

EBRD COVID-19 Resilience Framework - Environmental and Social Assessment Training Programme

Module 3 – Reporting Framework

Introduction

EBRD has developed a reporting framework to present the ESDD findings. This guidance covers Tasks 1 and 3 of the ESDD process. Guidance for the Task 2 site visits is provided in each PR guidance document. The findings of the site visit should be incorporated in the ESDD report.

It is important to note that the overall aim of any ESDD assignment, regardless of the specific characteristics of an individual Project, is to:

- identify and assess potentially significant, existing and future, adverse environmental and social impacts associated with the Client's current operations and the Project;
- assess compliance with applicable laws and EBRD's Environmental and Social Policy (2019);
- determine the measures needed to prevent or minimise and mitigate the adverse impacts; and
- identify potential environmental and social opportunities, including those that would improve the environmental and social sustainability of the Project and the current operations.

The ESDD process should be commensurate with, and proportional to, the scale and magnitude of the Project, and the associated environmental and social risks and impacts. The ESDD will cover, in an integrated way, all relevant direct and indirect environmental and social risks and impacts of the Client's operations, the Project and the relevant stages of the Project cycle (e.g. pre-construction, construction, operation, and decommissioning or closure and reinstatement). The ESDD will also determine whether further studies are required, focusing on specific risks and impacts, such as climate change, human rights, gender, and identify possible historical environmental and social impacts, such as soil or groundwater contamination, or land ownership disputes.

The ESDD report should be prepared to meet the above objectives.

The scope, format and contents of the ESDD report will vary depending on the scale of the Project, particularly for Category A Projects that require an Environmental and Social Impact Assessment.

EBRD will issue a precise scope of work for each ESDD and the Consultant is expected to use its professional judgement to determine how the PRs should be applied. PRs that are not relevant should be identified in the ESDD report along with a short justification.

Task 1 – Review of existing documentation

The Task 1 initial findings should be reported using the format below covering 2-4 pages in total, so that it is short and concise.

PR	Task 1 Key Findings / Information Gaps
1	Assessment and Management of Environmental and Social Risks and Impacts
1.1	<i>Add details of the key findings here using bullet points, focusing on the areas that require detailed investigation during Task 2.</i>
1.2	
2	Labour and Working Conditions
3	Resource Efficiency and Pollution Prevention and Control
4	Health, Safety and Security
5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
6	Biodiversity Conservation and Sustainable Management of Living Natural Resources
7	Indigenous Peoples
8	Cultural Heritage
10	Information Disclosure and Stakeholder Engagement

Task 3 – Analysis and reporting using the EBRD format

The documentation reviewed during the ESDD process should be listed.

Digital photographs taken should be labelled with a brief explanation (typically inserted using a text box) that describes the purpose of including the photograph, and how the content relates to the ESDD findings. Digital photographs should be inserted as an appendix to the main ESDD Report.

An important component of the ESDD Report is an analysis of the Client's and/or Project compliance with applicable laws and EBRD's Environmental and Social Policy and Performance Requirements (2019). Where gaps in compliance are identified, the following should be considered:

- Does the presence of this gap pose a significant risk to EBRD, as the investor?
- Could the gap result in regulatory enforcement action being taken by the relevant government authority, or result in reputational damage to EBRD?
- Could the gap be easily corrected by a change in procedure, or is an additional assessment required?
- If an additional assessment is required, then does any additional baseline data need to be collected on environmental or social receptors?
- Could the analysis of this new baseline data generate additional risks for the investor, once the status of the environmental and social receptors is understood?

Example ESDD report format

An example ESDD report format is provided below along with an outline of the content.

Executive Summary

A concise summary description of the Project, its rationale, existing operations and overall setting, significant environmental and social risks and impacts identified by the ESDD, recommended mitigation and enhancement measures that the Client has not yet identified, which are necessary, outline of the future monitoring framework, and the overall conclusions of the ESDD, which should include a judgement of the Client's ability to address the actions identified in the ESAP.

