



# Distributed Access Renewable Energy Scale-up (DARES)

## Financial Intermediary: Environmental and Social Management System

**Document Description:**

This document presents the Environmental and Social Risk Management System for the Distributed Access Renewable Energy Scale-up (DARES), to be implemented by the Rural Electrification Agency. (REA). It is the primary reference document for managing Environmental and Social risk exposure during project implementation. Major components include Environmental and social Risk Policy, Environmental and Social Risk Management Procedures, Organization and Responsibilities as well as Internal and External Reporting were captured.

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**Environmental and Social  
Management System Manual**

Approved by:		
Name	Title	Date

## Abbreviation

AfDB	African Development Bank
CBO	Community-Based Organization
CSO	Civil Society Organization
CBD	Convention on Biological Diversity
DARES	Distributed Access to Renewable Energy Scale-up.
DisCos	Electricity Distribution Companies
DNB	Development Bank of Nigeria
DPV	Distributed Photovoltaics
EPC	Engineering Procurement and Construction
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESHS	Environment, Safety, Health and Security
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standards
ESMAP	Energy Sector Management Assistance Program
ESRM	Environmental and Social Risks Management
ESMP	Environmental and Social Management Plan
FMEnv	Federal Ministry of Environment
FGN	Federal Government of Nigeria
FEC	Federal Executive Council
FPIC	Free, Prior and Informed Consent
FMPWH	Federal Ministry of Power, Works and Housing
GBV	Gender-Based Violence
GRC	Grievance Redress Committees
GM	Grievance Manager
GRM	Grievance Redress Mechanism
HRL	High Risk List
HSE	Health Safety and Environment
IA	Implementing Agency
ICP	Informed Consultation and Participation
IDA	International Development Association
IEC	International Electrotechnical Commission
ILO	International Labour Organization
IFC	International finance Corporation
ISO	International Organization for Standardization
IPF	Investment Project Financing
LMP	Labour Management Procedure
LRP	Livelihood Restoration Plan
MoP	Ministry of Power
MDAs	Ministry Departments and Agencies
M & E	Monitoring and Evaluation
MSMEs	Micro, Small and Medium Enterprises
MW	Megawatt

NERC	Nigerian electricity Regulatory Commission
NEP	Nigeria Electricity Project
NGO	Non-Governmental Organization
OBF	Output Based Fund
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Assessment Series
OGS	Off-Grid Solar
PAPs	Projects Affected Persons
PAYG	Pay as You Go
PBG	Performance Based Grant
PFI	Participating Financial Institutions
PSRP	Power Sector Reform Program
PDO	Program Development Objective
PMU	Project Management Unit
PUE	Productive Use Equipment
PV	Photovoltaic
RAP	Resettlement Action Plane
REA	Rural Electrification Agency
SEA	Sexual Exploitation and Abuse
SIA	Social Impact Assessment
SH	Sexual Harassment
SHS	Solar Home System
STDs/STIs	Sexually Transmitted Diseases/Sexually Transmitted Infections
TA	Technical Assistance
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WB	World Bank
VLD	Voluntary Land Donation

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# 1. INTRODUCTION

## 1.1. Background and Context

The Federal Government of Nigeria (FGN) propose to increase electricity access in remote, low-density and traditionally underserved areas of the country. The Rural Electrification Agency (REA) now seek to promote these objectives, by improving electricity access to serve households, enterprises, community facilities, and small businesses through the Distributed Access Renewable Energy Scale-up.

The Nigeria DARES project is designed to scale up successful elements of the existing World Bank-funded Nigeria Electrification Project (P161885). The Nigeria Electrification Project (NEP) implementation which commenced in 2018 has catalyzed the establishment of an off-grid and mini-grid industry in the country, with 52 off-grid solar companies and 61 mini-grid companies that have met rigorous qualification requirements to participate in the program. The project is nationwide in scope with neutral technology and aims to provide electricity to households, firms and public institutions in a least-cost and timely manner. It is expected that most of the power under the project will be generated by solar technology.

Most of the project’s funds will be used to stimulate private construction and operation of off-grid electricity supply systems by providing financial incentives and technical support. Some of the project funds will be used to acquire, by competitive tender, supply systems for selected Federal institutions/communities. The project will also co-finance Technical Assistance.

DARES is designed and implemented under the World Bank Environmental and Social Framework (ESF) and Environmental and Social Standards (ESSs). In order to promote adequate socio-environmental performance during the design and implementation of DARES, REA – PMU as the implementing agency has developed this Environmental and Social Management System (ESMS) consistent with the ESF and triggered ESSs to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts associated with the proposed subprojects under DARES. The ESMS therefore, is designed to go beyond the traditional “do no harm” approach to avoiding, minimizing, and managing environmental and social (E&S) risks, and maximizing developmental gains under DARES.

The ESMS highlights REA policy and ESMS principles for managing the probable Environmental and Social Risk Management required to monitor and control in line with the World Bank ESS and relevant national and state regulatory requirements. The ESMS is prepared to provide a systematic procedure to assess whether these projects will lead to any potential adverse environmental and social impacts. As such, the ESMS aims to ensure that negative impacts are avoided, minimized or compensated to the extent possible while positive impacts are stimulated. The REA-PMU is tasked with its implementation, planning, regulation, grievance redressal, and oversight as applicable.

The REA-PMU in coordination with regulatory agencies are tasked with its implementation, planning, regulation, grievance redressal, and oversight as applicable.

## 1.2. Overview of Project Components and Focus Areas under the proposed DARES

This project has three components. Table 1.1 presents the proposed resource distribution for the different components of DARES project.

**Table 1.1: Proposed Resources for the DARES Components**

#	Components/ Focus Areas	Public Finance Provided (PFP) US\$	Private Capital Mobilized (PCM) and Grant Mobilized (GM) US\$
1.	<b>Solar Hybrid Mini-grids</b> i.e., Isolated mini-grids, interconnected mini-grids, solar roof top and franchising/embedded generation	315 million	410 million
2.	<b>Off grid Solar</b> i.e., Solar Home Systems (SHS), Solar Productive Use Equipment (PUE) etc.	215 million	400 million
3.	<b>Technical Assistance</b> <sup>[1]</sup>	20 million	20 million
	<b>Total</b>	<b>550 million</b>	<b>830 million</b>

<sup>[1]</sup> Estimated Grant Mobilized (GM) for technical assistance assumes that DARES will synergize with other development partners by leveraging on-going or already planned TA for similar endeavor in the sector to avoid duplication of efforts.

## Component 1. Solar Hybrid Mini Grids for Economic Development.

This component will support the development of privately-owned and operated solar hybrid mini grids in unserved (primarily rural and remote) and underserved (primarily urban and peri-urban) areas with high economic growth potential. The mini grid component consists of two investment sub-components defined by their different subsidy approaches. It will be implemented in parallel: Sub-Component 1.1- the minimum subsidy tender and sub-component 1.2- performance-based grant program. These sub-components target different sets of private developers (although there may be some overlap), as summarized in Table 1. 2.

**Table 1.2: Description of Component 1**

Component	Approach					Result Based Grant	
	Objective	Geographic	Site selection	Target Cluster Type	System Capacity	Determination	Type
<b>1.1 Minimum Subsidy Tender</b>							
<b>MST for Isolated Mini Grids</b>	Last-mile access	Rural, Remote	REA led (aggregated demand)	Residential and MSMEs	Up to 1MW	Competitive	Per connection
<b>MST for Interconnected Mini Grids</b>	Energy Transition	Urban, peri-Urban	DISCO led (aggregated demand)	Residential and economic clusters <sup>1</sup>	Up to and above 1MW	Competitive	Percentage of CAPEX
	Reliable supply						
<b>State Government Led Solar Rooftop Solution</b>	Energy Transition	Urban, peri-Urban	State govt. led (aggregated demand)	Large general hospitals	Up to and above 1MW	Competitive	Percentage of CAPEX
	Reliable supply						
<b>1.2 Performance-Based Grants</b>							
<b>PBG for Isolated Mini Grids</b>	Last-mile access	Rural, Remote	Developer led (site by site)	Residential and MSMEs	Up to 1MW	Pre-determined	Per connection
<b>PBG for Interconnected Mini Grids</b>	Energy Transition	Urban, peri-Urban	Developer led (site by site)	Residential and economic clusters	Up to 1MW	Pre-determined	Percentage of CAPEX
	Reliable supply						

- 1. Sub-Component 1.1 Minimum Subsidy Tender:** The MST sub-component will aggregate demand and prepare portfolios of mini grid projects for tender. The mini grids will be privately financed, owned, and operated, and the tender will select the developer that needs the lowest subsidy to do so. Three separate MST pipelines will be used- one for isolated mini grids, one for interconnected mini grids, and one for solar rooftops in Lagos.
- 2. Sub-Component 1.2 Performance-Based Grants (PBG) Program:** Under this sub-component, REA will provide administratively set PBGs to mini grid operators based on new customer connections (US\$/end users) for isolated mini grids and the percentage of CAPEX for interconnected (grid-connected) mini grid projects. Performance-based grants will be made available to mini grid developers on a rolling basis and differentiated based on geographic and socio-economic factors (determined by existing mini grid activity) and consumer classes (residential, PUE). Eligible projects must have minimum commercial or productive loads to ensure sustainability overall.
- 3. A Performance-Based Condition linked to the preparation and adoption of a National Electrification Plan and Strategy,** to provide policy clarity to financiers and the private sector investing long-term capital and resources and to ensure that investments in electrification are being made on a least-cost basis, will be associated with Component 1. US\$ 100 million out of the US\$ 410 million IDA for this component will be tied to this Performance-Based Condition, to be unlocked upon preparation of a National Electrification Plan and Strategy that all key stakeholders accept and its formal adoption as policy by FMoP.
- 4. A second Performance-Based Condition that involves increasing the maximum capacity of mini grids that are governed by the NERC mini grid regulations<sup>2</sup> from 1MW to 5MW** will also be linked to Component 1. The light-handed mini grid regulations

<sup>1</sup> Economic clusters are locations with high density of commercial and productive activities adding economic value which are also co-located. Examples are markets, plazas, cottage industries, commercial streets, agro-allied centers etc.

<sup>2</sup> Nigerian Electricity Regulatory Commission (NERC) Regulation for Mini-Grids 2016

currently only apply to isolated or interconnected mini grids up to the capacity threshold of 1MW, while a mini grid above the 1MW threshold requires a license and is subject to more onerous regulation. The 1MW threshold is relatively low, especially for interconnected mini grids that could serve larger communities and productive loads, and increasing the cap to 5MW will encourage investment and enable the swifter development of such projects. US\$ 100 million out of the US\$ 410 million IDA for this component will be unlocked upon the amendment of mini grid regulations to increase the cap for mini grids from 1MW to 5MW.

- 5. A third Performance-Based Condition, concerning the preparation, adoption, and operationalization of a new business plan for REA, and the demonstration of increased capacity at REA,** will also be linked to this component. This ensures that there is high-level political support for the REA’s mandate and adequate staffing to implement a scaled-up program, with long-term institutional capacity building in the REA and not just in the PMU. US\$ 70 million out of the US\$ 410 million IDA funding for this component will be tied to this Performance-Based Condition. These funds would be unlocked after the completion and formal adoption of the business plan, after the organizational restructuring and hiring of staff proposed in the business plan is completed, and upon the REA achieving process improvements measured by meeting performance standards agreed with the World Bank for (i) time to review pre-qualification applications and business plans from the private sector to participate in the project and notify applicants; (ii) time to evaluate project proposals for results-based financing and inform applicants of decision; (iii) time from approval of proposals for results-based financing to signing of grant agreements; (iv) time from receipt of payment claims from private sector to disbursement of funds or rejection of claims.

**Component 2: Standalone Solar Systems (SAS) for Households, MSMEs, and Agribusinesses (US\$ 715 million equivalent, of which US\$ 300 million IDA equivalent and US\$ 415 million from private sector funding).** This component will expand the availability and affordability of standalone solar systems (SAS) for households (basic electrification), MSMEs, and agribusinesses (PUE support) in rural areas. Through targeted and competitively awarded performance-based and catalytic grants, the uptake of 2,750,000 quality-certified solar home systems (SHS) and 75,000 PUE products in rural areas and among lower-income segments will be promoted. Under sub-component 2.1, the performance-based grants (PBG) will provide results-based payments per connection (verified product sale). Under sub-component 2.2., catalytic upfront grants will support companies seeking to distribute in hard-to-reach, underserved areas focusing on poor, remote, and hardest-to-reach consumers. Table 1.3 present the summary of component 2.

**Table 1.3: Description of Component 2**

Component	Approach				Subsidy	
	Objective	Modality	Geographic	Target	Determination	Type
<b>2.1 Performance Based Grants</b>						
<b>PBG for SHS</b>	Last mile access	Private Sector led	Rural, remote	Households, MSMEs	Pre-determined	Per connection
<b>PBG for PUE</b>	Productive uses	Private sector led	Rural, remote	MSMEs, farmers, Agribusinesses,	Pre-determined	Per connection
<b>2.2. Catalytic Grants</b>						
<b>Catalytic Grant</b>	Last mile access in fragile, hard areas	Private sector led	Rural, remote	Households, MSMEs, agribusinesses	per business plan	Milestone based

- 1. Sub-Component 2.1 Performance Based Grants for Standalone Solar (SAS) (IDA US\$ 280 million equivalent).** The sub-component will provide PBGs with the ability to rapidly deploy SAS solutions in rural and underserved areas. Supply and demand side support will be provided through the PBG to address the viability and affordability gap, respectively. Companies will receive a grant based on independently verified outputs with incentives varying by location and type of business model. The sub-component will help reduce the end-user prices for households identified as poor and vulnerable by the National and State Social Registry. This sub-component will also support deploying solar-powered PUE equipment to MSMEs, agribusinesses, and commercial customers.
- 2. Sub-Component 2.2: Catalytic Grants (IDA US\$ 20 million equivalent).** This sub-component will incentivize companies targeting the poor, remote, or hardest-to-reach consumers in the country. Grants will be offered on a matching basis to ensure the company commits its funding and has ‘skin in the game.’



**3. Performance-Based Condition 1 (preparation and adoption of a National Electrification Plan and Strategy) and Performance-Based Condition 3 (preparation, adoption, and operationalization of a new business plan for REA, and the demonstration of increased capacity at the REA)** will be linked with this Component. Out of the US\$ 300 million IDA for Component 3, US\$ 100 million will be tied to Performance-Based Condition 1 and US\$ 60 million will be tied to Performance-Based Condition 3.

**Component 3 Technical Assistance:** This component will be supported by financing and collaboration from various development partners, such as GEAPP, SEforALL, JICA, USAID, etc., to create an ecosystem for universal electrification. Technical assistance provided under the DARES umbrella will focus on the following -

- 1. Sub-Component 3.1: Institutional Strengthening (US\$ 10 million IDA equivalent)** will support activities to build institutional capacity, including (i) strengthening of implementation capacities of REA and FMOP (ii) development of critical studies, including the national electrification plan.
- 2. Sub-Component 3.2: DARES Ecosystem and Implementation (US\$ 20 million IDA equivalent)** will focus on (i) pipeline preparation for isolated and interconnected mini grids; (ii) building the PUE ecosystem, including geospatial mapping, demand stimulation and capacity building of financial institutions on market-based products and pricing, financial literacy; and (iii) managing E&S risks, including the implementation of citizen engagement interventions.
- 3. Sub-Component 3.3: Engagement with States (US\$ 10 million IDA equivalent)** will focus on (i) supporting states in crafting their role in the energy transition agenda during decentralization by providing TA for designing electricity markets, building capacity of state-level sector institutions, developing regulatory and procurement capacity, and preparing policy framework and its implementation; (ii) determining viability for solar rooftop and setting up a one-stop-shop model for market creation – for interested and qualified states.
- 4. The third Performance-Based Condition, which concerns the preparation, adoption, and operationalization of a new business plan for REA and the demonstration of increased capacity at the REA,** will be associated with Component 3 in addition to Components 1 and 2. US\$ 20 million out of the US\$ 40 million IDA for Component 3 will be tied to this Performance-Based Condition.

