor and measure the effectiveness of the management program, as well as compliance with any related legal and/or contractual obligations and regulatory requirements.</li> <li>▪ Emergency Preparedness<sup>32</sup></li> </ul>

<sup>30</sup> Source for template and entry points: Climate4Action LLC, adapted for CCFF and Cambodia's local context.

<sup>31</sup> Depending on the nature and scale of the project, these programs may consist of some documented combination of operational procedures, practices, plans, and related supporting documents (including legal agreements) that are managed in a systematic way. The programs may apply broadly across the borrower's organization, including contractors and primary suppliers over which the organization has control or influence, or to specific sites, facilities, or activities. The mitigation hierarchy to address identified risks and impacts will favor the avoidance of impacts over minimization, and, where residual impacts remain, compensation/offset, wherever technically<sup>20</sup> and financially feasible.

<sup>32</sup> Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, the borrower will establish and maintain an emergency preparedness and response system so that the client, in collaboration with appropriate and relevant third parties, will be prepared to respond to accidental and emergency situations associated with the project in a manner appropriate to prevent and mitigate any harm to people and/or the environment.

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
						<ul style="list-style-type: none"> <li>Stakeholder Engagement Plan<sup>33</sup></li> <li>Information disclosure aligned to ESMS Information Disclosure requirements for Category B and C projects.</li> <li>Regular monitoring by CCFF E&amp;S Manager (at least annual), including site visits for category B projects.</li> <li>Allocation of budget for management of environmental issues and performance improvement</li> </ul>
GCF ESS 2	<ul style="list-style-type: none"> <li>Gender discrimination in terms of employment (such as remuneration, career advancement opportunities)</li> <li>Risk of Child Labor or indentured labor</li> <li>Wage Inequality</li> <li>Sexual harassment</li> <li>Payment for unskilled worker's below minimum wage</li> <li>Lack of OHS specifications in contracts (pertinent especially to RE/construction stage)</li> <li>Presence of unskilled workers leading to an increased risk of accidents and exposure to hazards</li> <li>Language barriers and cultural differences for migrant workers that may lead to an increased risk of accidents and exposure to hazards (especially pertinent to RE/construction works)</li> <li>Lack of potable water and sanitation facilities, for women</li> <li>Use of migrant/temporary labor subject to working conditions below minimum standard established by law</li> </ul>				<p>Not likely to be triggered given e-bikes funded for individual consumptions .</p> <p>For corporate loans (if any), same risks and entry points may apply.</p>	<ul style="list-style-type: none"> <li>GAP</li> <li>HR Practices for direct project workers to align to IFC PS 2, including <u>non-discrimination and equal opportunity</u>.</li> <li>Procedure to Prevent Child Labor and Forced Labor (PPCLFL) to ensure and verify compliance with (IFC 2) requirements.</li> <li>Undertake checks on workers' right to work (including work permits, age etc.)</li> <li>OHS for agriculture, manufacturing, and energy sectors.</li> <li>Emergency preparedness</li> <li>PPE</li> <li>SEAH Policy</li> <li>Grievance Mechanism</li> <li>Substantial facilities and access to water</li> <li>Health and safety incidence monitoring system</li> <li>Training and awareness raising activities, especially on SEAH, OHS, gender equity.</li> </ul>
GCF ESS 3	<ul style="list-style-type: none"> <li>Air emissions</li> <li>Depletion of groundwater or surface water sources by</li> </ul>	Land contamination (during construction)	Water borne diseases	Air Emissions Water Pollution (through	Air Emissions	<ul style="list-style-type: none"> <li>Pollution Prevention, Resource Conservation and Energy Efficiency part of ESAP</li> <li>GHG emission reduction measures/ technologies/ business models (e.g., e-bikes)</li> </ul>

<sup>33</sup> The Borrower will develop and implement a Stakeholder Engagement Plan that is scaled to the project risks and impacts and development stage, and be tailored to the characteristics and interests of the Affected Communities

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
	inefficient or unsustainable exploitation (water overuse) <ul style="list-style-type: none"> <li>Noise (tractors, other farm machinery, grain silos and driers etc.)</li> <li>Crop contamination</li> <li>Soil Erosion and Degradation</li> </ul>	Construction waste disposal		chemical run-off  Energy consumption  Waste and waste-water discharge		<ul style="list-style-type: none"> <li>Hazardous and non-hazardous waste management plans (inc. construction waste disposal and solar PV disposal for RE Projects)</li> <li>Emergency response plans (training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with project hazards)</li> <li>Integrated pest management (IPM) for agriculture projects</li> <li>Implementation of energy management programs in manufacturing, including energy efficient technologies, practices and use of renewable energy</li> <li>Noise management practices (including checks)</li> <li>Check what water discharges take place and note the location of discharge points</li> <li>water sources tested for chemical pollutants and biological contamination</li> </ul>
GCF ESS 4	<ul style="list-style-type: none"> <li>Surface water contamination, traffic issues and noise.</li> </ul>	Climate hazards impacting resilience of infrastructure.  Gender based violence from temporary construction site workers.  Accidents due to increased vehicle traffic from transport		Waste and waste-water discharge  Emissions to air  Use of chemicals  Energy consumption  Noise from machinery	Air Emissions	<ul style="list-style-type: none"> <li>Climate risk and vulnerability assessment for RE infrastructure</li> <li>Climate proofed RE Infrastructure</li> <li>Community Health and Safety Plan, including emergency response procedure as required<sup>34</sup></li> <li>Contract clause on SEAH with construction contractors and awareness raising</li> <li>Assess opportunities for the involvement of the local community in direct employment or in the provision of goods and services.</li> <li>Engage with the local community and other interested and/or affected stakeholders, on a regular basis, to maintain good social relations.</li> <li>In areas of high population density or high community interest (e.g., Renewable Energy Projects), Stakeholder Engagement Plan (SEP)</li> </ul>

<sup>34</sup> If and as required (depending on risk nature of the project) Borrower shall collaborate with affected Communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations.