1 | Project Description

Precise description of the Project within its geographical, environmental and socio-economic context, and details if it is part of a wider development plan or programme. This chapter should include a detailed analysis of the Project's options and alternatives, and the extent to which the Client has considered these, including the 'do-nothing' option.

2 | Legal Requirements

Outline of the policy, legal and administrative context of the national or international environmental and social impact assessment and/or permitting requirements,

summarising the environmental and social and Project approval requirements of the Bank, co-financiers and applicable regional/global conventions or agreements. The timeframe for public consultation, Project appraisal and implementation should be outlined, in addition to:

- applicable international financial institutions' environmental and social assessment requirements and procedures;
- host country, regional and international regulatory framework, standards and guidelines, treaties applicable; and
- Good International Practice (GIP) and industry standards.

3 | Baseline Conditions

A description of the environmental and social conditions in areas affected by the existing operations and the Project to include, amongst others:

- Climate
- Air quality
- Noise and vibration
- Geology, topography and soils
- Natural hazards
- Hydrology and surface water
- Hydrogeology
- Landscape and visual
- Biodiversity and designated areas
- Terrestrial flora
- Terrestrial fauna
- Aquatic and wetland biological resources
- Geo-political setting and administrative structures
- National and regional economic setting
- Income distribution and livelihoods
- Population, demographics and migration trends
- Land use and land tenure
- Community health
- Gender
- Human rights and access to justice
- Social infrastructure and services (education, social welfare services)
- Transport
- Conflict and security
- Cultural heritage
- Worker safety and health

Baseline data should be recent and reliable and relevant to the Project locations. The baseline data should help to identify the existing footprint and to assess the impacts of future Projects. *NOTE: ESDD consultants sometimes provide lengthy description of*

baseline data, taken from academic sources, which is not verified and not linked specifically to the Project's area of influence.

4 | Potential Risks and Impacts

Identification of the potential environmental and social risks and impacts that could be associated with the existing operations and the Project, including those of an indirect and cumulative nature. Impacts which are unlikely to arise, or be insignificant, should be identified along with a short justification. Potential impacts must be considered at a local, national and international level, where necessary.

5 | Characterisation of Risks, Impacts and Opportunities

Identification and characterisation of the significant, positive and negative, environmental and social risks and impacts in terms of their magnitude, significance, reversibility, extent and duration.

Potential cumulative impacts should be considered. Quantitative assessment tools should be employed where relevant to do so. This chapter should also identify opportunities for environmental and social enhancement and identify key uncertainties and data gaps. Both the existing operations and the following Project stages must be considered in this assessment, where appropriate:

- Construction phase
- Operation and maintenance
- Closure and decommissioning
- Residual environmental and social risks and impacts

6 | Management of Risks and Impacts

Review and identification of gaps within the Client's approach to implement feasible and cost-effective measures to avoid, minimise, mitigate or compensate for environmental and social risks and impacts to acceptable levels. This may include the need for additional worker health and safety improvements, inter-agency coordination, community involvement, institutional strengthening or training, etc. An outline of any measures that would enhance environmental and social aspects within the area affected by the Project should be included.

A summary of any financial provisions required for the risks identified should be included, such as the use of escrow accounts or insurance cover to provide for abandonment, decommissioning, site remediation and oil spills, etc. This should include the existing and all future stages of the Project (construction, implementation and maintenance, closure and decommissioning) and also consider residual environmental and social risks and impacts.

7 | Monitoring and Supervision

An evaluation of the monitoring plans proposed, and a description of how environmental and social risks and impacts will be monitored in the future. This should include a description of how the Project will be supervised by lenders and

governmental agencies. Details of any additional monitoring activities required should be described.

Estimates should be provided for capital expenditure and operation and maintenance costs, where possible. This should include the existing and all future stages of the Project.

