

# Environmental and Social Management System Guideline for Participating Financial Institutions

---

CLIMATE RESILIENT SUSTAINABLE AGRICULTURE PROJECT (CRESAP)-  
P172592

Ministry of Agriculture, Food Security & Enterprise  
GOVERNMENT OF BELIZE

FINAL -- JANUARY 22, 2024

## Table of Contents

<b>1. Introduction</b> .....	<b>3</b>
<b>2. Objectives of the ESMS for PFIs</b> .....	<b>3</b>
<b>3. Sample Environmental and Social Policy for a PFI</b> .....	<b>4</b>
<b>4. Relevant laws and policies</b> .....	<b>6</b>
<b>5. Scope of the PFI ESMS</b> .....	<b>9</b>
<b>6. Organizational Capacity and Competency</b> .....	<b>9</b>
6.1. Overview of the PFI ESMS Accountability, Roles and Responsibilities .....	9
6.2. Training and Resource Documents.....	10
<b>7. Environmental and Social Procedures</b> .....	<b>12</b>
7.1. Phase 1: Screening and Appraisal .....	15
7.2. Phase 2 and 3: Feedback to Beneficiary and MGC Approval.....	15
7.3. Phase 4 Monitoring.....	18
7.4. Updating the ESMS .....	20
<b>8. Reporting Incidents and Accidents</b> .....	<b>20</b>
8.1. Process for Reporting Material Adverse Events in CSA Investments .....	20
8.2 Definition and Classification of Adverse Incidents to be reported by Beneficiaries and PFIs .....	22
<b>9. Monitoring and Reporting</b> .....	<b>22</b>
<b>10. Stakeholder Engagement</b> .....	<b>23</b>
10.1. Stakeholder Engagement .....	23
10.2. External Communication Mechanism .....	24
<b>11. Annex</b> .....	<b>26</b>
Annex 1 - CSA Investment Environmental and Social Screening Form .....	26
Annex 2 - Summary of project risk classification and requirements.....	37
Annex 3 - Exclusion list.....	39
Annex 4 - Environmental and Social Management Plan Template and Sample .....	40
Annex 5 - E&S Incident Report Template.....	42
Annex 6 – Quarterly Environmental and Social Monitoring Report Template for PFIs to report to BSIF PIU ...	44
Annex 7 – Stakeholder Engagement Form .....	47
Annex 8 -- Grievance Redress Mechanism (GRM) Template for PFI Labour Management Procedures .....	52

## 1. Introduction

The Government of Belize (GOB), with financing from the World Bank (WB), is implementing a project titled 'Climate Resilient and Sustainable Agriculture Project (CRESAP)'. The Project Development Objective is to increase agricultural productivity and the adoption of climate-smart agricultural approaches among project beneficiaries and respond effectively to an Eligible Crisis or Emergency event. The Project will target four districts of northern Belize namely Cayo, Orange Walk, Corozal, and Belize for all eligible sub-sectors and banana and citrus producers nationally. The eligible subsectors in the target districts comprise climate-smart production of sugar cane, citrus, grains, legumes, root crops, vegetables, livestock, fruit trees, and aquaculture. The Ministry of Agriculture, Food Security and Enterprise (MAFSE) will maintain overall responsibility for the implementation of CRESAP, but it has designated the Belize Social Investment Fund (BSIF) as the Project Implementation Unit (PIU) to coordinate and manage all Project activities.

The Project will crowd in private sector financing for the adoption of climate-smart agriculture (CSA) technologies and practices via the Climate-Smart Matching Grants Program. Under this program, the BSIF will sign an agreement (a Participating Financial Institution Agreement) with each participating financial institution to implement Subcomponent 2.2 – Promotion of CSA technologies and practices via matching grants and leveraging of private capital. This subcomponent will promote the uptake of CSA technologies and practices, which will be complemented by private loans from Participating Financial Institutions (PFIs) covering the financial assistance needed for the implementation of CSA Investments. Respective responsibilities will be set forth in the PFI Agreements to be signed between BSIF and PFIs prior to their participation in the Project.

The Environmental and Social Standard 9 (ESS9)<sup>1</sup> of the WB Environmental and Social Framework (ESF) is applicable to the PFIs since the CSA subprojects they finance will include financial support from the WB. **The requirements of ESS9 will only apply to the PFI subprojects financed through WB's support and not to the entire portfolio of the PFI.**

Aspects of ESS2<sup>2</sup> will also apply to PFIs in the project with each PFI being required to demonstrate that they have a safe and healthy work environment.