### 1.3 Project Development Objective Level Indicators

The key results (PDO Indicators) expected are as follows:

- CRI. People provided with new or improved electricity service (gender disaggregated) (number)
- Households provided with new electricity services, of which are female headed households (number)
- MSMEs are provided with new or improved electricity services through mini grid or standalone), of which are female headed MSMEs (number)
- Private capital mobilized for mini-grids and standalone solar.
- New generation capacity of renewable energy installed.

### 1.4 Need for the DARES Project

Nigeria has the largest electricity access deficit in absolute terms of any country in the world, and the trend is worsening. As of 2020, 55 percent of Nigeria’s population had access to electricity, leaving over 91 million people without access.<sup>3</sup> Large disparities exist in access between urban areas (82 percent) and rural ones (31 percent) as well as by income, with only 31 percent of the poorest 40 percent of the population<sup>4</sup> having access to electricity nationwide. The electricity access deficit has remained at 45 percent since 2015, and yet the net access deficit has increased by over 7 million citizens over the last decade, as the rate of population growth has outpaced the increase in electrification, making Nigeria an outlier even in Sub-Saharan Africa. Access to electricity has not only impacted households but has presented a challenge for effective delivery of essential public services such as health and education. Only 40 percent of functional primary health facilities and 26 percent of primary schools in Nigeria have access to electricity.

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<sup>3</sup> [Tracking SDG7](#), World Bank 2022.

<sup>4</sup> NBS survey data

Recognizing the need to expand access in underserved population the FGN approved the Rural Electrification Strategy and Implementation Plan (RESIP) and forward-looking Mini-Grid Regulations in 2016. The FGN established the Rural Electrification Agency (REA) through the Electric Power Sector Reform Act of 2005 with a mandate to increase rural access. The FGN launched the Nigeria Electrification Project (NEP) in June 2018 as a results-based, private-sector led initiative to implement the RESIP. Nigeria DARES will support FGN’s vision<sup>5</sup> to reach universal electrification. Successful ongoing implementation of NEP has created an ecosystem of private-sector led electrification in Nigeria – specifically for the off-grid solar and Mini-Grids industries. This ecosystem has evolved around NEP and is supported by DFIs<sup>6</sup> (such as AfDB, KfW, GIZ, FCDO, USAID), Non-profit organizations (GEAPP, RMI), Investors, investment management, guarantee firms) and partnerships.

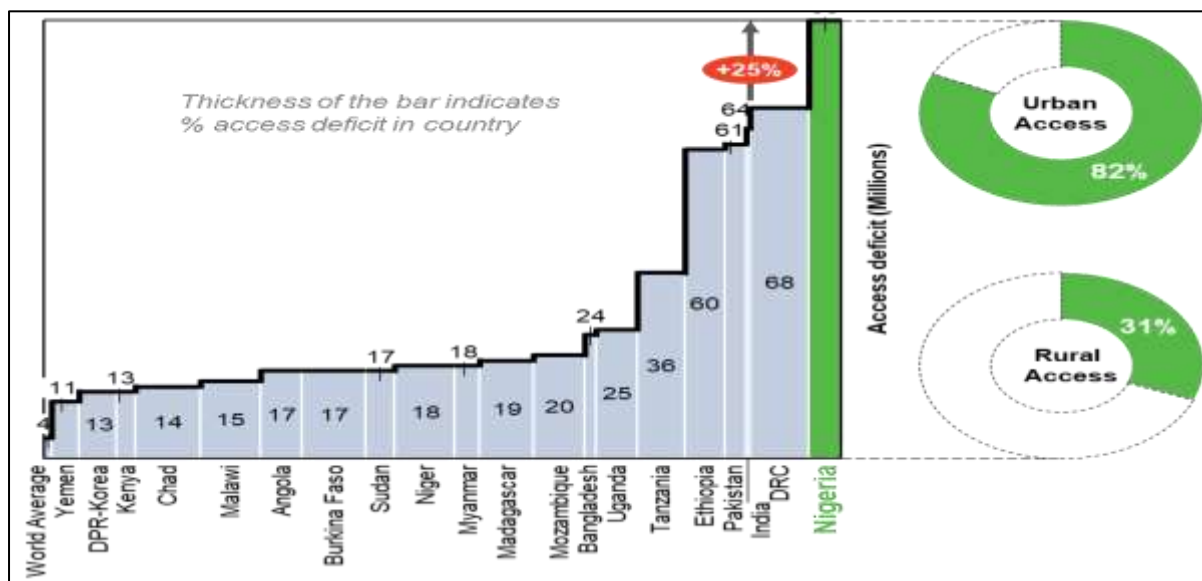


Figure 1.1: Deficiency in Electricity Access in Nigeria (Source: WB)

## 2. PURPOSE and OBJECTIVE

### 2.1 ESMS Purpose

In line with the requirements of ESS 9 Financial Intermediaries REA recognizes Environmental and Social Risk Management as serious issues that require systems to monitor and control in line with legal requirements in the sector. REA practices an Environmental and Social Management System (ESMS) and Environmental and Social Management Framework (ESMF) to constitute REA’s Environmental and Social (E & S) Policy. REA prepared this risk-grade Environmental and Social Management System (ESMS) in order to improve the management of the environmental and social implications of its proposed solar rooftop & grid-tied solar power projects. The ESMS highlight a systematic procedure to assess whether the subprojects will lead to potential adverse environmental and social impacts. As such, the ESMS aims to ensure that negative impacts are avoided, minimized, or compensated to the extent possible while positive impacts are stimulated. This ESMS outlines the DARESs Policy and approach to the implementation of appropriate Environmental and Social Risks Management (ESRM) that aims to reduce Environmental and Social (E&S) risks and impacts likely to be triggered in its portfolio. The Policy and approach align with **the World Bank Environmental and Social Standards (ESS)**.

The REA-DARES is committed to operationalizing and promoting an appropriate **Environmental and Social Management System (ESMS)** for itself, as well as for the participating Developers in order to effectively assess and manage the E&S risk exposure associated with DARES activities. The ESMS is a framework that integrates ESRM into participating Developers with overall procedures for our

operation and core business process. It is a set of actions and procedures that the DARES project will implement with the developers. The Core components of the ESMS are as follows (Annex 1).

- **ESRM policy** with clearly specified applicable E&S requirements and standards.
- **ESRM procedures** for screening, identification, assessment, mitigation, monitoring and reporting of E&S risks; these procedures include record keeping, disclosure, and reporting.
- **Reporting** to internal and external stakeholders on implementation.
- **Roles and responsibilities** within the organizational structure for managing and monitoring E&S risks;
- **Resources** for implementation such as organizational capacity, budget, training.
- **Guidance and tools:** Practical resource materials for implementing ESRM provisions internally by DARES and among participating developers; these tools are developed and improved on an ongoing basis.

The ESMS ensures that the DARES project and intended developer's activities are in compliance with its own environmental and social commitments, national regulations of the country and with the Environmental and Social Standards (ESS) of the World Bank (ESS). The ESMS helps both the DARES and participating Developer's to avoid and manage projects with potential environmental and social risks by conducting due diligence during design, construction, and operation of mini grids and adequate monitoring of projects during construction and operation.

## **2.2 ESMS Objectives**

The ESMS is set out to identify, assess, manage, and monitor the environmental and social risks and impacts of proposed sub-projects on an ongoing basis under DARES, taking into account the national and local laws and the requirements of the World Bank triggered ESS. As such the key objectives are:

- To integrate E&S considerations into the lifecycle of sub-loans to eligible MSMEs (participating developers) to ensure that E&S risks and impacts are consistently identified, screened, and managed;
- To set out the responsibilities for E&S risk and impact identification, assessment, decision-making, as well as monitoring and escalation; and
- To work with our clients or the sub-borrowers to manage E&S risks and impacts and support ongoing capacity building in the implementation of the Project.

## **3. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM PRINCIPLES**

The ESMS is guided by six principles rooted in REA policy statement that provides high-level governance and necessary directions for implementation of the operational framework of REA projects and shall be implemented to effectively assess and manage the E&S risk exposure in the design and implementation of DARES project. The policy statements are highlighted below. REA is committed to:

- A systematic approach to the management of relevant social and environmental issues, and the risks inherent with the DARES business processes and operations.
- Ensuring that adequate financial and human resources needed to implement this Policy are made available within the institution.
- Deliberately give increasing attention to climate change considerations where possible in DARES operations,
- Ensuring all operations activities are carried out safely and no harm to any individual or group of persons
- Respecting human rights and promoting gender inclusion
- Regularly report progress in implementing all stated policies and principles and require all Developers to also make appropriate disclosures on their E&S issues.

### **3.1 Policy Implementation Approach**

The role of the ESMS is to assess the adherence of the design of REA projects to these principles. The principles also guide the implementation of ESMS activities such as the impact assessment processes.

Several of the principles are: Environmental and Social Risks & Impacts Assessment and Management; Environmental Health & Safety; Biodiversity Conservation; Conservation of World Heritage; Resettlement; Gender Equality and Social Inclusion; Vulnerable and Ethnic Communities and Stakeholder Engagement. These are described in the sections below:

1. Through this Policy, REA-PMU puts in practice its commitment to integrating environmental and social considerations into decision-making processes relating to its business activities to avoid, minimize, reduce, or compensate for / offset risks and negative impacts.
2. REA-PMU, during the course of implementing the DARES, will strive for positive development outcomes in the activities it supports.
3. REA-PMU believes that an important component of achieving positive development outcomes is the environmental and social sustainability of these activities, which REA-PMU expects to achieve through the application of this Policy.
4. REA-PMU recognizes that in the delivery of her activities, may be exposed – through the Developers – to the E&S risks associated with their business activities. Managing such risks means that REA and the Developers must develop and maintain adequate systems, procedures, and capacity for identifying, managing, and monitoring risks and impacts of their projects commensurate with the types, scope, and nature of activities.
5. REA, therefore, supports the capacity development of the Developers to manage environmental and social risks and Developers are obligated to adhere to REA policy in the use of REA fund. This is achieved primarily through the development and implementation of an Environmental and Social Management System (ESMS), as defined in this document.
6. The policy also addresses Health and Safety Risk, Climate Risk as well as International Labour Organization (ILO) Laws and other relevant Conventions.

REA Management Direct/Chief Executive Officer shall be responsible for implementing the social and environmental requirements of the DARES as documented in this ESMS. This means that senior management of REA and participating firms/Developers must deal with the ethics, fair labour practices, and environmental assurance policies of DARES subprojects and must sign and commit to all documented policies and procedures.

### **3.2 Objectives**

Specific objectives of the ESRM Policy are to:

- Integrate ESRM considerations into the REA activities including decision-making processes.
- Fully implement and comply with both national and World Bank requirements for E&S risk management.
- Set out requirements for the Developers for assessment and management of environmental and social risks
- Promote greater transparency and accountability on E&S issues internally and externally through disclosure and reporting.

### **3.3 DARES ESMS Principles Application**

#### **3.3.1 Environmental and Social Risks & Impacts Assessment and Management Procedures**

- As set out in the World Bank ESS1 on Assessment and Management of Environmental and Social Risks and Impacts, risks and impacts assessment and management is one of the prime principles of the ESMS. The principle entails:
  - To identify and evaluate environmental and social risks and impacts of the project;
  - To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment;

- To promote improved environmental and social performance of project sponsors through the effective use of management systems;
- To ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately;
- To promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

### **3.3.2 Principle on Environmental Health and Safety**

Environmental health and safety is one of the most important principles of the ESMS. It emphasizes maintaining compliance with the relevant environment laws and acts of the Federal Republic of Nigeria and also rules set by the World Bank (ESS 4 – Community Health and Safety) which includes the following:

- Environmental degradation is to be avoided and/or (if not avoided) minimized to the minimal extent;
- The availability and use of personal protective equipment is to be ensured and be closely monitored continuously;
- Personal protective equipment is to be made readily available and all defective equipment is to be replaced promptly;
- Presence of safety equipment and training to the project sites on fire safety plan is to be ensured;
- ISO 14001:2004 (Environmental Management Standard) and OHSAS 18001:2007 (Occupational Health Safety Standard) compliance for all battery & solar PV panel suppliers (national and international level) and expired battery recyclers to be duly followed;
- Environmental Health & Safety (EHS) compliance is to be monitored regularly;
- Awareness raising programs and training for the staff of the projects are to be arranged.

### **3.3.3 Principle on Biodiversity Conservation**

The ESMS is guided by the application of the World Bank ESS 6 on biodiversity conservation and sustainable management of living natural resources and United Nation Convention on Biological Diversity (CBD) including the CBD's Strategic Plan for Biodiversity 2011–2020. As emphasized by the Biodiversity for Development Program of the CBD, biodiversity loss can result in critical reductions in the goods and services provided by the earth's ecosystems all of which contribute to economic prosperity and human development. This is especially relevant in developing countries with rich natural resource base like Nigeria.

REA shall ensure biodiversity conservation and sustainable management of living natural resources is established during the social and environmental risks and impacts identification process and therefore, a detailed assessment of relevant risks and impacts must be included in the ESA where applicable, including alternative options for project design and addressed through the ESMS.

### **3.3.4. Principle on Conservation of World Heritage**

Critical cultural heritage consists of (i) the internationally recognized heritage of communities who use, or have used within living memory the cultural heritage for longstanding cultural purposes and (ii) legally protected cultural heritage areas including those proposed by host governments for such designation. Examples include world heritage sites and nationally protected areas.

REA shall ensure impacts on cultural heritage are avoided when selecting project sites according to the applicable World Bank ESS 8 on Cultural Heritage sites, the projects shall not be designed in a way that would envision removal, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the project Sponsors/Developers shall meet key applicable requirements. During environmental and social due diligence process, the project sponsors shall be responsible for:

- Verifying the conclusions of the ESA on whether or not critical cultural heritage is present in the proposed project area and, if so, promptly notify REA;
- REA in coordination with relevant stakeholders will determine – in exceptional circumstances - that a project involving impacts on critical cultural heritage (based on REA's internal E&S risk

management capacity), ascertaining that adequate risk and impact management measures are included in project sponsors'/Developers action plans and incorporated in legal documentation for project financing;

- Implementation monitoring of the projects will be done by REA.

### **3.4.5 Principle on Resettlement**

Principles on Resettlement aim to resettle and rehabilitate the affected persons on account of its projects in a manner that they do not suffer from adverse impacts and shall improve or at the minimum retain their previous standard of living, earning capacity and production levels. Resettlement issues shall minimize dependency and be sustainable socially, economically and institutionally. Special attention will be paid to the improvement of living standards of marginalized and vulnerable groups. The rules of the Resettlement and Rehabilitation which are to be followed are given below in line with the World Bank ESS 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

- All negative impacts including displacement should be avoided or minimized wherever feasible by exploring all viable alternative project designs;
- Where negative impacts are unavoidable, efforts should be made either to improve the standard of living of the affected persons or at least assist them in restoring their previous standard of living at no cost to them;
- All information related to resettlement preparation and implementation will be disclosed to all concerned and community participation will be ensured in planning and implementation;
- The principles of mutual consent and negotiated settlement will also be used for land acquisition as required;
- The persons affected by the project who do not own land or other properties but who have an economic interest or lost their livelihoods will be assisted;
- Before taking possession of the acquired lands and properties, compensation and R&R assistance will be made to those who are available and willing to receive the entitlements;
- There would be no/minimum adverse social, economic and environmental effects of displacement on the host communities but if needed specific measures would be provided;
- Broad entitlement framework of different categories of project-affected people has been assessed and is given in the entitlement matrix. Provision will be kept in the budget. However, anyone moving into the project area after the cut-off date will not be entitled to assistance;
- Grievance redress mechanism has been established at the project level to ensure speedy resolution of disputes;
- All activities related to resettlement planning, implementation, and monitoring would ensure involvement of women. Efforts will also be made to ensure that vulnerable groups are included;
- All consultations with projects affected persons (PAPs) shall be documented. Consultations will continue during the implementation of resettlement and rehabilitation works;
- A Resettlement Action Plan will be prepared including a fully itemized budget and an implementation schedule;
- Ensure people's participation during the course of the project cycle;
- Effort should be made towards the enhancement of the positive impact of the projects.

