GRMF Environmental and Social Safeguard Requirements and Applicable Standards

GRMF – HEAT kick-off webinar on 1st December 2022

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Bank aus Verantwortung
Environmental and Social Risk Management

Key tools for sound environmental and social performance for undertakings funded by GRMF.

- Assessment of environmental and social impacts and risks
- Development of adequate management plans and programs

Appropriate **environmental and social management system** (ESMS)

- Central tool to address and manage the specific risks and impacts of geothermal projects
- 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;
  - 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

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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**

### Application

- Review by GRMF, subject to No Objection
- Approved documentation becomes part of the Grant Agreement

### Completion Surface Studies

- Review by GRMF, subject to No Objection
- Condition for disbursement

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**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 (incl. IP screening)

**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 - how will local communities in the survey area be informed about the activities and consulted during the field work. The SEP will contain an initial grievance mechanism, to be further developed based on information from stakeholder engagement during the surface studies.

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**Environmental and Social Scoping Report**

Identification of key issues to be considered in a full ESIA, Terms of Reference for full ESIA

**Updated 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
Requirements for Temperature Gradient Wells

- All steps as for Surface Studies apply

In addition

- All equipment, material and waste shall be removed from the drilling site and deposited appropriately.
- The Developer shall establish and implement a Restoration Plan.
- Following completion of site restoration, the handover of the land used temporarily back to the original owner/user shall be documented in the format of a Handover Protocol to be signed by both, the landowner/user and the Developer.
- The TG well has to be properly sealed in accordance with best industry practice. This process has to be documented.
New GRMF Guidance to support integration of Human Rights Risks into the development of ESIA and any environmental and social management plans. Available on GRMF’s Website.
Reporting requirements

During Surface Study Phase:

• Monthly status reports, comprising information
  • on stakeholder engagement activities and respective findings
  • on environmental and social aspects

→ Template of E&S reporting will be attached to the grant contract
Geothermal Development
Environmental and Social Risks (examples)

- 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.
Geothermal Development
Environmental and Social Risks (examples)

- 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.
- Possible marginalization of indigenous community due to introduction of new cultures and immigrant population for the Project.
Questions and Answers

Thank you for your attention

Q&A