## 2. Objectives of the ESMS for PFIs

Under ESS9 of the material measures and actions set out in the Project's Environmental and Social Commitment Plan (ESCP), each PFI is required to develop and maintain an Environmental and Social Management System (ESMS) to identify, assess, manage and monitor the

---

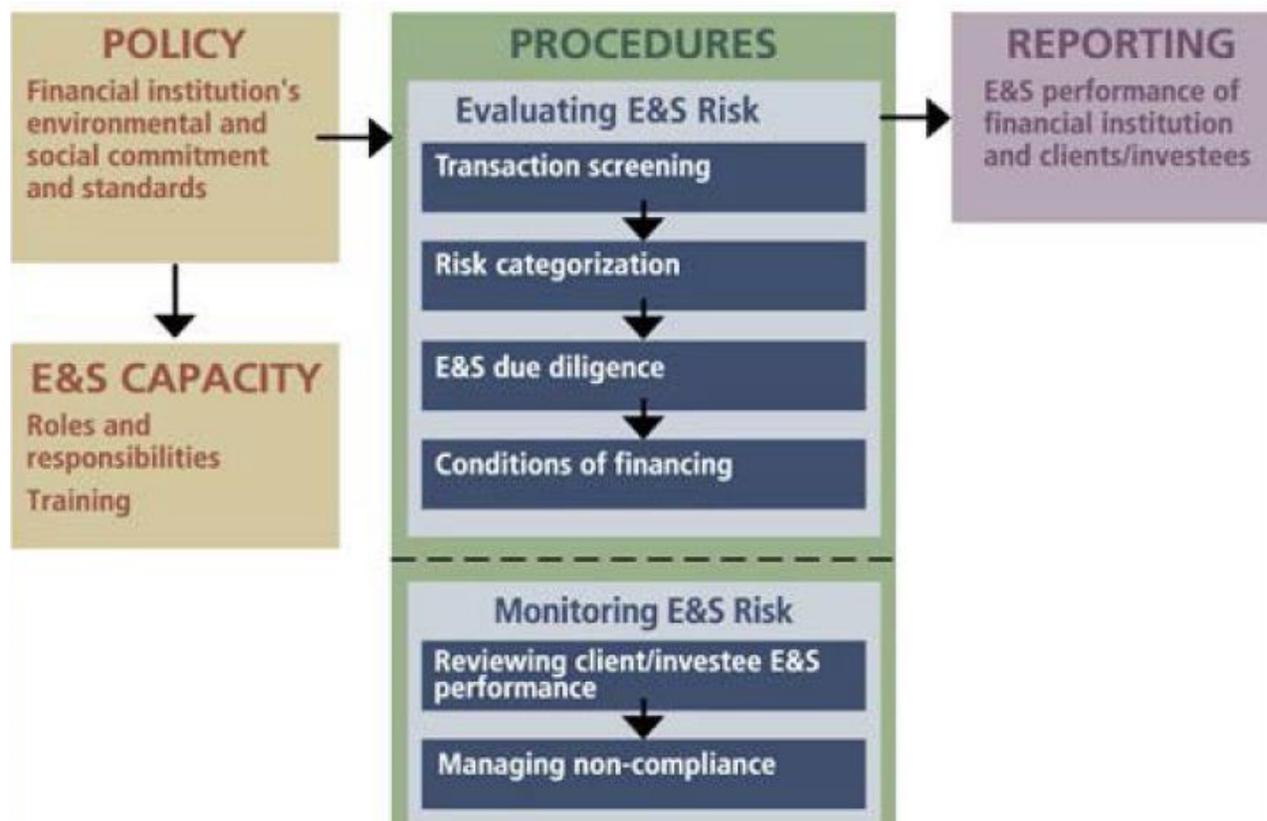
<sup>1</sup> See ESS9 Guidance Note: <https://documents1.worldbank.org/curated/en/484961530217326585/ESF-Guidance-Note-9-Financial-Intermediaries-English.pdf>

<sup>2</sup> <https://documents1.worldbank.org/curated/en/149761530216793411/ESF-Guidance-Note-2-Labor-and-Working-Conditions-English.pdf>

environmental and social risks and impacts associated with the CSA Investments that they finance. ESS9 therefore promotes good environmental and social management practices in those subprojects as well as sound human resources management within the PFI. Because the World Bank is providing support to the PFI to fund clearly defined CSA Investments, the requirements of the ESMS will only apply to each of the CSA Investments financed through the World Bank financed project, not to the PFI's existing or future portfolio.