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
		<p>of construction materials and waste</p> <p>Failure to deploy traffic warning signs and personnel to control movement of workers, equipment and goods to and within construction site</p> <p>Exposure to dust from use of machinery or demolition, potentially containing dangerous trace components</p> <p>Exposure to noise or vibrations from extraction, demolition, drilling, breaking or crushing</p>				<p>should be prepared and implemented by the company as per CCFF ESMS.</p> <ul style="list-style-type: none"> <li>▪ Water sources tested for chemical pollutants and biological contamination periodically if community contamination risks triggered.</li> <li>▪ Road safety/traffic management plans</li> <li>▪ Grievance Mechanism</li> <li>▪ Noise prevention and mitigation measures should be applied where predicted or measured noise impacts from a project facility or operations exceed the applicable noise level guideline at the most sensitive point of reception (70 LAeq (dBA) per hour)<sup>35</sup></li> </ul>

<sup>35</sup> Source: [EHS WB, noise level guidelines](#)



GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
GCF ESS 5	Shall not be triggered, as involuntary resettlement is excluded activity (See Exclusion List). No impacts are expected, but each project will be screened for possible land and resettlement issues (see screening criteria questions). Findings shall be further verified during E&S DD stage.					<ul style="list-style-type: none"> <li>Avoid impacts on involuntary resettlement, though not funding activity that trigger involuntary resettlement (See Exclusion List)</li> </ul>
GCF ESS 6 <sup>36</sup>	<p>Damage to hotspots or sensitive locations through inclusion within project boundaries</p> <p>Damage to hotspots that are outside or excluded from the project land, but are adjacent and suffer increased exploitation due to easier access</p>	N/A				<ul style="list-style-type: none"> <li>Avoid impacts on biodiversity through the identification (e.g., hotspot mapping) and protection<sup>37</sup></li> <li>Protection of set asides, e.g., buffer zone, awareness raising of local community, incentivizing through patrolling and etc.</li> </ul> <p><b>Other measures as per IFC:</b></p> <ul style="list-style-type: none"> <li>Implementing measures to minimize habitat fragmentation, such as biological corridors;</li> <li>Restoring habitats during operations and/or after operations;</li> <li>Apply credible globally, regionally, or nationally recognized standards for sustainable management of living natural resources are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage step-wise and continual improvements; and/or (iv) provide for independent verification or certification through appropriate accredited bodies for such standards (e.g. VERRA)</li> </ul>

<sup>36</sup> For the purposes of the IFC PS 6, it applies to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the borrower has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry). Hence, the IFC PS 6 is expected to be triggered only for agriculture sector projects and avoidance of impacts on biodiversity is encouraged. **Due diligence for all sectors should however check for any biodiversity risks.** E.g., When manufacturing in areas of water scarcity the water used for manufacturing processes can have negative impacts on native species and ecosystems, if used unsustainably.

<sup>37</sup> Projects involving destruction of high conservation value areas and activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources are under exclusion list.

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
						<ul style="list-style-type: none"> <li>▪ Where relevant and credible standard(s) exist, but the borrower has not yet obtained independent verification or certification to such standard(s), the client will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period.</li> </ul>
GCF ESS 7	Risks to IP could be present, where the activities proposed to be financed by CCFF locate project on or commercially develop natural resources within traditional or customary land, and whenever adverse impacts <sup>38</sup> may be expected on the livelihoods or cultural ceremonial or spiritual use that define identify and community of Indigenous Peoples. Opportunities for IPP should be encouraged.					<ul style="list-style-type: none"> <li>• Mitigated as per the Exclusion List (Any activity that involves (1) Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>39</sup> or under the customary use or occupation of the Indigenous People (2) Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>40</sup> ; (3) Physical displacement/relocation of Indigenous Peoples from lands and Natural Resources Subject to Traditional Ownership or Under Customary Use (4) Occupational Displacement of Indigenous People <sup>41</sup> and (5) Significant negative impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including, natural areas with cultural and/or spiritual values such as sacred</li> </ul>

<sup>38</sup> Such adverse impacts may include impacts from loss of access to assets or resources, or restrictions on land use, resulting from project activities.

<sup>39</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous People & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

<sup>40</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, **and potential adverse impacts**, including loss of access to assets or resources, or restrictions on land use, can be expected.

<sup>41</sup> For the purposes of this document, Occupational displacement refers to loss of assets or access to assets that leads to loss of income sources or means of livelihood to Indigenous People

GCF ESS	AFOLU	Energy	Water	Manufacturing	Transport	Potential Entry Points for project specific ESAP <sup>30</sup>
						<p>groves, sacred bodies of water and waterways, sacred trees, and sacred rocks/mountains .</p> <ul style="list-style-type: none"> <li>▪ , Minimize Mitigate or compensate any residual adverse impacts per provision of GCF IP Policy and IFC PS 7 and develop IPP.</li> <li>▪ Identify Opportunities for IP in IPP.</li> </ul>
GCF ESS 8	Shall not be triggered, as Projects damaging cultural heritage is an excluded activity under CCFF Programme.					<ul style="list-style-type: none"> <li>▪ Chance finding procedures developed and implemented within framework of this ESMS (see ESMS action plan).</li> </ul>

## Annex 7: Indigenous Peoples Planning Framework<sup>42</sup>

**I. Background Information:** According to Cambodia's "National Report on Demographic and Socio-Economic Status of Indigenous Peoples in Cambodia<sup>43</sup>", there are 22 indigenous groups in Cambodia with a total population of 171,193 which represents less than 1.5% of the Cambodia's population.

As per national statistics in Cambodia, from these 22 indigenous groups, there are only 6 groups, which have more than 10,000 people. They are Tampuan, Pnong, Kreung, Kuy, Jarai, and Prey, which account for 88% of the 22 indigenous peoples. Although indigenous peoples live in almost all provinces/capital nowadays, the vast majority live in only six provinces: Ratanak Kiri, Mondul Kiri, Kratie, Stung Treng, Kampong Thom, and Preah Vihear, accounting for 92.4% of the indigenous peoples in 2013.

As per same report, the indigenous peoples in Cambodia are young population, with the population aged under 15 years old being 37.4% in 2013. However, the working-age indigenous population also increased between 2008 and 2013, with an annual growth rate of 1.23%. The percentage of indigenous women was 51.1% in 2013. The indigenous families are larger than the average family size of the Cambodian population, with an average of 4.9 members per family in 2013. Female-headed families accounted for 22% in 2013.

Among indigenous peoples aged 15 and over, 87.1% were economically active (86.6% were employed, and 0.5% were unemployed), and 12.9% were not economically active. The employment rate is 87.7% among men and 85.5% among women. According to different indigenous groups, the larger indigenous groups tend to have higher labor force participation rates, such as Tampuan, Pnong, Kreung, Prey, Kuy, Kraol, and Kavet.