### **3.3.6 Principle on Gender Equality & Social Inclusion**

Mainstreaming gender equity and empowerment shall always be a focus area for REA in DARES subproject design in line with World Bank Good Practice Note on Gender and other triggered ESSs. In the activities related to livelihood and restoration, women's needs shall be especially addressed. Gender analysis shall be a part of the social assessment and the basis of the analysis will be findings from gender specific queries during the primary data collection process and available secondary data in the Environmental and Social Assessment (ESA) preparation. The quantitative and qualitative analysis are supposed to bring out sex disaggregated data and issues related to gender disparity, needs, constraints, and priorities as well as understanding whether there is potential for gender based inequitable risks, benefits and opportunities. Based on the analysis, the specific interventions are to be designed and if required, gender action plan need to be prepared. The overall monitoring needs

inclusion of sex disaggregated indicators and gender relevant indicators. The participation of beneficiaries and focus on poverty reduction are two other key determinants of the effectiveness and sustainability of any project. Any project must address the constraints on women's participation in project design, construction and monitoring and evaluation (M & E).

Three major tools are to be used to identify and deal with gender issues in the project cycle: gender analysis, project design, and policy dialogue. Gender analysis must be an integral part of the initial social assessment at the screening stage itself. The issues identified need to be scaled up during the feasibility and detailed analysis should be carried out during the project preparation stage. The project designs shall be gender responsive based on the gender analysis and should be included in the ESA. The findings and recommendations from the gender analysis during project planning and feedback from beneficiaries during implementation must be discussed thoroughly to determine the need for further action.

### **3.3.7 Principle on Ethnic Minority Communities**

Private sector projects can create opportunities for ethnic communities these groups to participate in and benefit from project-related activities that may help them fulfill their objective for economic and social development. Furthermore, these groups may play a role in sustainable development by promoting and managing activities and enterprises as partners in development. During environment and social due diligence process:

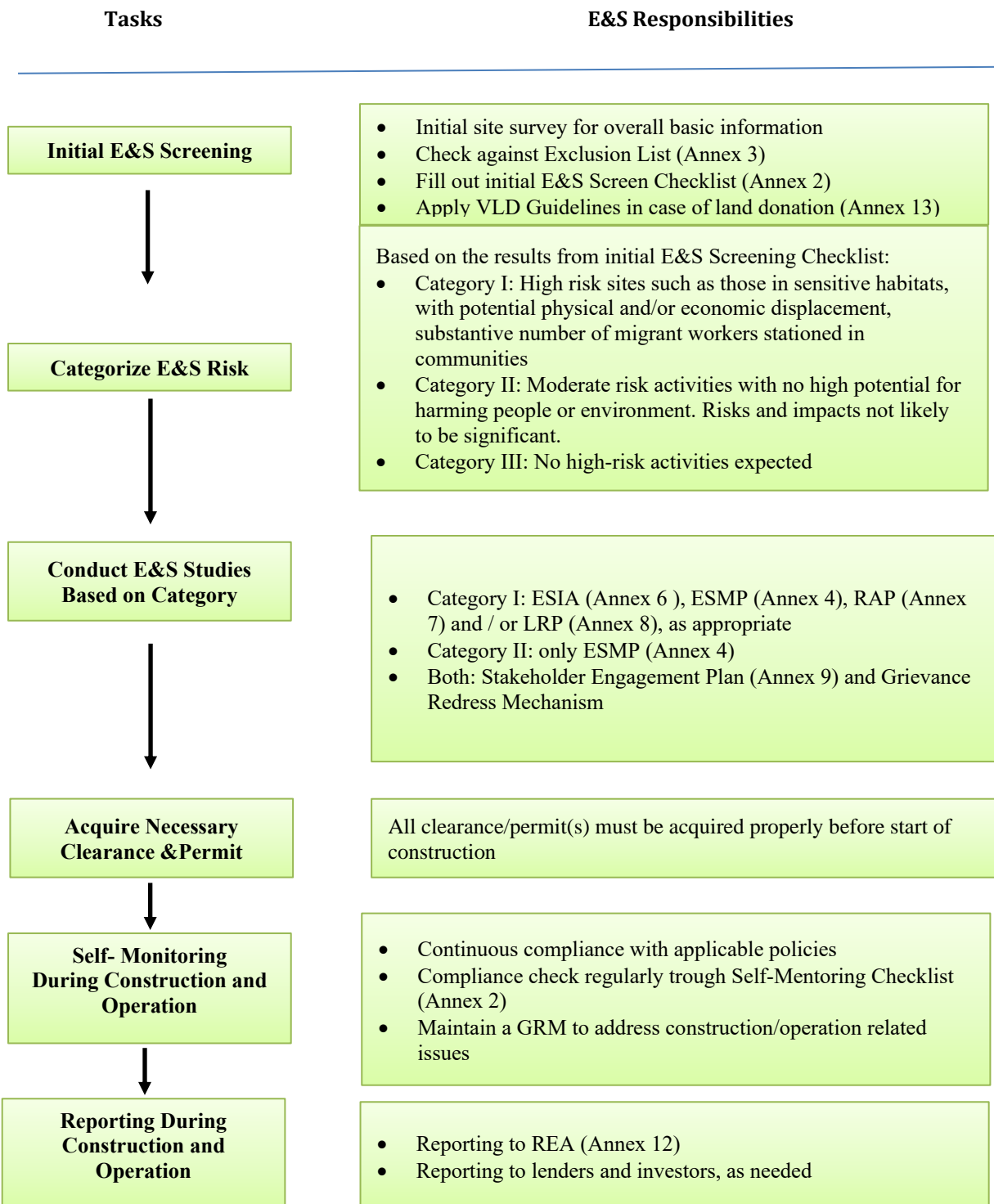
- the project proponents will be responsible for verifying the conclusions of the ESA on whether or not tribal peoples and/or small ethnic communities are present in the proposed project area;
- the project proponents will be responsible for promptly notifying REA when these communities are present in the proposed project area;
- REA will determine that a project involving impacts on tribal peoples and/or small ethnic communities can be financed (based on REA's internal environmental and social risk management capacity), ascertaining that adequate risks and impacts management measures are included in project sponsors' Action Plans and incorporated in the legal documentation for project financing. More specifically:
  - a. Verifying broad community support of these groups to the project that should be the outcome of Good Faith Negotiations and Informed Consultation and Participation (ICP) as conducted by project sponsors and stakeholder engagement.
  - b. In specific circumstances requiring Free, Prior and Informed Consent (FPIC), verifying the due process and adequate outcome, as conducted/achieved by the project sponsor and stakeholder engagement.
  - c. Monitoring implementation (with assistance/recommendation from REA).

## **3.4 Environmental and Social Due Diligence and Supervision**

### **Overall Work Flow:**

The workflow chart below demonstrates the steps and E&S roles during the mini grid design, development, construction, and operation cycle.

# Overall Workflow for Mini grid Development





### 3.5 Applicable Standards and Guidelines

During the project implementation, all candidate sub-projects will be screened against the project's exclusion list of this ESMS, categorized and assessed for their E&S risks and impacts prior to financing under the project. Since the DARES subprojects are likely to cause minimal or no adverse environmental or social risks or impacts, but all subprojects need to meet the national environmental, labour and social laws and regulations regardless of risk level.

REA-PMU has assigned both a senior management representative to have overall accountability for environmental and social performance plus a staff member or consultant as E&S Focal Point to manage the day-to-day implementation of ESMS. The project required information to be disclosed will be disclosed during project preparation and implementation to promote transparency and accountability on the use of the project's funds. Highlighted below are the applicable requirements to be implemented:

- This ESMS was developed in compliance with the World Bank ESS where the Developer can demonstrate that it already has an ESMS at the time of REA-PMUs due diligence, adequate documented evidence is expected to that effect. As a condition for eligibility to receive financing from DBN, the PFI shall put in place and maintain an Environmental and Social Management System (ESMS) to identify, assess, manage, and monitor environmental and social risks and impacts associated with activities within the DARES project are, as commensurate with the nature and magnitude of such risks and impacts at the individual project and portfolio level.
- The Developers' ESMS shall include the following elements: (i) environmental and social policy, (ii) clearly defined environmental and social risk identification, assessment, and management procedures, (iii) organizational capacity and competency, (iv) monitoring and review of E&S risks of individual transactions and the portfolio, and (v) external communications mechanism including GRM and potentials to mitigate GBV. The Developers' senior management endorsed the ESMS and have adequate resources dedicated to its implementation and will endorse the ESMS.
- The Developer's ESMS must include an E&S risk categorization system. The Developers' categorization procedures will incorporate the requirements of the World Bank Environmental and Social Standards and national authorities (Annex 2; 3), and will consider type, size, and the nature of activities. As part of this procedure, the Developers will be required to categorize sites on the List of E&S Sensitive Activities (Annex 2), if any, as High Risk
- The Developers' ESMS, as part of the requirements for E&S policy, will clearly outline the following applicable requirements, depending on the level of risk associated with their sites:
  - a. The REA-PMU will require that all Mini grid developers and SHS distributors will follow relevant environmental and social laws of the World Bank and national regulations.
  - b. The Distributors will comply with the requirements of the World Bank ESF as contained in the ESMF.
  - c. The REA-PMU will not support activities on the Exclusion List (Annex 3) including E&S sensitive activities.
  - d. Where REA-PMU, as a result of its E&S due diligence process, is not satisfied that adequate capacity exists in Developer/SHS distributor for identifying, assessing, and managing risks and impacts, REA-PMU may also exclude such Developer/distributor until REA is able to confirm that the Distributor/Developer has developed adequate capacity over time.
  - e. All sub-sites categorized by the Developers as *High Risk*, in accordance with the Developer's E&S categorization system as outlined in the ESMF for the DARES, will be excluded from Developers portfolio for the DARES programme. For projects and subprojects where there are affected communities, these will include Environmental and Social Impact Assessment, grievance redress mechanism prepared and implemented and Livelihood restoration plan in accordance with the provisions of the World Bank ESS.
- Where necessary, REA-PMU will require the Developers/Distributors to strengthen their ESMS as well as organizational capacity, responsibilities, and accountability for implementing the ESMS.

- REA-PMU will require Developers to maintain labor management procedures in line with national laws, the DARES LMP and ILO Core Labor Standards (Annex 5).
- REA-PMU will encourage Developers/Distributors to have Grievance Redress Mechanism (GRM) in their branch locations and/or website.
- The Developers/Distributors will prepare and submit to the REA an Annual E&S Report on the implementation of its ESMS (Annex that will include information on environmental and social risk profile of its portfolio with grants through REA. The Distributors/Developers will promptly notify REA of any significant accidents or incidents associated with their projects/sub-projects.

### **3.6 Communications and Disclosure**

REA-PMU shall communicate the provisions of this Policy internally at all levels of the institution and externally to all stakeholders. REA will also maintain a process for external communications to manage public inquiries and concerns related to E&S matters, which can be lodged anonymously. REA can be reached through any of the following REA Internal Channels:

- Toll free: 080020202020
- E-mail: nep@rea.gov.ng
- [https//.gov.ng](https://.gov.ng)

REA-PMU is committed to reporting on its ESRM activities in accordance with the World Bank ESS and the National requirements. REA-PMU will put in place a system for internal reporting to senior management on implementation of its ESMS. In addition, REA-PMU will also seek to incorporate such reporting into its annual external publications.

REA-PMU will require Developers/Distributors to publicly disclose summaries of E&S assessment reports for any of their projects under the DARES programme sub-projects supported by REA-PMU and classified as High risk, in the risk categorization system unless prohibited by relevant national laws and regulations.

### **3.7 Changes to the ESRM Policy and New Policy Development**

- REA ESRM policies and procedures are reviewed and approved by senior management.
- REA-PMU shall review the ESRM Policy on an annual basis to ensure its adequacy in line with any changes in REA operations, compliance with relevant national laws and alignment with the World Bank or multilateral lender and investor requirements, as relevant. The review will also ensure that the overall approach to assessing and managing E&S risk remains relevant and aligns with ESRM national and international best practices and standards.
- REA may, as necessary, also develop complementary E&S policies, procedures and tools to address specific risks more comprehensively. Examples include detailed measures to address sector-specific (e.g. interconnected mini grid) or issue-specific (e.g. child and forced labor, sexual exploitation and harassment) risks.
- The PMU Environmental and Social unit have the responsibility for proposing changes as needed to the ESRM policies and procedures or creating new policies and presenting these to the REA's senior management and the World Bank for approvals.

## 4. ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT PROCEDURES

### 4.1 Structure of the ESRM Procedures

The ESRM Procedures are comprised of five distinct components, with each component representing a critical step of REAs integrated ESRM approach (Figure 4.1). The structure of the procedures follows in chronological order of events in project cycle.

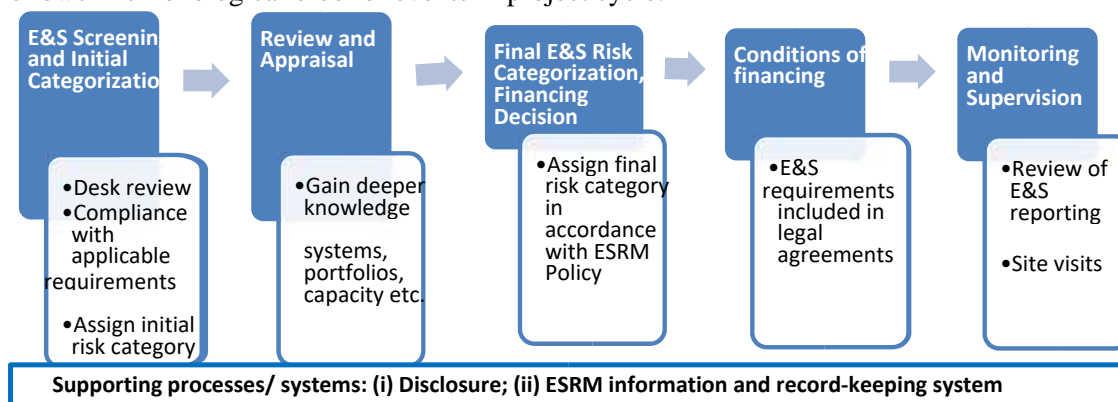


Figure 4.1: REAs ESRM Process

### 4.2 Environmental & Social Procedures

#### 4.2.1 Initial E&S Screening

Before any construction or preparation of construction can start, the institution should conduct an initial E&S screening before or during project design stage, to (1) ensure the proposed construction site is not under any situation in the Exclusion List (Annex 3&4); and (2) identify any E&S issues and mitigation opportunities.

#### 4.3 Environmental and Social Risk Screening

This procedure outlines steps required for initial transaction screening for E&S risks. The screening process begins with the identification of a potential new Developer.

The initial screening involves the following steps:

- E&S Screening (Annex 2), in order to assess the Developers' sites against the Exclusion List and List of E&S Sensitive Activities.
- Developers submits the completed E&S Screening checklist in line with other documents to the E&S Risk unit of the REA-PMU for evaluation.
- E&S Risk unit assesses the results of screening checklist and requests additional information, as appropriate.
- E&S Risk unit will participate in all relevant investment review meetings at the early stages of decision-making and provide inputs and recommendations with regard to E&S issues.
- E&S Risk unit using the filled checklist assigns an initial E&S risk category to the Developer taking into account various considerations detailed in Table 1 below. These considerations should be used together in each categorization decision and will require exercising reasonable judgment. E&S risk categorization will take into account type, and specific E&S risks and impacts associated with a developer's portfolio..
- In determining E&S categorization, E&S unit will follow this ESMS Policy, and take into account relevant requirements of the World Bank and the National laws
- E&S unit documents the summary of the initial risk screening and risk categorization in the E&S Risk Screening, Assessment, and Categorization

For eligible projects, the following process is in place.