Where the PFI already has an ESMS in place, it will provide adequate documented evidence of such an ESMS, indicating which elements, if any, will be enhanced or modified to meet the requirements of ESS9, and ESS2 for the operations of the PFI.

Overview of ESMS components:



### 3. Sample Environmental and Social Policy for a PFI

As a responsible business supporting the development of Belize, we are committed to integrating environmental and social considerations into our operations that are receiving support from the World Bank. As an expression of this commitment, we have incorporated an

Environmental and Social Management System (ESMS) to clearly detail how environmental and social risk of CSA subprojects are assessed, managed, and monitored.

In particular, the [name of PFI], through this Environmental and Social Policy, will ensure the following in the relevant CSA Investments being funded by [name of PFI]:

(a) All CSA Investments will be prepared and implemented in accordance with relevant laws and regulations of Belize and the World Bank's ESS9. In addition to ESS9, certain CSA Investments may be required to apply other ESSs of the World Bank's Environmental and Social Framework (ESF) as outlined in this ESMS;

(b) The Agreement signed between BSIF and [Name of PFI] will require CSA Investments to be screened against exclusions as listed in Annex 3;

(c) All CSA Investments will be screened for environmental and social (E&S) risks and impacts using the Screening Form in Annex 1;

(d) All CSA Investments which would require the resettlement of people will be screened out using the Screening Form in Annex 1;

(e) All CSA Investments with adverse risks or impacts on Indigenous Peoples will be classified as either substantial risk or high risk and be forward to the BSIF PIU for discussion.

(f) Any CSA investment which poses significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will be managed by applying the relevant aspects of the World Bank ESSs and may require the development of an environmental and social management plan (ESMP) with mitigation measures and monitoring to ensure effective implementation of the plan;

(g) The E&S risk management process is integrated into the credit review cycle and is not a separate process that is disjointed;

(h) The ESMS will be annually updated and reported on its implementation as required by PFI stakeholders;

(i) That a representative of senior management is designated for the overall accountability of the ESMS;

(j) That there are designated people with roles and responsibilities to support the implementation of the ESMS; and

(k) That the ESMS be signed off by PFI senior management.

#### 4. Relevant laws and policies

As a minimum, CRESAP subprojects must be compliant with the legal framework of Belize (permitting, occupational health and safety, etc.). As such, they must be screened to ensure that sub-borrowers are demonstrating compliance with the applicable law and policies. PFI's existing exclusion lists, if available, are also considered material at this stage. CSA Investments will be screened out if activities fall within such an exclusion list in the first instance.

Key relevant legislation to consider include:

<b>Legislation and Section</b>	<b>National Requirements</b>	<b>Responsible Authority</b>
The Environmental Protection Act, Revised 2000	<ul style="list-style-type: none"> <li>- prevention of pollution on land, water and air</li> <li>- prohibitions on dumping of waste</li> <li>- environmental impact assessment</li> <li>- the control of nutrients deposited into the environment</li> <li>- Assessment requirements for project depending on whether they fall into Schedule 1,2 or 3</li> </ul>	Department of the Environment, Ministry of Sustainable Development, Climate Change and Disaster Risk Management
The Environmental Impact Assessment Regulations, Amended 2007	<ul style="list-style-type: none"> <li>- Assessment of effects on humans, flora and fauna, water, soil, air, and ecological balance</li> <li>- The EIA is required to include measures that should be undertaken to mitigate any adverse environmental effects</li> </ul>	Department of the Environment, Ministry of Sustainable Development, Climate Change and Disaster Risk Management
Wildlife Protection Act, 1982 (Revised 2000)	<ul style="list-style-type: none"> <li>- regulations for the use and limitation of use of wildlife and all that is contingent on for its survival</li> </ul>	Forest Department, Ministry of Sustainable Development, Climate Change and Disaster Risk Management
The National Integrated Water Recourse Act, Revised 2011	<ul style="list-style-type: none"> <li>- monitoring and sustainable use of freshwater resources</li> </ul>	Ministry of Natural Resources
Land Utilization Act, Revised 2000	<ul style="list-style-type: none"> <li>- manage and regulate sustainable use and development of land as well as conservation measures for land resources</li> </ul>	Ministry of Natural Resources
Pollution Regulations, Revised 2009	<ul style="list-style-type: none"> <li>- monitor and govern air, noise, water, and land pollution</li> </ul>	Department of the Environment, Ministry of Sustainable Development, Climate Change and Disaster Risk Management