However, the majority of indigenous peoples work without pay (57.3%) and are self-employed (38%), with more men being self-employed (58.9%) and the majority of women working without pay (78.4%). In terms of the economic sectors, the vast majority of indigenous peoples aged 15 and over are employed in agriculture (93.3% of the population, 90.6% of men, and 95.9% of women), a few in the industry sector (total 1.6%, men 1.8%, and women 1.4%), and in the services sector (total 5.1%, men 7.6%, and women 2.8%). Provided that CCFF is committed to inclusive climate finance, it recognizes an importance to engage with indigenous peoples fully and effectively in the design, development and implementation of the activities to be financed by CCFF. The activities financed through CCFF shall anticipate avoiding adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts.

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<sup>42</sup> Source: Climate4Action LLC IPP Framework, IFC PS 7, GCF Indigenous Peoples Policy and respective guidelines.

<sup>43</sup> Source: [National Report on Demographic and Socio-Economic Status of Indigenous Peoples in Cambodia](#), 2021. It should be noted that there are inconsistencies between the government data related to IPs, e.g., 2015 the Ministry of Rural Development (MRD) stated that there were 24 Indigenous groups in 15 provinces. We have used the latest report as per Cambodia's Indigenous Peoples Organization.

The Indigenous Peoples Planning Framework (IPPF) is an integral part of the CCFF ESMS, and scope of application is all activities financed by CCFF.

**II. Purpose of the IPPF:** The purpose of the IPPF is to clarify the key requirements, principals, and institutional arrangements to be applied to activities to be financed by the CCFF. The objective of IPPF is to:

- To ensure that free, prior and informed consent of the Indigenous Peoples impacted by the project has been properly sought and meaningful consultation has been undertaken in line with the requirements of GCF E&S standards, GCF Indigenous Peoples Policy and general requirements of the IPPF (section VI below).
- To promote the welfare, positive contributions and leadership of indigenous peoples to climate change mitigation and adaptation, based on their traditional knowledge systems, livelihoods, sustainable resource management systems and practices, in a manner that is accessible, rights-based, gender-responsive, culturally appropriate and inclusive.
- To establish and maintain an ongoing relationship based on meaningful consultations guided by the principle of the free, prior and informed consent with the Indigenous Peoples affected by a project throughout the project's lifecycle.
- To provide a framework for CCFF to anticipate and avoid any adverse impacts of its activities on indigenous peoples' rights, interests and well-being, and when avoidance is not possible to minimize, mitigate and/or compensate appropriately and equitably for such impacts.
- To ensure that any of the following activities are excluded and not funded through CCFF use of proceeds: (1) activities that require Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>44</sup> or under the customary use or occupation of the Indigenous People (2) activities that result in Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>45</sup> (3) activities that require Physical displacement/relocation of Indigenous Peoples from lands and Natural Resources Subject to Traditional Ownership or Under Customary Use (4) activities that require Occupational Displacement of Indigenous Peoples<sup>46</sup> and (5) activities that involve significant negative impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks/mountains.
- To respect and preserve the culture, knowledge, and practices of Indigenous Peoples

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<sup>44</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous People & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

<sup>45</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, **and potential adverse impacts**, including loss of access to assets or resources, or restrictions on land use, can be expected

<sup>46</sup> For the purposes of this document, Occupational displacement refers to loss of assets or access to assets that leads to loss of traditional income sources or means of traditional livelihood to Indigenous Peoples

- To establish and maintain continuing engagement based on, fully informed consultation and effective participation of the indigenous peoples – including indigenous women, youth and elders – affected by CCFF-financed activities all through the project cycle of the activities.
- To ensure that all grievance mechanisms associated with CCFF activities are effective in addressing issues raised by indigenous peoples and are accessible, fair, transparent, and culturally appropriate, and developed as per provisions on IP Grievance of this ESMS (see page 28); and
- To recognize and operationalize indigenous peoples' equitable access to the benefits of the CCFF-funded activities.

**III. Application of this Framework:** This Indigenous Peoples Planning Framework (IPPF) will be applied when it has been determined based on E&S screening and due diligence (See 3.4.2 and 3.4.3 sections of this ESMS and Table 15 below), or one or more indigenous peoples (IP) communities are impacted by the project. The project counterparty is responsible for implementing the necessary “activity-level” actions to meet the requirements outlined by this framework.

**IV. Applicable Standards for this framework:** The IPPF is in line with the [IFC Performance Standard 7](#) , [IFC Guidance Note 7](#) , the [GCF Indigenous Peoples Policy](#) and associated [GCF Operational Guideline](#).

**V. Type of Activity (Projects) to be proposed where IPPF applies:** The CCFF Programme targets investments into high climate impact mitigation and adaptation projects, through its wholesale and direct green loans as per the Executive Summary of this ESMS. The CCFF is the programmatic approach and hence, the type of the activities varies by each sector.<sup>47</sup> To this end, the range of potential E&S impacts of each activity (project) varies due to various factors such as the type and size of Project, the location, the baseline environment, the social context, and the affected communities. The CCFF will ensure that all projects to be funded by it (including through wholesale loan borrowers) are screened for any potential impacts on indigenous people. It is recognized the presence of the IP groups in Cambodia, and that IP communities may be more vulnerable to the impacts of an activity, and may be differently impacted when compared with other members of a local community. **For this reason, the vulnerabilities of IPs will be considered as a specific aspect of an assessment, when IPs are determined as being affected by each activity (project) level.**

## **VI. General Requirements of the IPPF**

The table15 below details the key principles and requirements of CCFF IPPF; which are aligned with the GCF Indigenous People Policy and IFC PS 7. It should be noted, that Cambodia's legal framework does not currently provide a definition of Indigenous Peoples, therefore for the purposes of this IPPF requirements, CCFF makes references to the [GCF Indigenous Peoples Policy](#) for identification of IPs.

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<sup>47</sup> See Investment Eligibility Criteria of the OP Manual for eligible list of activities per each sector.