- Projects identified as *Low Risk* require waste management plan e.g SHS Distributors, requirement to follow SHS Distributors ESMS requirement (Annex 10)
- Transactions identified as *Medium Risk* as in Mini grid require further E&S due diligence, hence, development of Environmental and Social Management Plan (ESMP), which is commensurate

with the risks and impacts identified during the screening stage, are necessary to determine whether the Developer is committed to improving its E&S management policies and procedures, as well as E&S performance in relevant business activities. Further assessment and E&S due diligence requirements, if needed, are applied.

#### **4.4 Review and Appraisal**

This procedure outlines the steps to assess E&S risks and identify mitigation measures and actions, where deemed necessary in compliance with the applicable E&S laws and regulations of Nigeria, as well as the requirements of the World Bank ESS.

Upon completion of the initial screening, if the Developer is eligible, an E&S risk assessment is conducted to evaluate the level of risk associated with a Developer's portfolio. Where necessary, REA-PMU conducts further E&S due diligence commensurate with the risks under assessment. In complex or high-risk circumstances, the Developer will be required to develop Environmental and Social Impact Assessment (ESIA), followed by Livelihood Restoration Plan (LRP).

E&S unit of the REA-PMU is responsible for E&S review and assessment, and completes the following steps:

- E&S Risk unit requests and reviews detailed Developers existing and proposed portfolio information to determine the level and nature of E&S risks associated with the relevant projects. The portfolio review will include exposure to Excluded Activities and E&S Sensitive Activities and high-risk exposures.
- E&S unit shall request and obtain evidence of the Developers ESMS and capacity for its implementation. The review will include the following aspects of the Developers portfolio and capacity commensurate with the nature of the activities supported:
  - E&S policy and senior management approval thereof.
  - Procedures and tools to identify and avoid, and if avoidance is not possible, mitigate E&S risks and potential impacts.
  - E&S provisions in legal documentation of all-projects; Performance monitoring procedure and records, as relevant to E&S risk management.
  - Adequacy and quality of ESMS implementation to-date.
  - The current organizational structure and capacity as relevant to E&S risk management.
  - Commitment of the client to undertake E&S risk management requirements.
- E&S unit of the PMU requests and obtains information about the Developers/Distributors compliance with national labor laws.
- Developers provide screening checklist to the E&S unit to get a final site categorization based on the detailed information and due diligence actions as carried out by the developer.
- E&S unit updates the E&S Risk Screening, Assessment, (Annex 2) with the results of E&S review and appraisal.
- E&S Risk Screening, Assessment, and Categorization Memorandum for each sites are filed in REA-PMU Odyssey platform.

Based on the results of the initial E&S Screening, all mini grid projects should be divided into two E&S Impacts Categories:

- Category I: with significant E&S impacts. High risk sites such as those in sensitive habitats, with potential physical and/or economic displacement, substantive number of migrant workers stationed in communities
- Category II: Moderate risk activities with no high potential for harming people or environment. Risks and impacts not likely to be significant.
- Category III: No high-risk activities expected

#### **4.5 E&S Risk Management Instruments for Category II Mini grids**

For construction with perceived medium or low E&S adverse impacts, only the ESMP is needed. Before any actual construction can begin, all necessary government and non-governmental clearance and permit(s) must be acquired properly and timely.

##### **4.5.1 High-Risk Listing**

REA-PMU will maintain the environmental and social (E&S) High - Risk List (HRL). HRL is a group of transactions that require closer scrutiny and supervision due either to highly significant E&S risks or because the Developers project sites have attracted the attention of third parties, such as Civil Society Organizations, project - affected people, and/or media for alleged E&S shortcomings, impacts, and associated reasons. All such sub-projects on the HRL shall be subjected to restriction and excluded from the DARES.

The E&S unit is responsible for periodic monitoring (quarterly at a minimum) of project sites under the DARES. However, it expected developers will have resident E&S safeguard experts who will liaise with E&S unit of the PMU in the event that any of their project sites falls within the above categories, the local E&S officer is responsible for notifying the E&S unit of the PMU of this development.

E&S unit:

- Makes the final decision about placement of a Developer site on the High-Risk List.
- Periodically updates the HRL data in consultation with developers E&S officers.

#### **4.6 E&S Risk Management Instruments for Category I Mini grids**

Projects under this category are expected to have significant E&S impacts, such as (this list is not exhaustive and a combination of all project impacts should be considered based on their likelihood and magnitude):

- Any physical and/or economic displacement
- Significant adverse impacts on ecologically sensitive areas
- Significant adverse impacts on cultural heritage
- Significant number of migrant workers/ labor camps within host communities (may be especially an issue for larger mini grids or clusters of mini grids)
- Biodiversity loss from land preparation
- Poor labour and unsafe working condition
- Poor engagement of Indigenous Peoples/Sub-Saharan African Historically Underserved
- Increase in community health and safety traffic risk from construction equipment and material movement
- Risk related to voluntary land donation in case of public / community buildings
- Consumer /user health hand safety
- Loss of land / and other physical assets
- Site preparation impact leading to soil erosion and alteration of natural drainage;
- Land and water pollution due to indiscriminate disposal of electronic waste, chemical pollution waste disposal
- Construction activity risk such as dust, noise and occupational health and safety
- Loss of residential/ commercial structures to non-titled holders

Due to the potential significant adverse E&S impacts, construction under this category will have to complete the following E&S studies during the preparation stage:

- ESIA (Annex 6)
- ESMP (Annex 4)
- Resettlement Action Plan (RAP) (Annex 7) and / or Livelihood Restoration Plan (LRP) (Annex 8), where physical and/ or economic displacement may be involved
- Stakeholder Engagement Plan (Annex 10)

The ESIA describes possible adverse effects that the proposed subproject may pose to the environment. It recommends mitigation measures and how will they be implemented. The ESMP – either as an accompanying chapter of the ESIA, or as a stand-alone document, provides detail on how the recommended mitigation measures will be implemented and outlines requirements, institutional arrangements/responsibilities, timelines, estimated costs and sources of funds for management and monitoring of both positive and negative effects of the project.

The key environmental and social concerns related to mini grid construction and operation include the following and special care needs to be taken for preparing an ESIA and ESMP:

- Ambient Air Pollution
- Surface and groundwater water quality
- Noise pollution
- Traffic management
- Labor management (labor camps, worker accommodation, community impacts of migrant workforce)
- Occupational health and safety issues for workers
- Interactions between workers and communities (e.g. HIV/AIDS issues)
- Community engagement, benefits sharing
- Drainage
- River bank erosion
- Wetland or other sensitive habitats deterioration
- Land degradation
- Loss of land/ structures/assets/crops
- Displacement of people or economic / livelihood activities
- Sexual Abuse and Exploitation and Sexual Harassment (SEA/SH)
- Electronic and hazardous waste,
- Use of non-energy and non-efficient machinery

In case the project requires involves land acquisition, restriction of access to assets or loss of livelihood or shelter, the company shall ensure that a satisfactory RAP and/or LRP has been prepared consulted upon with the affected persons / local community, approved and disclosed a required. The institution shall not start the works until compensation and resettlement assistance has been made available in accordance with RAP and/ or LRP.

RAP/LRP document provides a link between the impacts identified and proposed mitigation measures to realize the objectives of involuntary resettlement. The RAP/LRP will take into account magnitude of impacts and accordingly prepare a resettlement plan that is consistent with national and local standards and requirements.

The RAP/LRP also needs to be disclosed and consulted during timely stakeholder engagement. Stakeholder engagement is about building and maintaining constructive relationships over time. It is an ongoing process between a company and its project stakeholders that extends throughout the life of the project and encompasses a range of activities and approaches, from information sharing and consultation, to participation, negotiation, and partnerships. The goal is to ensure the timely provision of relevant and understandable information. It is also to create a process that provides opportunities for stakeholders to express their views and concerns and allows the company to consider and respond to them.

Before any actual construction can begin, all necessary government and non-governmental clearance and permit(s) must be acquired properly and timely. For the SHS distributors an abridged ESMS is required see Annex 10.

#### **4.7 Record Keeping**

This procedure describes REA-PMU's approach to systematically capturing Developers information and analyzing E&S performance at the portfolio level. REA-PMU maintains a centralized E&S

Performance System (ESPS), using the Odyssey platform that captures E&S information of each Developers as follows:

- Information about each Developers' ESMS, GRM, stakeholders' engagement, etc.
- Information about each Developers portfolio supported by DARES.
- Results of E&S screening, Stakeholders engagement and site-specific GRM
- Results of E&S review and assessment.
- Legal E&S covenants.
- High Risk List flag that trigger ESIA, LRP
- E&S performance records of monitoring and supervision, including information obtained through regular Developers reporting and site visits.
- Any relevant documents provided by the Developers, such as research outputs, due diligence reports, environmental and social impacts assessment reports (if required), relevant third-party assessment reports and other documentation related to E&S Action Plan, relevant environmental and social authorizations and permits.

#### **4.8 Monitoring and Supervision**

Once the construction has started, and throughout construction and operation, the REA-PMU is committed to continuous compliance to its ESMP and all applicable E&S policies including GBV/SEA and requirements. To achieve that, REA-PMU is committed to conduct regular self-monitoring activities. See Annex 10 and 11 for sample self-monitoring checklist.

Severe incidents will be notified to the Bank within 24 - 48 hours after learning of the incident or accident using World Bank Environmental and Social Incident Reporting Template (ESIRT). A detailed report of the incident will be provided within fifteen (15) days of occurrence of the accident. In the event of an occupational fatality or serious injury, the IA / contractor shall report to REA/PMU and consequently escalate to the Bank as soon as becoming aware of such incidents. Relevant government authorities shall be informed as applicable. Corrective actions shall be implemented in response to project related incidents or accidents. REA – PMU in collaboration relevant IA or contractor as applicable, will be required to conduct a root cause analysis for designing and implementing further corrective actions with the support of the Bank.

REA will monitor the E&S performance of all subprojects during implementation. The monitoring will focus on: (i) implementation of the ESMS; (ii) compliance with E&S requirements including E&S covenants in legal documentation; and (iii) E&S performance in terms of OHS incidents, waste management, HR policies, and grievance mechanism. To this effect, all participating firms/Developers shall provide an incident report immediately after occurrence (in case of an incident as defined in REA's ESMS). REA shall submit a monthly E&S monitoring report to the Bank along with supporting documentation as applicable. REA shall conduct scheduled site visits as part of its monitoring & supervision.

#### **4.9 Reporting to REA during Construction and Implementation**

It is the mini-gird developer's responsibility to submit timely and factual reports to the Rural Electrification Agency (REA) based on the mandatory and/or agreed-upon reporting requirements. Its reporting duties include (see Annex 11, 12 for Sample Regular E&S Report to REA): Such report will include;

- Progress on implementation of the ESMS, including categorization of all projects and any ESIA's, ESMP and RAP and/or LRP prepared over the reporting period (where required);
- Regular periodic E&S reports as specified in the Operating Guidelines;
- Prompt reporting – within three days if occurrence, of any social, labor, health and safety, security or environmental incident, accident or circumstance which may have any material impact on the compliance of the applicable E&S requirements.

In addition, developers may be requested to:

- Provide feedback when requested by REA through questionnaires, evaluation workshops, etc.;

- Participate, if needed, in discussions with the PMU, REA and any investor (if applicable) throughout the project.

## 5. GRIEVANCE REDRESS MECHANISM (GRM)

The REA-PMU will develop a DARES project-specific Grievance Redress Mechanism for people to report concerns or complaints, if they feel unfairly treated or are affected by any of the subprojects.

The mechanism will among other things: (a) provide information about project implementation; (b) provide a forum for resolving grievances and disputes at the lowest level; (c) resolve disputes relatively quickly before they escalate to an unmanageable level; (d) facilitate effective communication between the project and affected persons; (e) win the trust and confidence of project beneficiaries including GBV survivors and stakeholders and create productive relationships between the parties; (f) include reporting mechanisms through community consultations with women and girls will define reporting mechanisms that they feel are safe and are accessible; (g) train GRM operators on survivor centered approach and how to respond to incidents; (h) provide survivors with timely quality care; and (i) ensure there is a clear accountability framework for who will be responsible for what, and what repercussions to the perpetrator may be.

The GRM will not investigate or hold the perpetrator accountable but they will be responsible for monitoring the contractor's response and ensuring its appropriate and aligned with the Code of Conduct (CoC). The mechanism is envisaged to be at multiple levels and will address such complaints, including logging, tracking, and resolving grievances promptly during and after the implementation of the Project. In the resolution of GBV complaints, all applicable laws and policies will be followed, including any labor laws and agreements, and any legal requirements for mandatory reporting (e.g., to the police) of cases involving children or women.

The E&S unit of the REA PMU will have dedicated person to be responsible for setting up and maintaining the GRM that allows general public in the project area and affected communities or individuals to file complaints and to receive responses in a timely manner. The system will also record and consolidate complaints and their follow-up. This system will be designed for handling complaints perceived to be generated by the project or its personnel. It may also include disagreements about compensation and other related matters such as gender-based violence, sexual harassment and sexual exploitation and abuse.

## 6. PROJECT LEVEL GBV/ SEA RISK FACTORS, PREVENTION AND RESPONSE

A GBV risk assessment will be conducted for the project using World Bank's GBV risk assessment tool. Some identified risk factors can be linked to the following:

- i. Labor Influx in communities with low absorption capacity: the different components of the project have different levels of labor associated with them. For component 1, there are might be significant labor influx associated with the development of the mini-grids in rural communities where absorption capacity might be low. Labor influx in an area with low absorption capacity can result in an increase in GBV risk.
- ii. Use of security personnel: armed police and military personnel may be engaged to provide protection for the infrastructure that is being set up in some locations under component 1 of the project. These security men although not direct employees of the project, will be present at project locations and will interact with local communities where project activities are taking place. Private security personnel will be engaged to complement security management activities by conducting patrols, observing and reporting security activities within an assigned beat, this could include access control.
- iii. Project in hard-to-supervise areas: parts of the project are in geographically, very hard to reach areas & areas that can be considered to be of low absorption capacity for labour influx. Most of the project locations are very rural areas that are isolated, away from the national grid. These are locations that are averagely 1.5 hours drive from the nearest Local Government area; some are even only reachable through long boat trips in the lagoons for the niger delta area.
- iv. Conflict and humanitarian setting in Vulnerable States: Project activities will take place in States affected by the Boko Haram insurgency which has caused deaths, trauma and mass displacement of people from different locations. There is a large population of displaced and vulnerable people in these states. These vulnerable people who are experiencing hunger, trauma and breakdown in



protection structures may interact with project staff who are buoyant and this may cause some paygap exploitation.

## 6.1 Actions for Prevention

- i. Standard Bidding Document to include requirements for management strategies and implementation plans (MSIP) to manage key environmental social, health and safety (ESHS) risk including GBV action plan and Code of Conduct.
- ii. Engage a variety of stakeholders (political, cultural or religious leaders, health teams, local councils, social workers, women's organizations and groups working with communities).
- iii. GBV training for EPC contractor workers (including dedicated session on code of conduct).
- iv. Ensure separate shower and toilet facilities are available for male and female.
- v. Site inspection to verify and ensure existence of separate shower and toilet facilities are available for male and female.
- vi. Provide technical support and capacity building for service providers where necessary.