8 | Mitigation and Management Plan

An evaluation of the management measures proposed, and a description of how environmental and social risks and impacts will be managed in the future, referencing the Client's documentation where necessary.

A record of all measures required to address environmental and social risks and impacts, as well as monitoring and supervisory activities associated with these, should be prepared using a tabular form. This should also indicate institutional responsibilities, timeframes and associated costs.

Appendices

- Names of those responsible for preparing the ESDD report
- References and sources of information
- Records of public meetings and consultations held
- Supporting technical data
- EBRD Compliance Summary Table (see **below**)
- ESAP (this may also be presented as a standalone document)

Guidance on Completing the Compliance Summary

For each indicator (subheading) within the PR the steps below should be completed with the results placed into the Compliance Summary.

Step 1 - Decide whether the indicator is applicable. For Category A and B Projects the starting point is that all indicators are applicable unless the Project has no significant aspects relevant to the indicator (i.e. no risks), in which case the indicator should be scored "NA" and a brief justification given. For Category C Projects the starting point is all indicators are NA unless the Project has a significant aspect relevant to the indicator (i.e. there is a material risk).

Step 2 - Decide whether an opinion is possible. If not (for example if the indicator will apply, but it is too early in the Project) score as "NOP" and provide a brief justification.

Step 3 – This step involves scoring each of the PR indicators. To use the scoring system consider the level of 'Risk' and 'Confidence' which are classified as 'High', 'Medium' or 'Low'.

Risk: the extent to which the current situation of the Project for the indicator, may generate an unacceptable environmental and social impact that may adversely affect environment, health and safety of employees and communities and inflict losses to livelihoods.

Confidence: this reflects the ability of the Client to address the risk identified through the corrective action described in the ESAP. For example, if the action is to update an existing document with information that is already available, then the confidence you may have in the Client being able to satisfactorily close out this action out could be 'High'. However, if the risk requires additional surveys to be completed, and the outcome of those surveys may generate the need for changes in the Project's design to occur (due to a type of species present, for example), then the level of confidence you may have that this risk can addressed in the future could be 'Medium' or 'Low'.

The matrix below refers to the way in which 'Risk' and 'Confidence' are combined to reach a compliance score that is one of the following: Exceeding Compliance (EC), Fully Compliant (FC), Partial Compliance (PC); or Material Non-compliance (MN).

Risk	High	PC	MN	MN
	Medium	PC	PC	MN
	Low	FC	PC	PC
		High	Medium	Low
		Confidence		

The compliance scores are defined as follows:

EC	Exceeding Compliance: The Project has gone beyond the expectations of EBRD's PR requirements. EBRD should be able to use Projects rated EC as a role model for positive Environmental and Social effects.
FC	Fully Compliant: The Project is fully in compliance with EBRD's requirements, and EU and local environmental, health and safety policies and guidelines.
PC	Partial Compliance: The Project is not in full compliance with EBRD's requirements, but has systems, processes or mitigation measure in place which are working towards addressing the deficiencies.
MN	Material Non-compliance: The Project is not in material compliance with EBRD's requirements, and the systems, processes and mitigation measures in place are not working towards addressing the deficiencies.

Step 4 - Actions Required: Add a summary in the 'Actions Required' column that are required to achieve Full Compliance. Each action should be included in the ESAP and a column in the Compliance Summary is provided for the relevant ESAP reference to be inserted.

Step 5 - PR Summary: Provide an overall summary of compliance for each PR using the above compliance scores with a short justification

NOTE: the Material Non-compliance score has significant implications for Project

approval and requires particular care when used. The consultant should reflect on the overall ability of the Client to undertake the necessary actions to achieve compliance in the future, and the potential for any additional environmental and social surveys required to address the risk identified.

The table overleaf presents the reporting format for the Compliance Summary and lists the individual PR indicators that should be used.