**TABLE 15: KEY IPPF REQUIREMENTS<sup>48</sup>**

<p><b>Identification of IPs</b></p>	<p>The Environmental and Social Screening process should identify the existence of indigenous peoples in the project’s area of influence, that may be potentially affected by the funded activities. See IP related questions under Table 10 “Screening Checklist” of this ESMS.</p> <p>If the screening identifies indigenous peoples, further E&amp;S Impact Analysis should be undertaken.</p> <p><b>Guidance on IP Definition:</b> For the purposes of the IPPF and in the absence of the Indigenous Peoples definition in the local legal framework, the term “Indigenous Peoples” is used in a generic sense as per <a href="#">IFC PS 7</a> and refers to a distinct social and cultural group possessing the following characteristics in varying degrees:</p> <ul style="list-style-type: none"> <li>• Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;</li> <li>• Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation as well as to the natural resources in these areas.</li> <li>• Customary cultural, economic, social, or political systems that are distinct or separate from those of the mainstream society or culture; and</li> <li>• A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. This includes a language or dialect that has existed but does not exist now due to impacts that have made it difficult for a community or group to maintain a distinct language or dialect.</li> </ul>
<p><b>Impact Analyses</b></p>	<p>If the screening identifies indigenous peoples are impacted, further <b>E&amp;S Impact Analysis</b> should be undertaken using participatory methodologies to collect baseline data on IP communities and, based on meaningful consultation and FPIC approaches, evaluate the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on them.</p> <p><b>General Principles of Impact Analyses:</b></p> <ul style="list-style-type: none"> <li>• The <b>breadth, depth, and type of assessment</b> should be proportional to the nature and scale of the proposed activity’s potential impacts on indigenous peoples and the vulnerability of the affected communities of IPs<sup>49</sup>. The analysis of vulnerability shall include consideration of Indigenous</li> </ul>

<sup>48</sup> Source: Climate4Action LLC, the requirement in this table is aligned to IFC PS 7 and “Operational guidelines: Indigenous Peoples Policy”.

<sup>49</sup> Guidance on Impact Assessment: The impact assessment should at minimum focus on review the legal and institutional framework applicable to indigenous peoples in the project areas; (ii) provide socio-economic baseline information of the affected indigenous peoples and their land ownership and use of natural resources; (iii) identify key project stakeholders and the appropriate process for consultations with indigenous peoples; (iv) assess potential adverse and positive effects; (v) assess affected indigenous peoples’ perceptions about the project and its impacts; and (vi) recommend measures to avoid, minimize, mitigate, and/or compensate for

	<p>Peoples': (i) economic, social, and legal status at the local and national and international level<sup>50</sup>; (ii) their institutions, customs, culture, and/or language; (iii) their dependence on natural resources; and (iv) their past and ongoing relationship to dominant groups and the mainstream economy. When used in the context described above, vulnerability refers to group- and/or community-level vulnerability defined by the nature of the relationship between the Affected Communities of Indigenous Peoples and mainstream society rather than household or individual level.</p> <ul style="list-style-type: none"> <li>• The <b>adverse impact should be avoided, minimized</b>, mitigated or compensated, whereas <b>positive impact and potential benefits should be enhanced</b>. The potential contributions of indigenous peoples to transformative climate action are encouraged to be identified.</li> <li>• Any activities that involves (1) Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>51</sup> or under the customary use or occupation of the Indigenous People (2) Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>52</sup> ; (3) Physical displacement/relocation of Indigenous Peoples from lands and Natural Resources Subject to Traditional Ownership or Under Customary Use (4) Occupational Displacement of Indigenous People <sup>53</sup> and (5) Significant negative impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including, natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks/mountains-should not be financed from CCFF funds as per the Exclusion List of this ESMS.</li> <li>• Where impact to IP has been confirmed, and where it is shown that adverse impacts cannot be avoided in the context of a specific Project, a <b>time-bound Indigenous Peoples Plan (IPP)</b> will be prepared in line with <b>GCF's IP Policy</b>. The IPP shall outline actions to minimize, mitigate and/or compensate for adverse impacts in a culturally appropriate and gender sensitive manner, in a consistent way and to improve outcomes over time. The IPP template is provided under section VII of this Annex.</li> <li>• The applicable standards for IP Impact Assessment are IFC PS 7 and GCF IPP Operational Guidelines. These standards should be consulted prior to performing E&amp;S Impact Assessment within the scope of this IPPF.</li> </ul>
<b>Meaningful Consultation and</b>	Whenever the impact to IP is identified during the E&S screening stage, the effective design of the CCFF funded activities should include a meaningful

adverse effects and ensure that the indigenous peoples receive culturally appropriate benefits. Information will be gathered from separate group meetings with representatives of the various sections of the ethnic minority group communities, including their leaders; groups of men and women, and especially those individuals who live directly in the project areas.

<sup>50</sup> International for the purposes of this IPPF, refers to international legal status of Indigenous Peoples of Cambodia

<sup>51</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous People & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

<sup>52</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, **and potential adverse impacts**, including loss of access to assets or resources, or restrictions on land use, can be expected.

<sup>53</sup> For the purposes of this document, Occupational displacement refers to loss of assets or access to assets that leads to loss of income sources or means of livelihood to Indigenous People



<p><b>Free, prior, and informed Consent</b></p>	<p>consultation tailored to indigenous peoples as per GCF Indigenous People Policy section 7.1.5. This should include stakeholder analysis and engagement planning, the disclosure of information, and meaningful consultation in local language(s) and in a culturally appropriate and gender- and inter-generationally inclusive manner in accordance with the customs, norms, and values of the affected people and through their chosen representatives.</p> <p>For indigenous peoples, the process of meaningful consultation will also:</p> <ul style="list-style-type: none"> <li>• Involve indigenous peoples’ representative bodies and organizations (e.g. councils of elders, village councils, or chieftains) and, where appropriate, other community members, including indigenous women and youth.</li> <li>• Begin as early as possible in the project design and development process and will provide sufficient time for indigenous peoples’ decision-making processes. Internal decision-making processes are generally but not always collective in nature. There may be internal dissent and decisions may be challenged by some in the community. The consultation process will, therefore, allow sufficient time for internal deliberations and decision-making processes to reach conclusions. The consultation process will be free of external manipulation, interference, coercion and intimidation;</li> <li>• Allow for indigenous peoples’ effective and legitimate participation in the design of CCFF financed activities that could potentially affect them either positively or negatively;</li> <li>• Take into account the interests of community members that are particularly affected and marginalized, especially women, youth, indigenous persons with disabilities and the elderly, including being cognizant of traditional cultural approaches that may exclude segments of the community from the decision-making process. Additionally, spaces should be created to allow for their direct participation in consultation and in the decision-making process; and (e) Assess the capacity of the indigenous peoples to engage and consider and implement effective communication and capacity-building programs to enhance the effectiveness of the process with indigenous peoples. This should include the possibility and availability of resources to ensure adequate preparation and participation in the process.</li> </ul> <p><b>Requirements for free, prior and informed consent (FPIC):</b> Over and above the requirement for meaningful consultation for projects adversely affecting indigenous peoples, projects are required to facilitate a process of FPIC with indigenous peoples with regard to project design, implementation and expected outcomes if these are associated with any of the <b>potentially adverse impacts</b> identified below:</p> <ul style="list-style-type: none"> <li>• <b>Impacts on lands and natural resources subject to traditional ownership or under customary use or occupation:</b> Any activity that involves (1) Acquisition of land subject to traditional ownership or tenure of Indigenous People, including but not limited to collective ownership<sup>54</sup> or</li> </ul>
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<sup>54</sup> Typically, Indigenous Peoples claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Acquisition of land where there are recognized communal property rights of Indigenous People & which may require establishment of legally recognized rights to land/tenures under communal property rights is under exclusion list.