## 6.2 Response to incidents of GBV

The response of the project to any incident of GBV will be guided by the following principles:

- i. **Survivor-centered approach:** A survivor-centered approach creates a supportive environment in which the survivor's rights and wishes are respected, their safety is ensured, and they are treated with dignity and respect. A survivor-centered approach is based on the following guiding principles
- ii. **Safety and Security:** Ensure the safety of the survivor, child and family at all times. Remember that s/he may be frightened and needs assurance that s/he is safe. In all types of cases, ensure that s/he is not placed at risk of further harm by the assailant. If necessary, undertake a safety assessment and ask for assistance from security, police, elders, community leaders or others who can provide security with the consent of the survivor. Maintain awareness of safety and security of people who are helping the survivor, such as family, friends, counselors, health care workers, etc.
- iii. **Confidentiality:** Respect the confidentiality of the survivor, child and their family at all times. If the survivor gives his/her informed consent, share only relevant information with others for the purpose of helping the survivor, such as referring for services. All written information about survivors must be maintained in secure, locked files. All identifying personal information (name, address, etc.) will be withheld in the reporting, compilation and sharing of data. Encourage other community members and actors to respect the confidentiality of the survivor and not gossip about a case which may increase the stigma of the survivor and discourage other survivors from seeking help in future. When relating to children make sure they understand that in some instances you may have to share the information with their caretakers or other appointed legal guardian to ensure the safety and security of the child.
- iv. **Informed Consent:** All actors must receive informed consent from the survivor, or legal guardian if working with a minor, prior to any response service or sharing of information. If the survivor cannot read and write an informed consent statement will be read up to the survivor and a verbal consent will be obtained. The survivor should have the option to provide limited consent where they can choose which information is released and which is kept confidential. The objective of informed consent is that the survivor understands what s/he is consenting and agreeing to. Children must be consulted and given all the information needed to make an informed decision using child-friendly techniques that encourage them to express themselves. Their ability to provide consent on the use of the information and the credibility of the information will depend on their age, maturity and ability to express themselves freely.
- v. **Respect:** Offer information about available support services and respect the choice of the survivor concerning which services s/he wishes to access. Maintain a non-judgmental manner; do not judge the person or her/his behaviour or decision. Be patient; do not press for more information if s/he is not ready to speak about it. Ensure that children are participating in the decision making process of services they can access, and are involved in all decision making processes regarding referral and access to services.
- vi. **Non-Discrimination and Impartiality:** Ensure non-discrimination and impartiality in all interactions with survivors and in all service provision. All actors should provide services without

discrimination based on age, sex, religion, clan, ethnicity, wealth, language, nationality, status, political opinion, culture, etc. All actors must be impartial.

- vii. **Do No Harm:** When documenting, reporting, monitoring or providing a service to a survivor, ensure that risks are not greater than the benefits to the survivor. **Best Interest of the Child:** In all cases concerning a child, the best interest of the child should be the primary consideration. Apply all the listed guiding principles to children, including their right to participate in decisions that will affect them. A child should be listened to and believed in, and their concerns should be taken seriously. If a decision is taken on behalf of the child, the best interests of the child shall be the overriding guide and the appropriate procedures should be followed. Best interest determination guidelines can also be consulted.

### 6.3 SEA/SH Grievance Mechanism

The project will establish a project level Grievance Redress Mechanism (GRM) specific to GBV incidents reporting. The Grievance Mechanism (GM) will include:

1. **Model:** The SEA/SH GM model to be utilized will be determined by the GBV NGO.
2. **Entry points:** Details of entry points where survivors feel safe and encouraged to come forward, which may serve as channels for reporting will be identified by the GBV NGO during community/stakeholder engagement as part of contract obligations for the mapping of GBV service providers.
3. **Service provider referrals and resources:** The GBV NGO will carry out mapping of GBV service providers and develop a pathway to refer survivors to GBV service providers and also explain how the referral pathway will be used by GM operators to make referrals.
4. **Operating protocol or procedures for SEA/SH GM model:** The GBV NGO with support from the GBV specialist will develop a standalone protocol for handling SEA/SH allegations. The protocol will cover what will happen if an SEA/SH allegation is raised with the GM, how survivors will be provided with complete information about their options and referrals, and the plan for ethically collecting, sharing and storing data. The protocol will also outline how the GM will notify the PMU if the survivor chooses to report the allegation to the project and the contractor for potential action. This is anticipated to happen in December 2021.
5. **Training of SEA/SH GM actors:** The GBV NGO will identify and provide specialized training for all actors involved in the SEA/SH GM while the GBV specialist will provide ongoing support to enable them (i) to interact with survivors in an empathetic, non-judgmental way that prioritizes confidentiality and survivor choice; and (ii) to address the allegations in accordance with the protocols for SEA/SH cases.
6. **Communication:** The project Communications strategy will be reviewed and revised by the GBV NGO, the Communications, GBV and Social Specialists respectively to include key GBV messages, the requirements of Codes of Conduct and the behavioural standards they impose on project workers including a protocol to help communities understand (i) where to seek help and the GM channels available, (ii) what to expect if a complaint is raised, and what the GM and project will—and will not—be able to do and (iii) expectations for confidentiality. The protocol for these communications will also be outlined in the Stakeholder Engagement Plan to be developed by the Communications Specialist with support from the GBV Specialist and the Social Specialist.
7. **Timeline and budgets:** The time frame for finalizing the GM structure, the development of protocols, training of SEA/SH GM actors and other related tasks, as well as the budget will be finalized after contract negotiations with the GBV Specialist and GBV NGO. However, a tentative budget of \$190,000 has been approved in the project procurement plan.

### 6.4 Referral Pathways and GBV Service Providers

The project is yet to map service providers within the project's area of influence. However, there are some information collected from other projects in the shared database of the WB. The GBV Specialist and GBV NGO for this exercise will review the information prior to the mapping and include this information before finalizing the A&R framework.

## **6.5 Project-Level Incident Response (Actions by PMU and Contractor)**

We have noted that any investigation that takes place by the contractor into an employee's allegedly wrongful will be in line with the contractor's policies and with local labour law, which typically has a lower standard of evidence than criminal law. Thus, it is possible for an employee to be disciplined or terminated, even if the survivor does not choose to report to the police.

The SEA/SH GM, will link the project grievance mechanism to an existing service provider to handle SEA/SH allegations. If a SEA/SH allegation report is received through the formal grievance mechanism, the GM operator refers the matter to the intermediary. The intermediary will provide immediate support services in its sphere of competencies, such as health or psychological support, and then refer the survivor to other relevant GBV service providers and coordinate with the project GM operator on the survivor's behalf with the survivor's consent.

## **7. Occupational Health and Safety**

REA occupational health and safety (OHS) measures will be designed and implemented to address issues relating to that of DBN. In addition, Developers/Distributors shall be encouraged to include the following in their OHS management plan:

- Identification of potential hazards to project workers, particularly those that may be life threatening.
- Provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances.
- Training of project workers and maintenance of training records.
- Documentation and reporting of occupational accidents, diseases and incidents.
- Emergency prevention and preparedness as well as response arrangements to emergency situations.
- Remedies for adverse impacts such as occupational injuries, deaths, disability and disease.

## **8. CONTINUOUS IMPROVEMENT**

REA is committed to continuously improve the effectiveness of its ERSM Policies and Procedures. To achieve this objective, REA will conduct regular meetings with Senior Management (organized by the E&S unit) to review:

- E&S risks at portfolio level.
- Environmental and social performance of Developers/Distributors.
- Outcomes of internal audits to verify internal compliance with ESMS Procedures.
- Adequacy of resources allocated for ESMS implementation.
- All identified breaches for appropriate redress with timelines and responsibilities assigned

To contribute to continuous improvement of the ESMS. Involved stakeholders such as the E&S unit of the PMU, FMEnv, safeguards officers of the Developers/Distributors are encouraged to report non-compliance and to provide feed-back and suggestions for improvement. These inputs are documented in an ESMS improvement log together with actions to correct shortcomings. REA will revise its ESRM Policies and Procedures in accordance with World Bank ESS and the National laws.

## **9. BUDGET AND TRAINING**

REA-PMU will allocate resources to prepare and distribute ESMS documentation and materials, to train REA staffs including regional staffs on ESMS procedures, and to account for staff time to perform their ESMS responsibilities in their day-to-day duties to ensure effective ESMS implementation across the organization and by the Developers/Distributors.

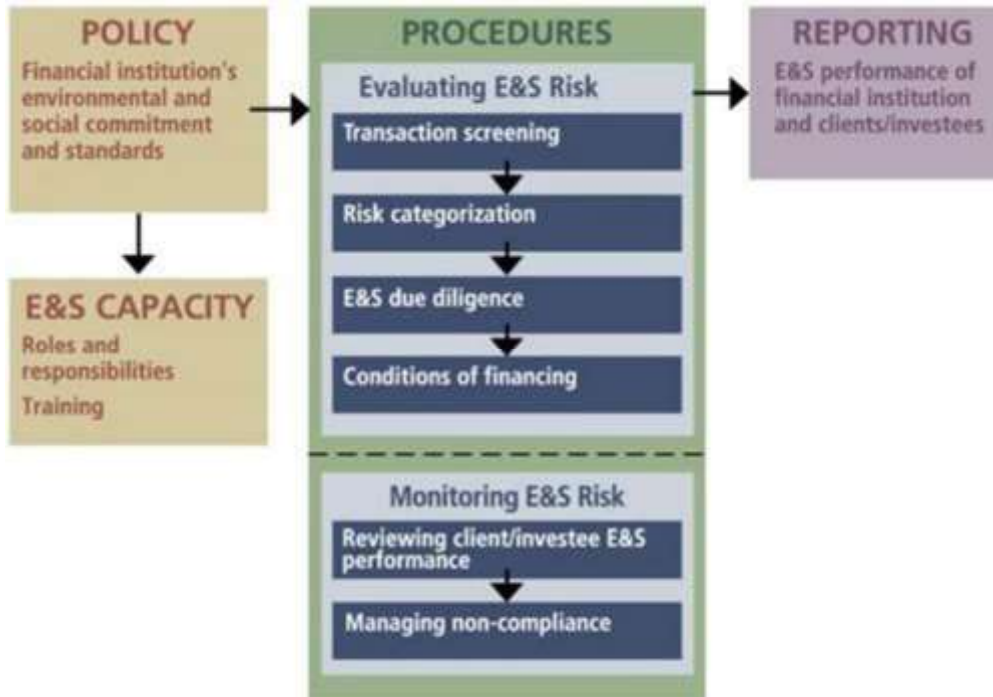
REA Senior management is responsible for allocating and approving the budget for developing and maintaining the ESMS, including: (i) staff time for development of guidelines and procedures; (ii) staff time for appraisal and supervision, (iii) training, (iv) consultants, (v) logistics for site visits when required.

The E&S unit of the REA-PMU will be responsible for:

- Assessing internal capacity and track the progress and development of employees and skills with regard to ESMS understanding and performance and undertake training need identification exercise at regular periodic intervals in consultation with the employees and senior management.
- Assessing capacity of the Developers/Distributors to implement their ESMS on a regular basis, including quality and consistency of implementation based on Developers reporting, as well as regular monitoring and supervision activities.
- Preparing and implementing a Capacity Building and Training Plan addressing skills and training gaps identified, future training needs defined and training to be rolled out.
- Liaising with the FMEnv and the World Bank and other shareholders in order to identify and leverage efficiencies in providing training and capacity building for Developers/Distributors on E&S issues.

The Capacity Building and Training Plan for E&S risk management, including budget, as contained in the ESMF, would be reviewed and approved by Senior Management to ensure that it is integrated as part of REA overall project delivery framework.

**Annex 1: Core Components of an Environmental and Social Management System**



## Annex 2: Sample Checklist for Initial Environmental and Social Screening

The purpose of this checklist is to identify potential environment and social issues related to project development, construction and operation.

### (A) Project Background

1.	Name of Proposed Project	
2.	Location	
3.	Size of the Community (Population)	
4.	Project objectives	
5.	Brief description of the project	
6.	Capacity or size of the project	
7.	Number of Solar Panels	
8.	Capacity per solar panel	
9.	Powerhouse area, m <sup>2</sup>	
10.	Distribution length, m	

### (B) Project selection criteria

Sl. No	Screening Question	Yes	No	Comments (In the case select "yes", provide detailed information)
1.	Are there any activities on the REA <b>Exclusion Criteria for Mini-Grid and Power Generation Sites?</b>			
2.	Is there indication of: <ol style="list-style-type: none"> <li>Significant adverse impacts on ecologically sensitive areas<sup>8</sup></li> <li>Involuntary resettlement or economic displacement</li> <li>Significant adverse impacts on cultural heritage</li> </ol>			
3.	If yes, can these impacts be eliminated or reduced to acceptable levels through adequate application of mitigation measures?			

### (C) Environmental and Social Screening

Sl. No	Screening Questions	Yes	No	Comments (In the case select "yes", provide detailed information)
	<b>Project's siting</b>			
1.	Define project's boundaries and area of influence			
2.	Is the project site adjacent to or within any of the following sensitive receptors? <ol style="list-style-type: none"> <li>Natural habitats and/ or legally protected areas (wetlands, forests, estuary, buffer zones, nature reserves); if yes, is there possibility of a critical habitat present<sup>9</sup>?</li> <li>Cultural heritage site</li> <li>Fragmentation of habitat of flora and fauna (Avifauna and mammalian fauna)?</li> </ol>			

<sup>8</sup>Significant adverse impacts on ecologically sensitive areas will be determined using international best practice and tools, as well as based on the outcomes of relevant studies within the ESIA.

<sup>9</sup> Critical habitat is defined based on global good practice as a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitats of significant importance for required for critically endangered or endangered species as defined by the IUCN Red List of Threatened Species; habitats of significant importance for endemic or restricted-range species; habitats supporting globally significant concentrations of migratory species and /or congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes. Primary Forests or forests of High Conservation Value shall be considered Critical Habitats. This includes HCV forests. HCV areas do not directly correspond with definitions for modified, natural, and critical habitat. The HCV Resource Network, an internationally recognized group, provides information and support on the evolving usage of HCV to ensure a consistent approach. <https://www.hcvnetwork.org/>.

Sl. No	Screening Questions	Yes	No	Comments (In the case select "yes", provide detailed information)
	iv. Is the proposed site located on agricultural land?			
	v. Is the proposed site located on area used by vulnerable groups			
	vi. Unique or aesthetically valuable land			
	vii. Is the proposed site located nearby airport			
	viii. Is the proposed site located in migratory route of birds			
<b>Potential Environmental Impacts</b>				
1.	Impacts on natural resources that constitute livelihoods of community (e.g. grazing or hunting grounds)?			
2.	Disfiguration of landscape?			
3.	Is there potential for landslide and soil erosion impacts?			
4.	Increase in waste generation?			
5.	Waste water from camping sites to be directly discharged to the surface water resources or not?			
6.	Construction waste directly discharged to the surface water?			
7.	Other potential biodiversity impacts (specify)?			
8.	Loss or destruction of unique or aesthetically valuable land			
9.	Disturbance of large areas due to material quarrying			
10.	Disposal of large quantities of construction spoils			
<b>Potential Community and Occupational Health and Safety Impacts</b>				
1.	Will the construction works disturb other commercial/community/residential activities?			
2.	Will the project create major noise/vibration?			
3.	Closest residence to the solar panel			
4.	Will it create dust problem around the sites?			
5.	Will project's construction cause disturbance to the transportation in the project's site?			
6.	Will batteries be removed/disposed (lead-acid or nickel-cadmium batteries) from battery-powered or battery-backup items?			
7.	Will there be social conflict in case of workers hired from other region?			
<b>Potential Social Impacts</b>				
8.	Permanent land acquisition			
9.	Temporary land acquisition			
10.	Type of land Private land Public land Government land Leasehold land			
11.	Type of land procurement Voluntary land donation (VLD) <sup>10</sup> Involuntary acquisition Negotiation			
12.	Loss of productive land			

<sup>10</sup> Voluntary land donation is strictly defined in international practice as the ceding of a property by an owner who is: a) fully informed; and b) can exercise free will, i.e., can refuse to sell or to donate. "Fully informed" means that the owner has complete information regarding the proposed activity and its impacts, its land requirements and its alternate activity sites, as well as his or her rights to compensation. The owner has also been provided with sufficient time to consider his or her disposition of the property, and the owner has knowingly rejected the right to renege on his or her initial decision. "Free will" means that the owner can reject the possibility of giving up his or her land.

