GRMF Environmental and Social Safeguard Requirements and Applicable Standards

GRMF – 7th Application Round
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Bank aus Verantwortung
GRMF Developer Manual, Section 11
Comprehensive Information on E&S Requirements and Applicable Standards
Environmental and Social Risk Management

- The assessment of environmental and social impacts and risks, including their significance and materiality, as well as the development of adequate management plans and programmes are key tools for achieving sound environmental and social performance for undertakings funded by GRMF.

- The central tool to address and manage the specific risks and impacts of geothermal projects is an appropriate **environmental and social management system** (ESMS), in line with relevant legislation of the host country and compliant with the **Applicable Standards**.

(GRMF Developer Manual)

**The Developer’s E&S Assessment and Management System (ESMS)**

- E&S/Sustainability Policy;
- Identification of Risks and Impacts;
- Management Programme;
- Organisational Capacity and Competence;
- Emergency Preparedness and Response;
- Monitoring and Review;
- Stakeholder Engagement;
- External Communications and Grievance Mechanism; and
- Continuous Reporting to Affected Communities
The Applicable Standards

- **Host Country Law and regulations** (including international law and treaties and conventions adopted by the host country and applicable to the project)

In addition:

- IFC Environmental and Social Performance Standards (IFC 2012)
- World Bank Group’s General Environmental and Health and Safety Guidelines and selected Industry Sector Specific EHS Guidelines
- ILO Core Labor Standards
- For resettlement aspects: UN Basic Principles and Guidelines on Development-based Evictions and Displacement

**Human Rights Diligence:**
GRMF Human Rights Guidance for Developers (December 2020)
IFC Environmental and Social Performance Standards (PS1-PS 8), 2012

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

PS 2: Labor and Working Conditions

PS 3: Resource Efficiency and Pollution Prevention

PS 4: Community Health, Safety and Security

PS 5: Land Acquisition and Involuntary Resettlement

PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

PS 7: Indigenous Peoples

PS 8: Cultural Heritage

Human Rights Diligence, e.g. Labor Rights, Land Rights, Non-Discrimination, Participation Rights
Stakeholder Engagement

➢ Developer is required to prepare and implement a continuous process of stakeholder engagement to be built into project planning and implementation.

➢ Information exchange with all identified stakeholder groups prior to the start of the project and at key decision-making points:
  ▪ Inform about project’s risks and impacts
  ▪ Consultation of affected communities during project implementation to allow for expression of their views on project risks, impacts, and mitigation measures

➢ Stakeholder Engagement Plan: formal Description of this approach

➢ Grievance Mechanism from the commencement of activities onwards

Special Case: Indigenous People

• Assessment at the very outset of the project whether indigenous communities are present in the wider concession area.

• If so and if IFC PS 7 is triggered, apply the principle of free, prior and informed consent (FPIC)
Requirements for Surface Studies

Environmental and Social Risk Screening Report
Initial environmental and social information and risk and impact screening of planned activities, work plan for acquisition of further environmental and social information and related activities during surface study phase

Draft Stakeholder Engagement Plan (SEP)
Overall approach for stakeholder engagement and corresponding activities to be undertaken during Surface Study phase, i.e. how will stakeholders be informed and consulted

Environmental and Social Scoping report
Identification of key issues to be considered in the full ESIA for Exploration Drilling, Terms of Reference for full ESIA
Stakeholder Engagement Plan
Draft SEP + information obtained during the surface study phase + outlook for engagement in exploration drilling phase
Any other E&S documentation as required by national legislation
Geothermal Development

Environmental and Social Risks (examples)

- Impacts on Flora and Fauna from earthworks, vegetation clearance, noise and vibration and emissions during the Project life.
- Loss of wildlife migratory corridors and pastoralist grazing lands through fencing and erection of Project infrastructure.
- Landscape character, visual impacts from air emission, surface scarring during construction activities and introduction of distinct features in the rural landscapes.
- Soil erosion from earthworks, material sourcing, alteration of drainage patterns and increased run-off from paved surfaces.
- Landslides and soil creep from acutely cut areas, quarries other weakened slopes from Project works.
Geothermal Development
Environmental and Social Risks (examples)

- Increase in water resource abstraction from rivers, lakes or through boreholes for use in Project construction and operation of Plants and turbines.

- Increased air quality degradation from dust, vehicular emissions and gases released during Project operations.

- Noise and vibration from equipment operations, machine and turbine engines.

- Waste generation from construction activities, process effluents and accommodation.

- Occupation health and safety risks from machine/equipment use, transport, poor workmanship…if the workforce is not well trained on safety and health.
Physical displacement associated with land take.

Economic displacement due to loss of livelihood activities or reduction in income due to Project activities.

Conflicts over resources

Immigration of workers from other areas into the local community.

Spread of communicable diseases from workforce/interaction with locals.

HIV / AIDs and Sexually Transmitted Infections.