	<p>under the customary use or occupation of the Indigenous People and (2) Adverse impacts on lands and natural resources subject to traditional ownership or under customary use or occupation<sup>55</sup> are under exclusion list. Therefore, CCFF E&amp;S Manager and project counterparty should confirm that the status of the land, including land tenure arrangements of IPs, are not impacted and circumstances requiring FPIC are not triggered as per GCF policy Section 7.2 para 59</p> <ul style="list-style-type: none"> <li>• <b>Relocation of indigenous peoples from lands and natural resources subject to traditional ownership or under customary use or occupation:</b> Such activities are under the CCFF exclusion list and should not be funded, see Exclusion List of this ESMS.</li> <li>• <b>Significant impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks:</b> Such activities are under the CCFF exclusion list and should not be funded, see Exclusion List of this ESMS.</li> <li>• <b>Use of cultural heritage, including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes:</b> Where the activities proposed for CCFF financing propose to use the cultural heritage of indigenous peoples for commercial purposes, the project counterparty will inform the affected indigenous peoples in an accessible local language(s), a culturally-appropriate manner, and through a means that ensures understanding of the affected indigenous peoples of (a) their rights under applicable law and obligations of the state directly applicable to the activities under relevant international treaties and agreements; (b) the scope and nature of the proposed commercial development and use; and (c) the potential consequences of such development and use; and that (d) seeks and obtains their free, prior and informed consent. It will be ensured that the indigenous peoples share equitably in the access to benefits derived from the commercial development of such cultural heritage, consistent with the customs and traditions of the indigenous peoples.</li> </ul> <p>For further guidance on the Application of Free, Prior and Informed Consent requirement, kindly consult GCF Indigenous People Policy Section 7.2 and the Operational Guidelines: Indigenous Peoples Policy (3.3.2), and IFC Guidance Note 7 Indigenous People (GN 28-GN 34).</p> <p>Where circumstances requiring FPIC are triggered as per the GCF IPP and/or IFC PS 7 (13-17) the <b>documented</b> FPIC of the Affected Communities of Indigenous Peoples will be required<sup>56</sup>. The FPIC will be established through a process of good faith negotiations between the project counterparty and indigenous peoples. Where the good faith negotiations process is successful, an agreement should document the roles and responsibilities of both parties and specific commitments as per GCF IPP Operational Guidelines (3.3.4).Project Counterparties should also consult the general principles of <a href="#">IFC</a></p>
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<sup>55</sup> Those are activities proposed to be financed by CCFF which are located on, or develop natural resources on, land subject to traditional ownership or tenure, including but not limited to collective ownership or under the customary use or occupation of indigenous peoples, **and potential adverse impacts**, including loss of access to assets or resources, or restrictions on land use, can be expected

	<p><a href="#">PS 7</a> (GN 14-GN 23) prior to undertaking the engagement process of the affected communities of indigenous people.</p>
<p><b>Institutional Arrangements</b></p>	<p>Where IP communities are confirmed to be impacted on an activity level, the following institutional arrangements will be designed together with them on an activity (project) level:</p> <ul style="list-style-type: none"> <li>• Grievance mechanism and management process that is culturally appropriate and accessible to IP communities, aligned to the requirements of grievance mechanisms of this ESMS (page 26, <b>Grievance Mechanism for Indigenous People</b>)</li> <li>• Access to IP experts or in-house responsible person(s) with relevant IP expertise, so to support with preparing the Indigenous Peoples Plan (IPP) on activity level and management of IP-related commitments throughout the investment period as per the IPP.</li> <li>• Any other arrangement (e.g., capacity building programs) to enhance the effectiveness of the ICP process with Indigenous Peoples and their informed participation in key aspects of the project.</li> </ul>
<p><b>Monitoring, Evaluation and Reporting Arrangements</b></p>	<p>At the project level, the monitoring, evaluation and reporting will be undertaken at the activity level by the project counterparty as per the project specific IPP, that shall describe monitoring, evaluation and reporting mechanisms (including responsibilities, frequencies, feedback and corrective action processes). The project counterparty shall submit annual monitoring reports to the CCFF E&amp;S team on the progress of the IPP Implementation.</p> <p>Data will be aggregated at the CCFF Programme Level. The independent midterm review of the CCFF Programme will assess IPP related achievements, identify constraints in implementing the IPP, and recommend adjustments to the IPPF at the Programme level. The final review will also evaluate any IPP relevant issues and achievements through the Programme implementation.</p>
<p><b>Disclosure arrangements for IPPs to be prepared as specified in the IPPF</b></p>	<p>The relevant information on the proposed project will be disclosed in a timely manner as per disclosure timeframes of this ESMS “Information Disclosure”, in a form and in a language(s) understandable to the indigenous people.</p> <p>Depending on the local context of affected IP groups, IPP and other detailed project documents, as well as other relevant information that is to be disclosed to the affected indigenous peoples can be presented in a summarized form. Such documents would include key findings and provisions and be written clearly including in the relevant indigenous languages. IPP should also describe the benefits and mitigation measures that are to be undertaken and include information regarding the submission of grievances and means of obtaining further project information. These benefits and mitigation measures should have been agreed with Indigenous Peoples through the process of meaningful consultation.</p>