<b>Sl. No</b>	<b>Screening Questions</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b> (In the case select "yes", provide detailed information)
13.	Impacts on livelihoods/ economic displacement?			
14.	Is there any household need to be relocated?			
15.	Is the resettlement site environmentally and/or culturally sensitive?			
16.	Project's construction will cause any damage to the existing local roads system?			
17.	Will soil excavation during project's construction cause soil erosion?			
18.	Will project need to open new access roads?			
19.	Will project cause encroachment on historical/cultural/religious areas?			
20.	Acquisition of private land leading to loss of shelter and livelihood			
21.	Involuntary land taking resulting in loss of income, livelihood, sources of livelihood, loss of access to common property resources and/or private residential and/or property resources			
22.	Adverse impact to women and girls including economic and safety concerns			
23.	Cultural, gender, and social norms and practices, particularly those which are harmful to women and girls that would be exacerbated as a result of project implementation.			
24.	Possible conflicts with and/or disruption to local communities			
25.	Any significant issues raised by the stakeholders during consultation including potential impacts of GBV/SEA			
26.	Uncontrolled human migration into the area, made possibly by the subproject activities and risk of GBV/SEA			
27.	Disproportionate impacts on the poor, children and other vulnerable groups			
28.	Community health and safety risks due to the transport, storage, and use and/or disposal of materials likely to create physical, chemical and biological hazards			
29.	Risks to community safety due to both accidental and natural hazards during project construction and operation			



## Annex 3: Environmental and Social Exclusion Criteria

### 2.3.1. Exclusion criteria for mini grid developers, SHS companies, and contractors

Mini grid developers under component<sup>11</sup>, SHS companies under component<sup>12</sup>, and contractors involved in construction and operation of university mini grids under component<sup>13</sup> will not be supported if they are involved in the following:

- Production or activities involving forced labor<sup>1</sup>
- Production or activities involving child labor<sup>2</sup>
- Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations<sup>3</sup>

### 2.3.2. Exclusion criteria for mini grid and power generation sites

The exclusion criteria for mini grid sites (component 1) and power generation sites (component 3) will apply as follows:

1. Sites that do not comply with relevant environmental and social national or state regulations of Nigeria<sup>14</sup>
2. Sites located in legally protected areas (e.g. national parks, conservation areas, forests)<sup>15</sup>
3. Sites located in internationally recognized areas<sup>16</sup>
4. Sites located in critical natural habitats<sup>17</sup>
5. Sites where mini grid construction and operation will cause significant degradation of natural habitats (e.g. mangroves)<sup>18</sup>
6. Sites in flood-prone zones
7. Sites located on land from which government agencies or builders have removed / involuntarily resettled local communities, including squatters or encroachers, without proper compensation<sup>19</sup>
8. Sites located on land associated with illegal forced evictions of previous owners or occupants<sup>20</sup>

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<sup>11</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>12</sup> Employees may only be taken if they are at least 15 years old, as defined in the ILO Minimum Age Convention (C138, Art. 2), and ratified by Nigeria in 2002. Children under the age of 18 will not be employed in hazardous work. Children will not be employed in any manner that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

<sup>13</sup> The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, usually known as the Basel Convention, is an international treaty that was designed to reduce the movements of hazardous waste between nations. Hazardous waste, as defined under the convention, will not be traded cross-border. Under Basel Convention, "hazardous wastes" are defined as (a) Wastes that belong to any category contained in Annex I, unless they do not possess any of the characteristics contained in Annex III; and (b) Wastes that are not covered under paragraph (a) but are defined as, or are considered to be, hazardous wastes by the domestic legislation of the Party of export, import or transit. National definition of hazardous wastes for Nigeria under Basel Convention can be found here: <http://www.basel.int/Countries/NationalDefinitions/NationalDefinitionsofHazardousWastes/tabid/1480/Default.aspx>

<sup>14</sup> Relevant environmental and social include those that prohibit development of mini grids and associated infrastructure in certain designated locations.

<sup>15</sup> Legally protected areas are those that meet the IUCN definition: "A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values." This includes areas proposed by governments for such designation.

<sup>16</sup> These are defined as UNESCO Natural World Heritage Sites, UNESCO Man and the Biosphere Reserves, Key Biodiversity Areas, and wetlands designated under the Convention on Wetlands of International Importance (the Ramsar Convention).

<sup>17</sup> Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitats of significant importance for required for critically endangered or endangered species as defined by the IUCN Red List of Threatened Species; habitats of significant importance for endemic or restricted-range species; habitats supporting globally significant concentrations of migratory species and /or congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes. Primary Forests or forests of High Conservation Value shall be considered Critical Habitats.

<sup>18</sup> Natural habitats are land and water areas where (i) the ecosystems' bio-logical communities are formed largely by native plant and animal species, and (ii) human activity has not essentially modified the area's primary ecological functions. All natural habitats have important biological, social, economic, and existence value. Important natural habitats may occur in tropical humid, dry, and cloud forests; temperate and boreal forests; Mediterranean-type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; sea grass beds; coral reefs; freshwater lakes and rivers; alpine and sub alpine environments, including herb fields, grasslands, and paramos; and tropical and temperate grasslands. Biodiversity outside of natural habitats (such as within agricultural landscapes) is not covered under this policy. It is good practice to take such biodiversity into consideration in project design and implementation.

<sup>19</sup> Resettlement activities should follow the process through which adverse social and economic impacts are minimized through (i) providing compensation for loss of assets at replacement cost defined as the market value of the assets plus transaction costs and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. These criteria will only apply to such resettlement / displacement that took place specifically in anticipation or preparation for the construction of mini grids.

<sup>20</sup> Permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Prohibition on forced evictions does not, however, apply to evictions carried out by force in accordance with national law and is conducted in a manner consistent with basic principles of due process, including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force. These criteria will only apply to such resettlement / displacement that took place specifically in anticipation or preparation for the construction of mini grids.

9. Sites in locations and / or developed in a manner that involves significant adverse impacts on physical cultural property<sup>21</sup>

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<sup>21</sup> Also known as 'cultural heritage', 'cultural patrimony', 'cultural assets' or 'cultural property'. Physical cultural resources are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial or national level, or within the international community.

#### Annex 4: Sample Environmental and Social Management Plans (ESMP)

The Environmental and Social Management Plan (ESMP) clearly laid out: (a) the measures to be taken during both construction and operation phases of the project to eliminate or offset adverse environmental impacts, or reduce them to acceptable levels; (b) the actions needed to implement these measures; and (c) a monitoring plan to assess the effectiveness of the mitigation measures employed.

The following table provides generic examples of common mitigation measures for various identified impacts which would be found in a typical ESMP. The table should be considered as generic guidance only; actual mitigations and management measures will need to be confirmed on a subproject basis as part of the ESIA process.

##### Generic Examples of Environmental Mitigation Measures in ESMP

Issue	Key Principle/Mitigation Standard	Mitigation Measures
<b>General Issues:</b>		
Water supply affecting ecology or neighboring community water supply.	Camp to provide its own water supply that does not affect village water supply.	Any water supply sources should be located so that it does not adversely affect the villages supply. The intake of water from streams for water supplies should leave residual flows in the watercourses. Storage tanks should be used to buffer water supplies.
Wastewater discharges affecting water quality	Wastewater to be treated prior to discharge.	Sewerage disposal methods should be designed to the standards outlined by the government
Solid waste polluting the environment and causing health hazards	No waste to be burnt or buried on site.	All solid wastes shall be removed from site and disposed of at a landfill.
Affected community health & safety	Avoid adverse impacts from both routine and non-routine circumstances	Evaluate the risks and impacts during project life-cycle; establish preventive and control measures; prepare emergency preparedness and response.
<b>Labor Issues:</b>		
Fairness of employment	Promote the fair treatment, non-discrimination, and equal opportunity	It will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The same employment treatment and career opportunities will be offered to both male and female employees non-discriminatingly.
Terms of employment	Establish, maintain, and improve the worker-management relationship	Adopt proper HR policies and procedures; provide workers with documented information that is clear and understandable, regarding their rights under national law. Provide and inform workers of an internal grievance process for workplace concerns.
Force labor and/or child labor	Not employ forced labor or child labor.	All work of persons under the age of 18 will be subject to an appropriate risk assessment and regular monitoring on health, working conditions and hours.
Employment of migrant vs. local labor	Compliance & fair treatment	Comply with national and local migrant worker regulation; employ only legal migrant workers; fair treatment to all workers.
Management of migrant labor	Ensure safety and fair treatment	Prevent labor camps, provide decent workers accommodation, and prepare measures to gender-based violence /sexual exploitation and HIV/AIDS issues
Occupational health & safety	Promote safe and health working conditions, and the health of workers	Provide a safe and healthy work environment, consider inherent risks, hazards, and specific threats to women. Take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work.
<b>General Construction Issues:</b>		
Noise of machinery associated with construction activities	Noise shall not unreasonably intrude on traditional village life.	Keep a current list of all noise producing machinery and noisy activities; Operate machinery only during designated hours in agreement with local communities; Adopt a grievance mechanism that will enable capturing and addressing issues upfront

Issue	Key Principle/Mitigation Standard	Mitigation Measures
		Work to be carried out in daylight, in typical working hours. Concrete batching plants and other noisy equipment to be located as far as practical from settlements
Dust generation from construction activities	Dust shall not cause a hazard or nuisance to village life.	Dusty operations to occur only during designated hours. Adopt a grievance mechanism. Concrete batching plants and other dusty equipment to be located as far as practical from settlements.
Vibration disturbance from construction activities	Vibration shall not unreasonably intrude on traditional village life.	Keeps a list of all vibration producing machinery and activities causing vibration. This machinery operation to occur only during designated hours (to be confirmed by contractor in agreement with villages). Use of complaints register and procedures to address issues as they arise.
Increased utilization of roads by traffic associated with construction activities	There should be no significant increased risk to local populations from traffic associated with the development.	Road upgrades, including signage, speed humps, re-grading. Training of locals regarding the hazards of traffic. Training of vehicle drivers regarding the driving risks through villages and along remote roads. Use of complaints register and procedures to address issues as they arise.
Pollution risk activities occurring on site	Develop appropriate storage, transport and use practices for storage and handling of mixed classes of dangerous goods in packages and intermediate bulk containers. There shall be no solid or liquid waste disposal directly or indirectly to any water course (whether flowing or not).	Keeps a current list of all potentially contaminating materials used on site. Develop and implement appropriate storage, transport and use practices to recognized standards. Solid waste disposal shall be taken off site.
<b>Excavation and Blasting:</b>		
Noise disturbance of local populations	Noise shall not unreasonably intrude on traditional village life.	Keep lists of all noise producing equipment. This machinery operation to occur only during designated hours (to be confirmed by contractor in agreement with villages). Blasting to occur at the same time each day, and / or a warning siren should sound prior to blasting.
Vibration disturbance of local populations	Vibration shall not unreasonably intrude on traditional village life.	Keep current lists of all vibration producing machinery This machinery operation to occur only during designated hours (to be confirmed by contractor in agreement with villages). Blasting to occur at the same time each day, and / or a warning siren should sound prior to blasting
<b>Material Stockpiling:</b>		
Runoff of suspended sediments from stockpiles	Stockpiling activities should not give rise to storm water containing elevated suspended solids. Provide treatment to achieve 75% reduction in suspended solids.	No direct discharge of sediment laden water without treatment. Stockpiles should be compacted as much as practical and not be exposed for extended periods. Storm water should be diverted around stockpiles.
Dust generation from stockpiles	Dust shall not cause a hazard or nuisance to village life.	Stockpiles should be compacted and not exposed for extended periods. Stockpiles should be reused as soon as practicable.
<b>Soil / Overburden Removal and Placement:</b>		

Issue	Key Principle/Mitigation Standard	Mitigation Measures
Generation of suspended solids from bare ground and runoff into watercourses	Development activities should not give rise to storm water containing elevated suspended solids. Provide treatment to achieve 75% reduction in suspended solids.	No direct discharge of sediment laden water without treatment. Earthworks and land clearance should be minimized and phased. Any discharges to watercourses should occur during high flow and / or discharged as close to the outfall as possible to maximize mixing. Stockpiling should occur at least 10m from a water course. Re-vegetation of exposed areas as soon as practicable. Timing of works around the drier seasons where possible. Provision of storm water cut off drains wherever possible.
Introduction of invasive species	Fill material should not contain invasive species.	The use of imported fill shall be minimized. Machinery should be cleaned prior to working on site to reduce the opportunity of the spread of weed seeds.
Disturbance of natural habitats for spoil / alluvial material.	Soils should be reused where possible in the development – to reduce the need for spoil sites and the need to import fill.	Stockpile and reuse soils before excavating new soils / alluvium.
Efficiency of control measures over time	Control measures should continue to work appropriately throughout the construction period.	Earthworks control measures should be inspected and maintained in efficient operating condition over the construction period.
Community nuisances.	Noise and dust shall not unreasonably intrude on traditional village life.	Concrete batching plants and other noisy / dusty equipment to be located as far as practical from villages.
<b>Works in and near Rivers:</b>		
Sediment discharges arising from working in and near the river. For blasting in or near the river, refer to the blasting issues, above.	Work in the wetted area of the riverbed should be minimized, and only in relation to the construction of the power house, weir and intake structure or to insert culverts for stream crossings.	Stabilize works at the end of each working day and prior to storm events. Do the work during low flow periods. Works shall be minimized. Diversion of the river around the work area where possible.
<b>Community impacts:</b>		
Key Considerations for a Communication Strategy to avoid deterioration of current quality of life and traditional livelihoods	Communication channels are established between Villagers, Construction Supervisors, and state PCUs to facilitate information flow and easier process for lodging complaints	Set up a communication network for discussing issues between contractors and the villagers and the state PCUs built on recognized negotiation structures Contractors will have an Environmental Specialist, OHS Specialist, and Social Specialist on site to ensure conformance with environmental health and safety guidelines and to respond to complaints A Health Program - as well as measures for prevention of gender-based violence, sexual exploitation, and HIV/AIDS - to be included in the Contractor's Construction and Workers Camp Management Plan. This will be made available to the communities Education and orientation of outside workers to local culture and social norms before the start of work. Camps to be self-sufficient in resources and services. (refer to the workers camp table below)

Issue	Key Principle/Mitigation Standard	Mitigation Measures
		Villagers shall be adequately informed of all potential hazards to health and safety with regards to increased traffic, blasting, machinery operation
Labor influx and gender-based violence, sexual exploitation	Labour influx management plans to ensure that SEA/SH risks are managed.	Sensitization campaigns for workers and communities, with special emphasis on vulnerable groups (such of women) Code of conduct and training for workers and managers on the construction sites Locations of labor camps away from sensitive receptors in communities (e.g. schools)
Traffic causing safety risks to road users	Construction traffic will be managed to minimize the impact on existing road users.	Signage to be used to identify current risks to road users. Construction Supervision consultancy and Contractors to discuss major traffic issues with village representatives prior to the event to discuss course of action. Heavy traffic to avoid the hours when school children walk to and from school.
Sediment affecting river water uses.	Sediment discharges to the river shall be minimized.	Refer to the sections above discussing erosion and sediment control.

The table below provides another example of how an ESMP typically would present the association between project activities, their impacts, the specified mitigation measures, institutional arrangements and costs for their implementation.

#### Sample ESMP Responsibilities and Costs

Project Activity	Potential Impacts	Proposed Mitigation Measures	Institutional Responsibility	Estimated Costs
Use of land within mini grid construction area and along the transmission line route	Damage to vegetation	Appropriate clearing techniques (hand clearing, not mechanized clearing) will be utilized. Any trees of protected species will be relocated. In case relocation is not possible, the project developer will pay a special fee to the local environmental fund.	Contractor/ Operating Company	
Use of land within mini grid construction area and along the transmission line route	Loss of fertile topsoil and soil erosion	Fertile topsoil will be removed, stored in an isolated area away from construction activities, and covered with plastic to prevent runoff/erosion. Upon construction completion, topsoil will be returned,  and the area revegetated with plants similar to the original vegetation/native to the area.	Contractor/ Operating Company	
Construction works	Air pollution by dust	When necessary, construction site will be sprayed with water, particularly during hot, dry, windy conditions.	Contractor/ Operating Company	
Construction works	Noise from construction works	Construction will be confined to normal work-hours (8AM to 6PM). If construction needs to be conducted before/after these hours, local public will be notified at least one week in advance.	Contractor/ Operating Company	—

## **Annex 5: ILO Occupational Safety and Health Requirement**

The ILO Constitution sets forth the principle that workers must be protected from sickness, disease and injury arising from their employment.