Compliance Summary Reporting Format

KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
1	Assessment and Management of Environmental and Social Risks and Impacts				
	Summary:				
1.1	Environmental and Social Assessment				
1.2	Environmental and Social Management Systems				
1.3	Environmental and Social Policy ¹				
1.4	Environmental and Social Management Plan				
1.5	Organisational Capacity and Commitment				
1.6	Third-Party Risk				
1.7	Project Monitoring and Reporting ²				
2	Labour and Working Conditions				
	Summary:				
2.1	Human Resource Policies and Working Relationships				
2.2	Child and Forced Labour				
2.3	Non-Discrimination and Equal Opportunity				

¹ Where the Project represents a substantial extension to the Client activities, confirm that Policy and supporting management systems and plans are appropriate for the new activities.

² At appraisal stage there will be limited information. Compliance assessment should address specific plans for monitoring and reporting (against for example ESAP requirements) and also consider whether there is evidence of weak monitoring/reporting by Client on other relevant Projects - which may reduce confidence in future performance.

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KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
2.4	Workers Organizations				
2.5	Wages, Benefits, and Conditions of Work and Accommodation				
2.6	Collective Dismissals				
2.7	Grievance Mechanism				
2.8	Non-Employee Workers				
2.9	Supply Chain				
3	Resource Efficiency and Pollution Prevention and Control NB. Appraisal should carefully consider (and state) what regulations or standards have been applied to compliance assessment (e.g. EU, National, Sector Best Practice). Assessments should address how Best Available Techniques (BAT) have been considered.				
	Summary:				
3.1	Resource Efficiency (water, waste)				
3.2	Pollution Prevention and Control - Air emissions				
3.3	Pollution Prevention and Control - Waste waters				
3.4	Greenhouse Gases ³				
3.5	Safe Use and Management of Hazardous Substances and Materials				
3.6	Pest Management				
4	Health, Safety and Security				
	Summary:				

³ Particular attention should be given to Client demonstration of consideration of alternatives. Projects expected annually to produce more than 25,000 tonnes of Co2 equivalent should provide an emission inventory and plans for annual reporting.

KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
4.1	Occupational Safety and Health				
4.2	Community Health and Safety				
4.3	Gender-Based Violence				
4.4	Infrastructure, Building, and Equipment Design and Safety				
4.5	Hazardous Materials Safety				
4.6	Product Safety				
4.7	Health and Safety Risks in Community Services				
4.8	Traffic and Road Safety				
4.9	Natural Hazards				
4.10	Exposure to Disease				
4.11	Emergency Preparedness and Response				
4.12	Security				
5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement				
	Summary:				
5.1	Avoidance or Minimisation of Displacement				
5.2	Avoidance of Forced Eviction				
5.3	Negotiated Settlements				
5.4	Consideration of Vulnerable Groups				
5.5	Consideration of Gender Aspects				

KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
5.6	Socio-economic Surveys				
5.7	Census, Inventory of Affected Assets and Cut-off Date				
5.8	Valuation of Affected Lands and Assets				
5.9	Eligibility Classification				
5.10	Compensation and Benefits for Affected Persons				
5.11	Voluntary Land Donations				
5.12	Loss of Community Facilities, Utilities and Public Amenities				
5.13	Stakeholder Engagement				
5.14	Grievance Mechanism				
5.16	Planning and Implementation				
5.17	Organisational Capacity and Commitment				
5.18	Private-sector Projects with Government-managed Land Acquisition and Resettlement				
5.19	Monitoring and Evaluation				
5.20	Physical Displacement and Resettlement Assistance				
6	Biodiversity Conservation and Sustainable Management of Living Natural Resources				
	Summary:				
6.1	Assessment of Risks and Impacts				
6.2	The Protection and Conservation of Biodiversity, Priority Biodiversity Features and Critical Habitats				