## VII. Indigenous Peoples Plan

The IPP shall be prepared for sub-activity level, where the presence of IP has been confirmed, in the framework of a meaningful consultation guided by principles of free, prior and informed as per IPPF of this ESMS. The IPP shall outline actions to minimize, mitigate and/or compensate adverse impacts presence of indigenous people was identified during E&S screening Stage. The plan should also identify opportunities and actions to enhance the positive impacts of the project on indigenous peoples. Where appropriate, the plan may also include measures to support indigenous peoples' engagement in the conservation and sustainable management of the natural resources on which indigenous peoples depend or measures by the project to manage land usage by indigenous people. The IPP is a result of the E&S Impact Assessment as per the requirements of this IPPF ("Impact Assessment"). The level of details in IPP varies depending on specific project and should be proportional to the nature and scale of the proposed activity's potential impacts on indigenous peoples and the vulnerability of the affected communities of IPs. In general, and where appropriate, **an IPP should include the following elements**, and means will be created for Indigenous Peoples involvement in all these aspects through a process guided by meaningful consultation and free, prior and informed consent:

- A. **Baseline information.** Summarize relevant baseline information that clearly profiles indigenous peoples, including indigenous women, their circumstances and livelihoods, with descriptions and quantifications of the natural resources upon which indigenous peoples depend.
  - a. Description of the methodology and references that describe how the baseline information was obtained (preferably from independent and participatory environmental and social risks and impacts assessment processes).
- B. **Key Findings: Analysis of Impacts, Risks & Opportunities.** Summary of key findings, analysis of impacts, risks and opportunities and recommended possible measures to mitigate adverse impacts, enhance positive impacts, conserve and manage their natural resource base on a sustainable basis, and achieve sustainable community development in line with their plans.
- C. **Measures to Avoid, Minimize, and Mitigate Negative Impacts and Enhance Positive Impacts.** Description of measures agreed to in the process of information disclosure, consultation and informed participation to avoid, minimize and mitigate potential adverse effects on Indigenous Peoples, and to enhance positive impacts. Inclusion of an action plan that details the measures to be taken, responsibilities and agreed schedule and for implementation (who, how, where, and when). Whenever feasible, the avoidance or preventative measures should be given primacy over mitigatory or compensatory measures.
- D. **Community Based Natural Resource Management (where and if applicable).** Where applicable, this component should focus on the means to ensure continuation of livelihood activities key to the survival of these communities and their traditional and cultural practices. Such livelihood activities may include grazing, hunting, gathering, or

artisanal fishing. This component clearly sets out how the natural resources upon which the affected communities depend, and the geographically distinct areas and habitats in which they are located, will be conserved, managed, and utilized on a sustainable basis.

- E. **Result of consultations (during the environmental and social risks and impacts assessment process), and future engagement plans.** Describe the process of information disclosure and consultation, and informed participation (including women and men) in the process of implementing and operating the project. Where the activities proposed for GCF financing propose to use the cultural heritage of indigenous peoples for commercial purposes, then FPIC will be thought after as per table 15.
- F. **Gender assessment and action plans.** Using a culturally appropriate and participatory approach, Identifying and addressing the gender issues that may exist among indigenous peoples, including the special needs of indigenous women, youth, and children.
- G. **Benefit Sharing Plans.** Clearly describe measures to enable indigenous peoples to take advantage of opportunities brought about by the project, and to conserve and manage on a sustainable basis the utilization of the unique natural resource base upon which they depend. Such opportunities should be culturally appropriate.
- H. **Tenure Arrangements.** Describe the status of the land including confirming land tenure arrangements of IPs are not impacted and circumstances requiring FPIC are not triggered as per GCF policy Section 7.2.
- I. **Grievance Redress Mechanism.** Describe appropriate procedures to address grievances by affected Indigenous Peoples arising from project implementation and operation. Consult page 26, Grievance Mechanism for IP under this ESMS and note, that grievance mechanisms should be designed in consultation with the affected or potentially affected communities of Indigenous People. When designing the grievance procedures, the availability of judicial recourse and customary dispute settlement mechanisms among the Indigenous Peoples will be taken into account. Indigenous women and men must be informed of their rights and the possibilities of administrative and legal recourse or remedies, and any legal aid available to assist them as part of the process of consultation and informed participation. The grievance mechanism should be readily accessible to indigenous peoples, including being able to engage with indigenous peoples in a language and mode most comfortable to them. The grievance mechanism should ensure anonymity and provide for fair, transparent and timely redress of grievances without costs, and if necessary, provide for special accommodations for women, youth and the elderly, and other vulnerable groups within the community to make complaints.
- J. **Costs, budget, timetable, organizational responsibilities.** Include an appropriate summary of allocation of budget for costs of implementation, budget and responsibility for funding, timing of expenditure and organizational responsibilities in managing and administering project funds and expenditures, and

- K. **Monitoring, Evaluation & Reporting.** Describe monitoring, evaluation, and reporting mechanisms (including responsibilities, frequencies, feedback, and corrective action processes). Monitoring and evaluation mechanisms should include arrangements for on-going information disclosure, consultation, and informed participation with the affected Indigenous Peoples (both women and men) and for the implementation and funding of any corrective actions identified in the evaluation process. Participatory monitoring such as community-based monitoring and information systems should be considered and supported.

## VIII. Information Relevant to Cambodia's Legal Framework for IP

Within the framework of this IPPF, the preliminary analyses of the Cambodia's legal framework for IP have been performed to guide the CCFF E&S team and the project counterparty. This is however high-level assessment, and at the activity level, the detailed assessment of legislation, policies, regulations, and international instruments applicable in Cambodia relevant to Indigenous People policy should be performed as part of the E&S Impact Assessment.