### **Key instruments on occupational safety and health**

1. Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)- [ratifications]

As an instrument setting out a promotional framework, this Convention is designed to provide for coherent and systematic treatment of occupational safety and health issues and to promote recognition of existing Conventions on occupational safety and health. The Convention is aimed at establishing and implementing coherent national policies on occupational safety and health through dialogue between government, workers' and employers' organizations and to promote a national preventive safety and health culture.

2. Occupational Safety and Health Convention, 1981 (No. 155) - [ratifications] and its Protocol of 2002 - [ratifications ]

The convention provides for the adoption of a coherent national occupational safety and health policy, as well as action to be taken by governments and within enterprises to promote occupational safety and health and to improve working conditions. This policy shall be developed by taking into consideration national conditions and practice. The Protocol calls for the establishment and the periodic review of requirements and procedures for the recording and notification of occupational accidents and diseases, and for the publication of related annual statistics.

3. (Occupational Health Services Convention, 1985 (No. 161) - [ratifications ]

This convention provides for the establishment of enterprise-level occupational health services which are entrusted with essentially preventive functions and which are responsible for advising the employer, the workers and their representatives in the enterprise on maintaining a safe and healthy working environment.

## **Annex 6: Sample Environmental and Social Impact Assessment (ESIA)**

### **Executive Summary**

This section shall describe the project activities, critical environmental and social issues, significant findings and recommended actions.

#### **1. Introduction**

- i. Background of the project
- ii. Scope and objectives of the ESIA study
- iii. Study methodology in details
- iv. Limitations of the study
- v. Composition of study team

#### **2. Policy, Legal and Administrative Framework**

- i. National and local requirements and relevant legislation
- ii. REA's requirements and guidelines
- iii. Investors requirements and guidelines (if applicable)

#### **3. Description of the project**

- i. Background and Rational of the Project
- ii. Project Site and Location
  - Description of the location of the proposed project with maps
  - Project area of influence
  - Nearby communities, environmentally sensitive areas, and heritage sites (For solar mini grid buffer zone should be 1 km)
- iv. Technical Aspects
  - Description of the project components, permanent and temporary facilities
  - Project equipment and civil works
  - Project ownership
  - Summary of project structures and operating regime
  - Construction activities
  - Operation and maintenance
  - Manpower requirements (including local and migrant workforce)
  - Construction machinery, materials and other supplies (including estimated numbers/quantities)
  - Land filling activities (if any)
  - Power supply arrangements
  - Waste generation and disposal (including estimated quantities)

#### **4. Baseline Environmental Conditions**

##### **4.1 Physical Environment**

- i. Topography
- ii. Geological Condition
- iii. Meteorological Condition (Rainfall, Temperature, Humidity, Wind speed)
- iv. Air Quality
- v. Noise Quality
- vi. Surface and Ground water quality
  - Surface:(testing of: pH, TDS, DO, COD, BOD)
  - Ground:(testing of: pH, Arsenic, TDS, alkalinity, Cl, Fe)
- vii. Project location from flood level
- viii. Soil Quality
- ix. Water resources
- x. Agro-ecological zones within project area of influence
- xi. Seismicity
- xii. Climate change and natural disasters
- xiii. Land use

##### **4.2 Biological Environment**

- i. Bio-ecological environment
- ii. Flora and Fauna
- iii. Protected areas
- iv. Terrestrial Ecosystem, Protected areas and IUCN Red List of Threatened Species



- v. Vulnerability to Climate Change and Natural hazard
  - Explain in detail about how the project will be affected by the climate change impact
  - Explain how the project is vulnerable to various natural calamities including flood, earthquake, drought, cyclone and so on

## **5. Social Impact Assessment**

### **5.1 Baseline Socio-economic Conditions**

- i. Distribution of population in the project area in terms of religion, age, sex, ethnicity, income, household size, occupational patterns and their relevance with the project, poverty
- ii. Project land
- iii. Land use and ownership (including traditional use and ownership)
- iv. Cropping and/or grazing patterns
- v. Vulnerability of the Affected Peoples (APs)
- vi. Employment
- vii. Livelihood
- viii. Physical and cultural resources (school, health post/ hospital, college, temple, monasteries etc.) in the project area
- ix. Communication facility
- x. Local amenities
- xi. Access to electricity
- xii. ethnicity,
- xiii. Gender inclusion/exclusion,
- xiv. Conflict management

### **5.2 Potential Social Impacts<sup>22</sup>**

- i. Overview of stakeholder and institutional analyses and a description of the data and information gathered
- ii. Description of potential adverse impacts on communities
- iii. Description of potential adverse impacts specifically on women and girls
- iv. Analysis of SEA/SH risks and resources
- v. Description of the legal and institutional context pertaining to vulnerable groups in the country including SEA/SH
- vi. Description of potential benefits for communities, especially vulnerable groups
- vii. Recommendations for project design and implementation, including recommendations to ensure that project benefits are culturally appropriate and sustainable, and recommendation for appropriate mitigation measures for any adverse impacts.
- viii. Recommendation for capacity building and institutional strengthening of local communities

## **6. Analysis of Project Alternatives**

- i. Reason to choose the technology
- ii. Without project alternative
- iii. Site Alternative
- iv. Distribution line routes
- v. Other temporary and permanent facilities

## **7. Stakeholder engagement including Grievance Redress Mechanism**

Stakeholder engagement process shall be conducted with the community and other stakeholders, and especially take into account modalities where vulnerable groups may be involved. The consultation shall include prior disclosure of information in a manner accessible and understandable to communities, key informant interviews, focus group discussion (male& female, youth) and public consultation. The consultation shall be documented with required facts, figures and evidence including participant list with contact details, photographs. Information shall be disclosed as per the requirement of National Regulations and relevant requirements of REA. This section shall describe the grievance redress mechanism.

## **8. Anticipated Environmental and Social Impacts and Mitigation Measures**

- i. General
- ii. Area of Influence (AoI)
- iii. Pre-construction Phase
  - Land taking/Land use / land filling
  - Flood Hazards
- iv. Construction Phase, Operational Phase and Decommissioning Phase

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<sup>22</sup> May include annexes on specific issues, such as: outline of the social assessment process, relevant maps, minutes of meetings and consultation with affected communities and other key stakeholders, etc.

- Visual Amenity
  - Birds and Bats Mortality
  - Air Quality
  - Noise
  - Soil
  - Water Resources
  - Terrestrial Ecology
  - Waste Generation
  - Occupational Health and Safety
  - Community Health and Safety
  - Vulnerable Community
  - SEA/SH
  - Employment Opportunities
  - Traffic Management
  - Archaeology and Cultural Resources
  - Cumulative and induced impacts
- v. Summary of Anticipated Impacts

### **9. Environmental and Social Management Plan (ESMP)**

This section deals with the set of mitigation management measures to be taken to avoid, reduce, mitigate or compensate for adverse environmental, occupational and social impacts with the institutional arrangement, monitoring schedule, parameters to be monitored and soon including tentative monitoring budget. It would include the following aspects:

- Types of impacts and their mitigations
- Mitigation measures
- Environmental Code of Practices (to be attached to bidding documents and/ or contracts)
- Monitoring Plan
- Communication and documentation
- Cost of ESMP
- Integration with Project (contract clauses, others)
- Grievance resolution process
- Plan for stakeholder/ community engagement during pre-construction, construction, and operation phases; the plan should include community mobilization approach from both social and commercial perspectives.

### **10. Resettlement Action Plan (RAP) and Livelihood Restoration Plan (LRP) (if applicable)**

This section deals with potential project activities involving land acquisition and/or restrictions on land use resulting in involuntary resettlement or economic displacement. A detailed RAP and/or LRP will be required in case of any displacement.

### **11. Environmental and Social Benefits**

This section will summarize how the project will provide benefits in environmental sector and social life, directly and/or indirectly.

### **12. Conclusion**

This section shall provide the conclusion drawn from the assessment and provides recommendation.

## **Annex 7: Sample of Outline of a Resettlement Action Plan (RAP)**

1. *Description of the project*: General description of the project and identification of the project area.
2. *Potential impacts*: Identification of
  - (a) the project component or activities that give rise to resettlement.
  - (b) the zone of impact of such component or activities;
  - (c) the alternatives considered to avoid or minimize resettlement; and
  - (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.
3. *Objectives and studies undertaken*: The main objectives of the resettlement program and a summary of studies undertaken in support of resettlement planning / implementation, e.g., census surveys, socio-economic studies, meetings, site selection studies etc.
4. *Regulatory framework*: Relevant laws of the country, policies and procedures, performance standards.
5. *Institutional framework*: Political structure, NGOs.
6. *Stakeholder engagement*: Summary of public consultation and disclosure associated with resettlement planning, including engagement with affected households, local and/or national authorities, relevant CBOs and NGOs and other identified stakeholders, including host communities.
7. *Socioeconomic characteristics*: The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people.
8. *Eligibility*: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
9. *Valuation of and compensation for losses*: The methodology used in valuing losses to determine their replacement cost<sup>23</sup>; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.
10. *Magnitude of displacement*: Summary of the numbers of persons, households, structures, public buildings, businesses, croplands, churches, etc., to be affected.
11. *Entitlement framework*: Showing all categories of affected persons and what options they were/are being offered, preferably summarized in tabular form.
12. *Livelihood restoration measures*: The various measures to be used to improve or restore livelihoods of displaced people.
13. *Resettlement sites*: Including site selection, site preparation, and relocation, alternative relocation sites considered and explanation of those selected, impacts on host communities.
14. *Housing, infrastructure, and social services*: Detailed plans to provide or to finance housing, infrastructure, and social services to resettlers and comparable services to host population.
15. *SEA/SH mitigation and response measures*: Detailed plans to mitigate and respond to SEA/SH risks during and after resettlement. Keeping in mind when women lack land rights, risk for SEA/SH are further heightened.
16. *Grievance procedures*: A description of the project's grievance mechanism, including an affordable and accessible third-party settlement procedure for resettlement related disputes.
17. *Organizational responsibilities*: The organizational framework for implementing resettlement.
18. *Implementation schedule and budget*: A detailed implementation schedule and budget.  
*Monitoring, evaluation and reporting*: A description of plans for resettlement monitoring and evaluation.

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<sup>23</sup> Replacement cost defined as the market value of the assets plus transaction costs.

## **Annex 8: Sample of an Outline of a Livelihood Restoration Plan (LRP)**

1. *Description of the project:* A brief description of the project components for which land acquisition and resettlement are required.
2. *Legal and Institutional Framework:* A description of the legal context within which the displacement operation will take place, including an analysis of local legislation, international standards requirements, the gaps between the two and how the project should fill such gaps.
3. *Socio-Economic Environment & Baseline Survey Findings of the affected area:* A socio-economic baseline of the affected communities, drawing from the census, the asset inventory and the socio-economic survey. An assessment of the various relocation sites considered and the justifications for the final site/s selected.
4. *Identification of Project Impacts:* An outline of the project's economic displacement impacts and how the project's design plans are being influenced by the important need to avoid / minimize such resettlement impacts. Consideration for how displacement will specifically impact women and girls must be included.
5. *Eligibility:* A definition of the criteria to be used to determine eligibility for compensation and other resettlement assistance.
6. *Entitlement:* A tentative entitlements matrix, a summary of which will be disclosed to the affected communities.
7. *Valuation and Compensation:* Methodology in evaluating level economic displacement and a description of the compensation package options and the livelihood restoration options that affected people will be asked to choose between.
8. *Livelihood Restoration and Enhancement:* The various measures to be used to restore, and improve whenever is feasible, the livelihoods of economically displaced people.
9. *Vulnerable Assessment and Assistance:* A description of dedicated assistance to vulnerable groups, such as women, elderly population etc.
10. *Stakeholder Engagement:* A description of the consultation and engagement strategy that is, and will be, used in the design and implementation of the livelihood restoration activities. A summary of the local views thus far expressed in the consultation and engagement process, and how these views have been taken into account in LRP development.
11. *Institutional Arrangements:* An analysis of the project's existing institutional framework, including the identification of responsible agencies, an assessment of institutional capacity and proposed capacity enhancement measures to be carried out to enable the institutional framework to implement the resettlement operation effectively.
12. *Grievance Mechanism:* A description of the project's grievance mechanism and its relevance to livelihood restoration.
13. *Monitoring and Evaluation:* A description of plans for livelihood monitoring and evaluation.
14. *Implementation Schedule and Compensation Budget:* A detailed implementation schedule and budget.

## **Annex 9: Outline for a Stakeholder Engagement Plan**

A good Stakeholder Engagement Plan should:

- Describe regulatory, lender, company, and/or other requirements for consultation and disclosure.
- Identify and prioritize key stakeholder groups, focusing on Affected Communities.
- Provide a strategy and timetable for sharing information and consulting with each of these groups.
- Describe resources and responsibilities for implementing stakeholder engagement activities.
- Describe how stakeholder engagement activities will be incorporated into a company's management system.

The scope and level of detail of the plan should be scaled to fit the needs of the project.

### **1. Introduction**

Briefly describe the project, including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.

### **2. Regulations and Requirements**

Summarize any legal, regulatory, lender, or company requirements pertaining to stakeholder engagement applicable to the project operations. This may involve public consultation and disclosure requirements related to the social and environmental assessment process.

### **3. Summary of any Previous Stakeholder Engagement Activities**

If the company has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:

- Type of information disclosed, in what forms, and how it was disseminated
- The locations and dates of any meetings undertaken to date
- Individuals, groups, and/or organizations that have been consulted
- Key issues discussed, and key concerns raised
- Company response to issues raised, including any commitments or follow-up actions
- Process undertaken for documenting these activities and reporting back to stakeholders

### **4. Project Stakeholders**

List the key stakeholder groups who will be informed and consulted about the project. These should include persons or groups who:

- are directly and/or indirectly affected by the project
- have "interests" in the project that determine them as stakeholders
- have the potential to influence project outcomes or company operations

### **5. Stakeholder Engagement Program**

- Summarize the purpose and goals of the program
- Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each group
- Briefly describe the methods that will be used to consult with each group
- Describe how the views of women, girls and other relevant sub-groups will be taken into account during the process in a safe and enabling environment.
- Describe any other engagement activities that will be undertaken

### **6. Timetable**

Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into the company's management system.

### **7. Resources and Responsibilities**

Who within the company will be responsible for carrying out these activities? What budget has been allocated toward these activities? Indicate what staff and resources will be devoted to managing and implementing the Stakeholder Engagement Program. Integration of the community liaison function with other core business functions is also important, as is management involvement and oversight.

### **8. Grievance Mechanism**

Describe the process by which people affected by the project can bring their grievances to the company for consideration and redress. Who will receive public grievances, how and by whom will they be resolved, and how will the response be communicated back to the complainant?

## **9. Monitoring and Reporting**

Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups?

## **10. Management Functions**

How will stakeholder engagement activities be integrated into the company's environmental and social management system and with other core business functions?

- Who will have management oversight for the program?
- What are the plans for hiring, training, and deploying staff to undertake stakeholder engagement work?
- What will be the reporting lines between community liaison staff and senior management?
- How will the company's stakeholder engagement strategy be communicated internally?
- What management tools will be used to document, track, and manage the process?

For projects or company operations involving contractors, how will the interaction between contractors and local stakeholders be managed to ensure good relations?

## **Annex 10: SHS Distributor Environmental and Social Management System: Basic Requirements**

This document provides basic requirements for the institution's Environmental and Social Management System (ESMS) for SHS distributors who are interested in being qualified for the DARES Components. There are three basic requirements for the institutional management of E&S issues, which also requires the SHS Company to commit sufficient resources and capacity to implementation.

### **1. Human Resources Policy**

SHS company will have in place an HR policy that expresses its commitments, at a minimum to: (1) comply with all relevant national labor laws and regulations; (2) promote the fair treatment, non-discrimination, and equal opportunity for workers; (3) establish, maintain, and improve the worker-management relationship; (4) allow workers' organizations and collective bargaining; (5) have in place a grievance mechanism for workers; (6) not to employ forced labor or child labor, including not hiring workers below minimum age, as defined by national law and not employ children in hazardous work.<sup>24</sup>

SHS company will adopt and implement human resources policies and procedures appropriate to its size and workforce that set out its approach to managing workers consistent with the requirements of national law. It will provide workers with documented information that is clear and understandable, regarding their rights under national labor and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur. It will provide and inform workers of an internal grievance process to raise their workplace concerns.