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KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
6.3	Legally Protected and Internationally Recognised areas of Biodiversity Value				
6.4	Invasive Alien Species				
6.5	Sustainable Management of Living Natural Resources				
6.6	Supply Chains				
7	Indigenous Peoples				
	Summary:				
7.1	Indigenous People Assessment				
7.2	Meaningful Consultation				
7.3	Information Disclosure, Meaningful Consultation and Informed Participation				
7.4	FPIC				
7.5	Impacts on Customary Lands and Resources				
7.6	Relocation of Indigenous Peoples from Traditional or Customary Lands				
7.7	Cultural Heritage				
7.8	Compensation and Benefit-Sharing				
7.9	Grievance Mechanism				
8	Cultural Heritage				
	Summary:				
8.1	Consultation with Affected People, Communities, and Other Stakeholders				

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KPI Ref.	Performance Requirement	Compliance Score	Comments/ Issues	Actions Required	ESAP Ref.
8.2	Assessment of Risks and Impacts				
8.3	Chance Finds Procedure				
8.4	Legally Protected and Internationally Recognised Areas				
8.5	Project's Use of Cultural Heritage				
10	Information Disclosure and Stakeholder Engagement				
	Summary:				
10.1	Engagement during Project preparation and Stakeholder Identification				
10.2	Stakeholder Engagement Plan				
10.2	Information Disclosure				
10.2	Meaningful Consultation				
10.2	Disclosure and Consultation on Category A Projects				
10.2	Engagement during Project implementation and external reporting				
10.2	Grievance Mechanism				
10.2	Changes to Project Environmental and Social Risks and Impacts				
Overall Compliance					
11.1	National Environmental, Social, Health and Safety Requirements				
11.2	EU Environmental, Social, Health and Safety Requirements				

Preparing the Environmental and Social Action Plan

The ESDD consultant is often required to prepare an ESAP to summarise the gaps identified, actions required to address the gap, and a timeframe for completion. The ESAP will focus on those issues that are required to bring the operations into compliance with the EBRD's requirements and will be presented by each PR. Each action identified must be numbered, clearly defined, indicate a time frame for completion (with specific reference to those actions that must be completed before financial close) and a responsible party specified. Each item must also contain a description of the criteria that will be used to determine when the identified action is closed/completed. The Consultant will also inform the Client about any material budget implications of ESAP items, although this information may not be included in the version of the ESAP that is publicly disclosed.

The ESAP will be prepared as a concise document. Where needed, additional information can be provided in the ESDD Report or other accompanying document.

The ESAP should be presented using the reporting format provided below:

Environmental and Social Action Plan Template

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
PR1	Assessment and Management of Environmental and Social Risks and Impacts						
1.1	<i>The actions identified from the ESDD should be specified here under the relevant PR. For example: Conduct an options analysis to demonstrate that the location of the Project's locations has been fully optimised, taking into consideration relevant stakeholder views.</i>	<i>The action should then be linked to the strategic management of environmental and social risks. For example: Avoidance or minimisation of environmental and social risks and impacts</i>	<i>Refer to the relevant requirement from EBRD which is linked to the action. For example: PR1 Best practice</i>	<i>Identify here the resources that are required to implement the action. For example: Client resources, External consultant</i>	<i>Add here a reasonable timescale for completion. This will need to be discussed and agreed with the Client and EBRD.</i>	<i>State here how the completion of the action is to be demonstrated. For example: Options Analysis Report</i>	<i>State here the current status of the action. This will be regularly updated as the Project proceeds. For example: Incomplete</i>
PR2	Labour and Working Conditions						
2.1							
PR3	Resource Efficiency and Pollution Prevention and Control						
3.1							

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No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
PR4	Health, Safety and Security						
4.1							
PR5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement						
5.1							
PR6	Biodiversity Conservation and Sustainable Management of Living Natural Resources						
6.1							
PR7	Indigenous People						
7.1							
PR8	Cultural Heritage						
8.1							
PR10	Information Disclosure and Stakeholder Engagement						
10.1							