- Legislation, policies, executive regulations, and international instruments are in place in Cambodia for reference as basis to uphold the human rights of indigenous peoples and ethnic minorities. These include not only the rights to land and natural resources, but also education, health, vocational training, self-determined development and self-determination, and other human rights.
- There is no specific definition of Indigenous Peoples in Cambodia's Constitution. It does however refer to the rights "Khmer citizens". Specifically, Article 31, provides the framework for the respect, promotion, and protection of human rights of citizens, stipulates that: "Every Khmer citizen shall be equal before the law, enjoying the same rights, freedom and fulfilling the same obligations regardless of race, color, sex, language, religious belief, political tendency, birth origin, social status, wealth or other status." The generalized reference to "Khmer" citizens is meant to refer to all Cambodian citizens. The identification of Indigenous Peoples has, therefore, to be guided by the GCF IP Policy approach (para 15-17)
- Collective ownership of immovable property is guaranteed in Article 44, which also recognizes the right to fair and prior compensation to both individual and collective owners. Moreover, the Constitution guarantees freedom of practice of religious belief (Article 4311), which implies respect for indigenous peoples' traditional practices, even though Buddhism is officially the state religion. Beyond the Constitution, there are many elements of domestic Cambodian law that protect the rights of all Cambodians, not just indigenous peoples, to be involved in the decision-making processes that govern what happens to the land they live on. National policies applicable to the indigenous peoples include:
  - The 2009 National Policy on Development of Indigenous Peoples (NPDIP) provides the main policy framework related to indigenous land rights in

Cambodia. It also sets out policy directions in the fields of culture, education, vocational training, health, environment, land, agriculture, water resources, infrastructure, justice, tourism and industry, and mines and energy.

- Land Law, 2001 guarantees the recognition and protection of indigenous communities (“original ethnic minority”), traditional natural resource management systems and traditional customary land, making it the only law with specific provisions recognizing indigenous peoples’ land rights. Articles 23 to 28 of the Land Law relate to the identity and rights of indigenous communities, with provisions for collective land titling. These provisions affirm the collective ownership of indigenous land, forests, and other cultural and livelihood resources. It further recognizes the role of traditional authorities, mechanisms, and customs in indigenous peoples’ decision-making processes.
  - Article 25 of the Land Law precisely recognizes the collective rights of indigenous peoples “The lands of indigenous communities are those lands where the said communities have established their residences and where they carry out traditional agriculture. The lands of indigenous communities include not only lands cultivated but also includes reserved [areas] necessary for the shifting of cultivation which is required by the agricultural methods they currently practice, and which are recognized by the administrative authorities. The measurement and demarcation of boundaries of immovable properties of indigenous communities shall be determined according to the factual situation as asserted by the communities, in agreement with their neighbors, and as prescribed by procedures in Title VI of this law and relevant sub decrees”.
  - Article 26 grants collective ownership of land to indigenous peoples, while enjoying the same rights as individual owners. It states that “the exercise of all ownership rights related to immovable properties of a community and the specific conditions of the land use shall be subject to the responsibility of the traditional authorities and mechanisms for decision-making of the community, according to their customs.”
  - Article 28 affirms that “no authority outside the community may acquire any rights to immovable properties belonging to an indigenous community.
  - Article 248 of the Land Law prohibits persons from settling on traditionally occupied land of indigenous peoples, referring to indigenous territories which have not yet been granted any title.
- The Forestry Law 2002, governing the management of the country’s forests, contains provisions for the official recognition of community forestry. It offers communities an opportunity to obtain user and management rights to forests in renewable periods through the Forestry Administration. This law also contains

special provisions on indigenous community rights related to shifting cultivation (“nomadic agriculture”) within collectively owned land already registered with the state.

- Protected Area Law, 2008. This law also provides for protection and recognition of indigenous peoples’ rights to land and natural resources inside and around protected areas, including their safe access to traditionally used lands, and respect for their customs, beliefs, and religions (Chapter 6). It refers to indigenous community’s way of land use as being sustainable and to be respected. Any title given over land inside and around protected zones shall be also authorized by the Ministry of Environment and be in conformity with the Land Law of 2001
- Other legal considerations for this IPPF are international instruments which Cambodia has adopted. This includes (i) UN Declaration of Rights of Indigenous Peoples that has the objective of ending discrimination and promoting the rights of Cambodia’s recognized indigenous peoples. The UN Declaration on the Right of Indigenous People was adopted by the United Nations General Assembly in September 2007, (ii) International Convention on the Elimination of all Forms of Racial Discrimination (ICERD), (iii) the International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 5 (a), Article 13 and Article 16.



## Annex 8: Framework Guide for Development of Due Diligence Questionnaire

- Develop E&S due diligence questionnaire related to wholesale green loans (LFIs) and direct green loans separately, so to ensure that E&S due-diligence questionnaire is fit for purpose.
- Align questionnaire to ESP of this policy, and international best practices such as GCF E&S Policy and ESS (IFC Performance Standards).
- See table below for framework guide for the development of Due Diligence Questionnaire.