### **2. Occupational Safety & Health Policy/ Guideline**

SHS company will provide a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the work areas, including physical, chemical, biological, and radiological hazards, and specific threats to women. It will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, as far as reasonably practicable, the causes of hazards. OHS Guideline will also include steps, as relevant, for HIV/AIDS prevention. It will also include concrete plan for monitoring compliance with the Guideline in the SHS company operations.

### **3. Battery Collection/Recycling Policy**

If SHS company has an existing battery collection and/or recycling policy, this should be submitted with the application.

It is preferred that batteries are recycled to potentially reuse some of its components, where economically and technically feasible. This would be equally applicable for expired batteries and the batteries that will be replaced within the warranty period due to manufacturing fault or reasons outlined in warranty conditions.

The company shall systematically collect used battery units and engage with communities on the importance of recycling, if such program is in place. The suggested options that can be considered are:

- A. **Collection of Batteries by SHS Companies:** SHS company representatives will make arrangement to collect the battery units from the consumer and store it in the local offices. SHS company will take necessary measures to ensure safe storage of the batteries. It may be feasible for SHS company to send the warranty expired batteries to a central location.
- B. **Potential battery disposal / recycling options can be as follows:**
  - **Buy-back arrangements with manufacturers:** SHS company can put in place buy-back arrangements with the battery manufacturers and ensure safe transportation of the batteries to the manufacturer. SHS company and manufacturers can mutually decide on cost sharing of collection and transportation of expired batteries, for example sign a Memorandum of Understanding signed between them;
  - **Recycling at own facilities:** SHS companies may consider establishing their own recycling facilities. Recycling of lithium ion batteries is possible but, according to research and practice, makes little economic sense. Lithium ion batteries can be recycled, but only at specified locations. Projects are currently underway in Europe, the United States and Japan to develop effective and feasible recycling technologies with a complete life cycle analysis of recycling;

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<sup>24</sup>Employees may only be taken if they are at least 15 years old, as defined in the ILO Minimum Age Convention (C138, Art. 2), and ratified by Nigeria in 2002. Children under the age of 18 will not be employed in hazardous work. Children will not be employed in any manner that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

- **Recycling at centralized locations in the country:** If recycling facilities for lithium ion batteries exist, SHS companies must use those that are inspected by REA and Ministry of Environment and are considered safe and complainant with national regulations and World Bank standards;
- **Disposal:** Lithium ion batteries may qualify as household hazardous waste.<sup>25</sup> SHS company will ensure that the batteries are disposed in a particular designated area ensuring environmental and occupational health and safety in line with World Bank E&S standards and Environmental, health, and Safety Guidelines of the World Bank Group. SHS company will also comply with the government regulations, if any, regarding disposal of any of the components used in the battery units.

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<sup>25</sup> In some countries, they are classified as non-hazardous waste.



**Annex 11: Sample Self-Monitoring Checklist**

<b>Issues/aspects</b>	<b>Location</b>	<b>Mitigation measure</b>	<b>Key verifiable indicator</b>	<b>Person responsible</b>	<b>Remarks</b>	<b>Cost (Nigerian naira)</b>
Construction						
1.						
2.						
Etc.						
Operation						
1.						
2.						
Etc.						

**Annex 12: Sample Regular E&S Report to REA**

Name & Address of Mini grid Developer (the Company)			
Completed by (staff name, E&S manager/ coordinator):			
Contact Person Phone #:		Email:	
Position in Company:		Date:	
<b>Reporting Covering From:</b>		<b>To:</b>	

**1. Portfolio & Pipeline Operations:** Please provide details on each mini grid that is in any phase: planning, construction, operation, or decommission (add rows if needed)

Mini grid Location & Phase	E&S Category (I or II)	Category justification	E&S Instruments Prepared	Key E&S Risks	Compliance with Laws & Regulations (list clearances obtained and dates)	Sites fall under E&S Exclusion criteria for mini grid and power generation sites (Y/N?) <i>If yes, provide details</i>

**3. Land Acquisition Details**

Mini grid Location	Is involuntary resettlement or economic displacement needed? (Y/N)	Has RAP/ LRP been prepared? (Y/N)	Has community donated land to the project? (Y/N)	Type of ownership (individual/ family or community) and amount of land donated (m <sup>2</sup> )	Has additional land been purchased? (Y/N)	Has additional land been leased? (Y/N)

### 3. Progress on ESMS Implementation

Compliance	Yes/No	If yes, please provide details
Has the developer encounter any difficulties and/or constraints related to the implementation of the ESMS?		
Has there been any incident or accident related to resettlement (physical and/or economic)?		
Has the company got warning and/or fines?		
Has there been any complains from affected person and communities? If yes, describe nature of complains and proposed or agreed resolution?		
Has the budget/resources to implement the proposed E&S change(s) been committed?		
Has the company conducted E&S monitoring for projects? Please describe process and outcomes.		
Have there been any updates to the company's E&S Policy?		
Is there any E&S personnel (staff or consultant) change?		
Is there any E&S staff training including training on GBV and staff code of conduct?		
Is there an internal process to report on E&S issues to senior management?		
Is there any new public communication and/or stakeholder engagement on E&S issues? <i>Describe specific activities during reporting period</i>		
Other E&S issues/concerns		
Is there any internal confidential reporting with safe and ethical documenting of GBV cases and referral to appropriate GBV service provider?		

Signature \_\_\_\_\_

Date \_\_\_\_\_

## **Annex 13: Voluntary Land Donation Guidelines**

Voluntary land donation is strictly defined in international practice as the ceding of a property by an owner who is: a) fully informed; and b) can exercise free will, i.e., can refuse to sell or to donate. —Fully informed means that the owner has complete information regarding the proposed activity and its impacts, its land requirements and its alternate activity sites, as well as his or her rights to compensation. The owner has also been provided with sufficient time to consider his or her disposition of the property, and the owner has knowingly rejected the right to renege on his or her initial decision. —Free will means that the owner can reject the possibility of giving up his or her land.

VLD should only be authorized if they (a) have affected people as direct beneficiaries; (b) clearly document Informed Consent; (c) clearly document Power of Choice (option of refusal or to sell at prevailing market rate); and (d) meet the VLD guidelines of the project. The guidelines have been put into place to ensure that donations are indeed voluntary, that the donor is the legitimate owner of such lands, and that the donor is fully informed of the purpose of the donation and of the implications of donating the property.<sup>30</sup> If the land is donated on a conditional basis, the terms and conditions for the temporary use of the property must be clearly documented.

The following principles should be complied with when VLD is carried out:

### **Core principles:**

- The land required to meet technical project criteria must be identified by the affected community through a participatory approach and not by the developer, line agencies or project authorities (nonetheless, technical authorities can help ensure that the land is appropriate for project purposes and that the project will produce no health or environmental safety hazards); mini-grids can be sited in any location within a community so long the location meets the technical criteria for the investment
- The proportion of land that may be donated cannot exceed 15 m<sup>2</sup> per kW of the proposed generation capacity plus an additional 7.5m<sup>2</sup> per kW for future generation capacity expansion
- Land donation for a single mini-grid or power generation system shall not exceed 10% of the land donor's holdings in cases where land ownership is individual or family
- Land required above 1,500 m<sup>2</sup>, whether for initial construction or future generation capacity expansion, can be either leased using leasehold agreement (using ground rent scale set by each state in Nigeria) or bought on willing-buyer, willing-seller basis at current local market price in the community
- Donated land can only be used for power plant construction and future expansion and be fenced off accordingly <sup>30</sup> Voluntary land donation is strictly defined in international practice as the ceding of a property by an owner who is: a) fully informed; and b) can exercise free will, i.e., can refuse to sell or to donate. —Fully informed means that the owner has complete information regarding the proposed activity and its impacts, its land requirements and its alternate activity sites, as well as his or her rights to compensation. The owner has also been provided with sufficient time to consider his or her disposition of the property, and the owner has knowingly rejected the right to renege on his or her initial decision. —Free will means that the owner can reject the possibility of giving up his or her land.
- Shall the donated land not be used for power plant construction within three years, the unused land shall be returned to the donor.

### **Additional requirements:**

- Impacts of proposed activities on donated land must be fully explained to the donor
- The potential donor is aware that refusal is an option, and that right of refusal is specified in the donation document the donor will sign
- The act of donation is undertaken without coercion, manipulation, or any form of pressure on the part of the developer, the public or traditional authorities
- The donor may request monetary or non-monetary benefits or incentives as a condition for donation

- Donation of land cannot occur if it requires any household relocation
- For community or collective land, donation can only occur with the consent of individuals using or occupying the land
- Verification must be obtained from each person/ family donating land (either through proper documentation or through confirmation by at least two witnesses)
- The implementing agency or mini grid developers establish that the land to be donated is free of encumbrances or encroachment and registers the donated land in an official land registry
- Any portion of donated land that is not used for its agreed purpose is returned to the donor
- The land in question must be free of squatters, encroachers, or other claims or encumbrances
- Land thus donated is free from any dispute on ownership, squatters, encroachers, or other claims or any other encumbrances.

**Procedure:**

***Step 1: Determining and Documenting the Appropriateness of VLD for the Subproject***

In considering the relevance of VLD for the specific subproject, mini-grid developer will document:

- How much land the subproject would require on both a permanent and temporary basis
- What the land would be used for
- What alternatives to donation exist (e.g. right of use, right of way, lease or purchase)
- The proposed terms of any donation of land
- Any other details that are relevant to why donation of land may be appropriate.

***Step 2: Official Notification to Landowners regarding the Option for VLD***

If it is determined that VLD could be relevant for a subproject, the local authority (e.g. village head) will provide landowners with official written notification of the proposed construction of electricity infrastructure within their area and the associated opportunity for voluntary donation of land.

***Step 3: Briefing to Interested Landowners of the Process of VLD***

If the landowner indicates to the village head or similar authority that he or she is interested in VLD, they should brief the landowner/village about the process of VLD and explain the VLD form that would be required to be completed and signed by the landowner/villager and his/her spouse, as relevant. Prior to briefing the interested landowner, the village head should confirm that:

- The interested landholder/villager would not lose more than 10% of his/her total productive assets
- No physical relocation of the interested landowner/villager and/or his/her family would be necessary.

***Step 4: Due Diligence Verification Process to Confirm Land Ownership and Use***

If the interested landowner and his/her spouse confirm that they would like to proceed with VLD, the next step is to verify the ownership and use of the land proposed to be donated.

The verification process should review available information and documentation regarding:

Mini grid developer should:

- The owner or owners of the land
- The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land)
- Any competing claims of ownership or use
- Structures and assets on the land
- Trees or crops on the land

- Any encumbrances on the land.

It is important to: (i) identify the right that is being transferred (an ownership right, a use right, a right of way, etc.); and (ii) check whether the donor actually has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflict has arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbors.

#### ***Step 5: Public Consultations and Disclosure***

The decision to voluntarily donate land must be taken on the basis of a full understanding of the specific subproject and the consequences of agreeing to donate land. Accordingly, the parties that will be affected by the donation (the owners and users of the land, and the neighbors to the land as appropriate) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation may have on them and their families. Prior written notification indicating the location and amount of land that is sought must be provided and its intended use must be disclosed.

Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else, within direct and extended families, should be consulted about the proposed donation of land in advance of it taking place; for example, older children.

Further to this, there should be a clear agreement as to which party/ies will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of remeasuring/re-titling the transferee's remaining land and any new documentation relating to it.

#### ***Step 6: Establishing Informed Consent***

Mini grid developer, in coordination with the village administration, would verify the informed consent or power of choice by landholders who had selected to donate land. In particular, the following would be verified and documented in the voluntary land donation form:

- That the donor has a right to refuse to donate or an option to sell at prevailing market rate
- What the land is going to be used for, by whom and for how long
- That the landowner donating the land would be deprived of the ownership or right to use the land, and what this really means
- That the landowner has a right to refuse to donate the land
- Whether there are alternatives to using the land
- The process that would need to be followed to donate the land (e.g., execute documents, get spousal consents, pay taxes)
- The effect of the donation on the land donor's family, and what they can do if they (or their family or heirs) decide they want the land back.

The right to refuse must be a legitimate right, unconditional, and the potential transferee must be capable of exercising it in the local community and political context. For this reason, it is important to be sure that the decision to donate is undertaken without coercion, manipulation, or any form of pressure on the part of public or traditional authorities. For collective or communal land, donation must be based upon the informed consent of all individuals using or occupying the land.

#### ***Step 7: Preparation of Clear and Appropriate Documentation***

While it is important to have evidence of an intention and agreement to donate land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to

the legal transfer of the land is frequently complicated and time consuming, it must be addressed. *[In specific circumstances, for example where the land is being transferred to the community, it may not be necessary to legally transfer the land. However, experience indicates that lack of formal transfer can create significant uncertainty in the future, which impacts on the sustainability of the infrastructure and services, and can have a negative effect on community relations.]*

Mini grid developer should:

- Identify the appropriate documentation, including the agreement to make the land transfer and any legal documentation that may be required
- Ensure that the agreement:
  - Refers to the consultation has taken place;
  - Sets out the terms of the transfer; - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
  - Attaches an accurate map of the land being transferred (boundaries, coordinates);
  - Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documents the residual land rights
- Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children of legal age
- Ensure that the transfer and title is registered or recorded; and
- Ensure that the land remaining after the donated land is excised is properly titled, registered or recorded.

It is also important to maintain a record of the process that has been followed. Such documents could include the following:

- The notification indicating the location and amount of land that was sought and its intended use for the project, with a record of when and where this was made public
- Records of the consultations that were held and what was discussed
- A copy of the due diligence that was conducted
- Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved
- Copies of all documents, registrations or records evidencing the legal transfer of the land
- A map, showing each parcel of land
- Appropriate documentation for reverting the land to the donor upon decommissioning from the site.

#### ***Step 8: Grievance redress arrangements***

The project specifies the means by which donors (and, potentially, persons whose use or occupancy was not recognized in the transfer of land) may raise grievances, and measures to ensure consideration of, and timely response to, grievances raised. The grievance process includes participation of reviewers not directly affiliated with the village administration. The grievance process imposes no cost upon those raising grievances, and participation in the grievance process does not preclude pursuit of legal remedies under the laws of the country.

**VOLUNTARY LAND DONATION (OR LAND LEASE) FORM**

This form or an equivalent document is to be used to record the consent of land owners who offer private land for a community good activity. The essentials of voluntary donation are that the donors have been freely consulted prior to the donation, were not pressured or coerced, that the donation will not affect a significant proportion (more than 10%) of their productive assets, and that they have the right to refuse and to lodge a complaint if they have a grievance about the process.

**Consent Form for Voluntary Donation**

I/We: \_\_\_\_\_ male household head \_\_\_\_\_ female household head, and/or person(s) exercising customary rights over land described as (legal description, GPS coordinates if available) in

**Village** \_\_\_\_\_

**Island** \_\_\_\_\_

**Province** \_\_\_\_\_

Hereby declare that I/we/the group are the owners/users of the land required for (description):

\_\_\_\_\_

I/we are voluntarily donating the use of land and or/ land-based assets (land area, type of assets /trees/crops etc) \_\_\_\_\_

\_\_\_\_\_ for the purpose of: (specify activity)

\_\_\_\_\_

\_\_\_\_\_

We agree to this purpose from (date)\_\_\_\_\_ for as long as the purpose is served *or* until (specify end date, typically the life expectancy of the facility)\_\_\_\_\_

I/we make this donation of My/Our own free will. I/We are waiving My/Our right to compensation of any kind for the specified duration of the activity.

I/We affirm that we have been fully and freely consulted and informed about the activity prior to agreement, have not been subject to any form of coercion, understand that I/we have the right to refuse, and to seek redress for any grievance concerning this transaction.

**Signed:**

Male household head \_\_\_\_\_ /Female household head \_\_\_\_\_

Chief or Local Custom Authority