Staff accommodation and management.

Social Change and disruption associated with presence of immigrants or workforce.

Possible marginalization of sections of the indigenous community due to introduction of new cultures and immigrant population for the Project.
- New GRMF Guidance to support targeted integration of Human Rights Risks into the development of ESIA and any environmental and social management plans.
- Available on GRMF’s Website

![Diagram of Human Rights Due Diligence through GRMF Funding Process]

GRMF – 6th Application Round Pre-Bidding Workshop – 30th November 2020
Some Key Questions to identify Environmental and Social Risks (I)

### Project Siting (Location/Setting)
- Does the project impact areas adjacent to or within any of the following sensitive areas?
  - Legally protected area and cultural sites (e.g., forest reserve, National Park, Ramsar site, archeological site, traditional/sacred site etc.).
  - Environmentally sensitive areas or critical habitats (such as primary forests, wetlands, mangrove, estuaries)
  - Known areas of historical/cultural/archaeological interest
  - Areas prone to natural disasters or places of cultural and social interest

### PS 3 - Resource Efficiency and Pollution Prevention
- Will the project involve any land clearance or construction activities?
- Will the project involve use, transport, storage of hazardous materials and/or hazardous wastes? (including agrochemicals)?
- Please describe potential pollution impacts resulting from the project.
  - Consider impacts on air, surface and ground water, soils, noise and vibrations, for example:
    - Water use from surface or groundwater bodies.
    - Pollution due to poor use of agrochemicals
    - Contamination of soils through poor waste management practices

### PS 4 - Community Health, Safety, and Security
- Are there measures in place to ensure the project complies with national community health, safety and security regulations?
- Please describe potential community health & safety impacts resulting from the project.
- Consider impacts on local communities, road traffic for example:
  - Increased risk of traffic accidents due to transport requirements.
  - Storage of hazardous materials close to domestic households.
  - Noise and disturbance affecting local communities.
  - Removal of areas providing “ecosystem services”.

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Pre-Bidding Workshop – 30th November 2020
### PS 5 - Land Acquisition and Involuntary Resettlement

Does the project have the potential to cause physical resettlement or economic displacement (i.e. displacement of people from homes and/or disturbance of economic activities/livelihoods/businesses)?

Consider also associated facilities, access restrictions and property value loss.

Will the project’s land take have negative impacts on vulnerable groups (e.g. the poor, female headed households, people with physical disabilities, children etc)?

### PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Will the project involve any vegetation clearing?

Will the project involve any agricultural soil management techniques, application of fertilizer or pest management?

Will the project introduce new seed varieties, hybrids, Genetically modified crops (GM) or other non-native plant species that have the potential to impact the local biodiversity?

### PS 7 - Indigenous Peoples/Historically Underserved Traditional Local Communities

Is the project site in an area inhabited by or important to indigenous tribal or traditional peoples? E.g. forest dwellers, hunter-gathers, pastoralists and other nomadic groups.

Even if indigenous groups are not found at the project sites, is there still a risk that the project could affect the rights and livelihood of Indigenous Peoples/Historically Underserved Traditional Local Communities?

Is IFC PS 7 is triggered? If yes, has the principle of free, prior and informed consent (FPIC) been applied by the Developer?

### PS 8 - Cultural Heritage

Are any known areas within the project area with archaeological, paleontological, historical, cultural, artistic, and religious value (e.g. burial sites, buildings or monuments, sacred natural sites, ceremonial areas)?
Requirements for Drilling Projects

- Environmental and Social Impact Assessment (ESIA) including assessment of Human Rights Risks
- Environmental and Social Management Plan (ESMP)
- Stakeholder Engagement Plan (SEP) covering all project phases;
- Any other environmental and social management plans as identified as required and applicable (e.g. Resettlement Action Plan, Livelihood Restoration Plan, etc.)

Evaluation of Application: Environmental and Social Due Diligence (ESDD), comprising a Gap Analysis against the Applicable Standards.
- Any gaps and respective actions to close these gaps become part of the Environmental and Social Action Plan (ESAP).
- Overall ESAP will become integral part of the Grant Agreement.
- Disbursements will require due implementation of the ESAP actions (Independent Review of Developer’s E&S reports and No Objection from GRMF)

Final E&S Report, referring to full implementation of the ESAP including all sub-plans

Approved final E&S Report as pre-requisite for final disbursement
Reporting requirements

During Surface Study Phase:
- Monthly status reports, comprising information
  - on stakeholder engagement activities and respective findings
  - on the progress of environmental and social field studies.
→ Template of E&S reporting will be attached to the grant contract

During Exploration Drilling Phase:
- Monthly status reports, comprising information
  - on stakeholder engagement activities and respective findings
  - on environmental and social performance
→ Template of E&S reporting will be attached to the grant contract
Questions and Answers

Thank you for your attention

Q&A