**Responsibility to develop DD questionnaires:** E&S Manager in collaboration with third party as relevant.

**TABLE 16: FRAMEWORK GUIDE FOR THE DEVELOPMENT OF DUE DILIGENCE QUESTIONNAIRE**

<p>GCF ESS 1 (IFC PS 1)</p>	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• Applicable Policy, Legal and Administrative E&amp;S Framework in Cambodia for the project (See Annex 5 for preliminary mapping and gap analysis) and compliance by the borrower, including checks for fines and penalties during last 3 years.</li> <li>• If at the level of the borrower, there are available Policy, E&amp;S risk assessment, Emergency preparedness and response, Stakeholder engagement, external communication, and grievance mechanism, monitoring and review practices and procedures in place?</li> <li>• If at the level of the borrower, there are any Management Programs in place to address E&amp;S risks?</li> <li>• If at a level of the borrower, there is respective Organizational Capacity and Competency to identify and manage E&amp;S risk and opportunities?</li> </ul> <p>Resources: IFS Performance Standard 1 and related guidance note and handbooks available <a href="#">here</a>.</p>
<p>GCF ESS 2 (IFC PS 2)</p>	<p>The due diligence questions should be developed in a way to allow for an understanding if:</p> <ul style="list-style-type: none"> <li>• If there are any risks through assessment of potential borrowers HR and OHS practices, as well as policies that lead to:             <ul style="list-style-type: none"> <li>- Gender discrimination in terms of employment (such as remuneration, career advancement opportunities)</li> <li>- Risk of Child Labor or indentured labor</li> <li>- Wage Inequality</li> <li>- Sexual harassment</li> <li>- Payment for unskilled worker's below minimum wage</li> <li>- Lack of OHS specifications in contracts (pertinent especially to RE/construction stage)</li> <li>- Presence of unskilled workers leading to an</li> <li>- increased risk of accidents and exposure to hazards</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Language barriers and cultural differences for migrant workers that may lead to an increased risk of accidents and exposure to hazards (especially pertinent to RE/construction works)</li> <li>- Lack of potable water and sanitation facilities, for women</li> <li>- Use of migrant/temporary labor subject to working conditions below minimum standard established by law</li> <li>- And, if the potential borrower verifies that suppliers do not use forced or child labor and are compliant with international human rights standards? If so, how?</li> </ul>
<p>GCF ESS 3 (IFC PS 3)</p>	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• Background information about pollution, waste management, and water and energy conservation issues in Cambodia (from legal as well as implementation context) relevant to the sector. See also Annex 5 (Gap Analysis) and Annex 6 (Risk Assessment Matrix) for preliminary mapping of issues.</li> <li>• Develop DD questions that allows for Identification if a project is likely to have any impact on pollution and resource efficiency (e.g., generate emissions, discharge pollution into water and land, use hazardous materials, generate noise, generate waste including hazardous waste). The DD questions should go beyond the questions already available in the Screening Checklist under Annex 2.</li> <li>• Identify management tools/measures to address specific pollution and resource efficiency issues that might be relevant to projects under CCFF targeted sectors (e.g., renewable energy, agriculture, manufacturing, transport, water) and indicate if corresponding management plans/tools are available and can be provided by borrower. If not, elaborate in ESAP.</li> </ul> <p>Resources: IFS Performance Standard 3 and related guidance note and handbooks available <a href="#">here</a>. See also Annex 5 (Gap Analysis) and Annex 6 (Risk Matrix) for possible entry points for DD questionnaire and ESAP.</p>
<p>GCF ESS 4 (IFC PS 4)</p>	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• Project specific CHS hazards, including infrastructure hazards due to earthquake and substandard construction or lack of enforcement of building codes, high winds, flooding hazards, vector borne diseases, landslides, product safety (pesticide poisoning hazards), traffic safety, road safety, food safety (if relevant for agriculture production projects), incidence of SEAH, ongoing social conflicts, UXO/landmines.</li> <li>• Develop relevant questions in DD Checklist and indicate corresponding specialized assessment and management plans/tools requirements to be provided during DD stage and/or elaborated in ESAP.</li> <li>• Some of those DD questions may include but are not limited to: questions about the contextual CHS hazards where relevant, such as: (a) on presence of natural hazards e.g., earthquake, floods, strong winds, and how these would interact with the project or plant facility; (b) building code and compliance of standards; (d) product safety, e.g., pesticide use; (d) on community exposure to diseases (e.g. water borne diseases and incidence and outbreaks); (e) road safety issues; (f)</li> </ul>

	<p>accessibility issues of infrastructure by differently-abled; (g) SEAH especially if project requires large number of workers; (h) presence of UXO, etc</p> <p>Resources: IFS Performance Standard 4 and related guidance note and handbooks available <a href="#">here</a>. See also Annex 5 (Gap Analysis) and Annex 6 (Risk Matrix) for possible entry points for DD questionnaire and ESAP</p>
ESS 5 (IFC 5)	<p>The due diligence questions should be developed in a way to allow for an understanding:</p> <ul style="list-style-type: none"> <li>• If there any land acquisition required for the proposed transaction?</li> <li>• Will there be physical and/or economic displacement because of the land acquisition?</li> </ul> <p>Involuntary resettlement is under exclusion list, therefore, ensure that projects funded do not alter involuntary resettlement. Include it as legal covenant.</p>
ESS 6 (IFC PS 6)	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• Background information on the status of and the risk factors present in project location relating to biodiversity and living natural resources</li> <li>• Identify if there are any management tools/measures at the level of the borrower to address risk of biodiversity (e.g. including residual risks, such as adjacent locations, outside of project boundaries).</li> <li>• Identify if there are opportunities to protect and conserve biodiversity (For agriculture projects) and to promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities</li> </ul> <p>In line to CCFF ESP for sustainability, including biodiversity protection, the projects (1) involving destruction of high conservation value areas or (2) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage shall not be funded.</p>
ESS 7 (IFC PS 7)	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• If there are any Indigenous Peoples within the project area of influence who may be affected by the project?</li> <li>• If Yes, what is the expected direct and indirect economic, social, cultural , and environmental impacts on them?</li> <li>• If the nature and degree of impact triggers the need for Free, Prior and Informed Consent (FPIC) of affected IPs as per CCFF ESMS (See also exclusion list?)</li> </ul>
ESS 8 (IFC PS 8)	<p>The due diligence questions should be developed in a way to allow for an understanding of:</p> <ul style="list-style-type: none"> <li>• If the potential borrower’s operations directly or indirectly affect cultural heritage?</li> <li>• If yes, has the extent/relevance of the impacts on cultural heritage been properly assessed? (e.g., through an ESIA).</li> <li>• If the borrower has developed and implemented ‘chance find’ procedures?</li> </ul>

## Annex 9: Emergency Preparedness and Response Plan Framework

Effective emergency preparedness and response plans help borrowers prepare for the best outcomes while assuming the worst possible scenarios. They should define clearly assigned responsibilities for the assessment of the degree of risk to life, property and environment, with procedures on who and with whom to communicate regarding different types of emergencies. **The level of planning and communication should be commensurate with the potential impacts/risks pertinent to the project.**

These emergency P&E plans should define specific procedures designed based on the emergency level classification (emergency tiers). Procedures for shutting down equipment and production processes and for evacuations, including a designated meeting place (i.e., muster point) outside the project site, should be part of the emergency preparedness and response plans. Additionally, effective emergency plans should include specific training and practice (i.e., simulations and drills) schedules and equipment requirements for employees who are responsible for rescue operations, medical duties, threat and incident responses (e.g., hazardous material spill response), firefighting and other responses specific to the project sites, facilities and activities.

The effective Emergency Preparedness and Response plans should include following<sup>57</sup>:

- Identification of the emergency scenarios
- Specific emergency response procedures
- Trained emergency response teams
- Emergency contacts and communication systems/protocols (including communication with Affected Communities when necessary)
- Procedures for interaction with government authorities (emergency, health, environmental authorities)
- Permanently stationed emergency equipment and facilities (e.g., first aid stations, firefighting equipment, spill response equipment, personal protection equipment for the emergency response teams)
- Protocols for the use of the emergency equipment and facilities
- Clear identification of evacuation routes and muster points
- Emergency drills and their periodicity based on assigned emergency levels or tiers.
- Decontamination procedures and means to proceed with urgent remedial measures to contain, limit and reduce pollution within the physical boundaries of the project property and assets to the extent possible

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<sup>57</sup> Source: IFC Performance Standards, [guidance note](#)