The Forest Act, Revised 2000	- Protection and preservation of trees, forest products as it relates to felling of trees, grazing of cattle, hunting, shooting, clearing for cultivation, burning lime or charcoal, and collecting and removing forest products	Forest Department, Ministry of Sustainable Development, Climate Change and Disaster Risk Management
The National Parks System Act, Revised 2000	- designation of national parks, wildlife sanctuaries, natural monument, and nature reserves	Department of the Environment, Ministry of Sustainable Development, Climate Change and Disaster Risk Management
The Nuisances Act Chapter 118, Revised Edition 2000	- ability to remove a nuisance where any building or place or any activity of the contractors, whether by land or water	Court may authorize the City, Village or Town Council in whose district the building, place or way is situated
Disaster Preparedness and Response Act Chapter 145, Revised Edition 2003	- governs disasters and disaster risk management - defines disaster emergency and holds power to proclaim a state of emergency when the Governor-General is satisfied	National Emergency Management Organization (NEMO)
The Public Health Act and Regulations Chapter 40, Revised Edition 2003	- regulates water supply, drainage, garbage collection and storage, infectious diseases, mosquito destruction, sanitation, and prevention of nuisances in all spaces	Ministry of Health, Public Health Department
The Social Security Act Chapter 44, Revised Edition 2003	- stipulates that employers pay social security contributions for employees	Ministry of Finance
Protection Against Sexual Harassment Act 1996, Revised edition 2000	- prohibits sexual harassment at the workplace and at institutions	Labor Department
The Labor Act and Regulations Chapter 297, Revised Edition 2000	- make provisions for recruiting employees, terms and conditions of employment, payment of wages, dispute resolution	Labor Department
The Workmen Compensation Act Chapter 303, Revised Edition 2000	- makes provisions for contractors' liability for compensations in the event of an accident	Labor Department

The Family and Children's Act and Regulations Chapter 173, Revised Edition 2003	- prohibits employing any child in a capacity where it is detrimental to his/her health, education, or mental, physical or moral development	Ministry of Human Development
The Village Council Act and Regulations Chapter 88, Revised Edition 2011	- establishes village councils across every village and mandates them with the good governance and improvement of the community including the sanitation of the village, drainage and sewage, the suppression and abatement of nuisances, ensuring sound environmental practices by all persons in the village, etc	Labor Department, Ministry of Rural Transformation
The Motor Vehicles and Road Traffic Act Chapter 230, Revised Edition 2000	- prohibits persons from driving work vehicles without licenses or authorisations	Department of Transport
The National Institute for Culture and History Act Chapter 331, Revised Edition 2000	- makes provision with respect to the protection and conservation of ancient monuments and related matters	Ministry of Education, Culture, Science and Technology
Bill for the Occupational Safety and Health Act, 2014	- Act in the pipeline for every employer to ensure, as far as is reasonably practicable, the safety, health and welfare at work of all his/her workers	Labor Department

## 5. Scope of the PFI ESMS

The PFI will develop an ESMS scaled and adjusted to fit the particular context and risk profile of the CSA Investments, for example, by applying the following thresholds:

- a. **Loan amount thresholds:** different loan/financing amount thresholds can be established to determine the extent of due diligence that will be applied to the different loan amounts.
- b. **Business Segment thresholds:** different E&S risk management approaches can be established for different business segments such as Micro finance, SMEs and Corporate loans.
- c. **E&S risk classification thresholds:** different E&S risk management approach can be established according to different risk classification thresholds.

## 6. Organizational Capacity and Competency

PFI must ensure that there is organizational capacity and competency to implement the ESMS, with clear lines of accountability and training guidance.

### 6.1. Overview of the PFI ESMS Accountability, Roles and Responsibilities

The PFI will designate a representative of the PFI's senior management to have overall accountability for environmental and social performance of the PFI's portfolio of CSA Investments, including the implementation of the ESMS and Labor Management (ESS2) and resources necessary to support such implementation. The PFI representative will:

- (a) designate a staff member to be responsible for day-to-day implementation of the ESMS, including the environmental and social procedures;
- (b) ensure that adequate resources are available for management of and training in environmental and social issues; and
- (c) ensure that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the E&S risks of the PFI subprojects, including providing implementation support as required.

The PFI may use in-house staff with the appropriate qualifications or retain the services of external experts to establish the PFI ESMS and to conduct the assessment of CSA Investments.

Accountability also refers to the promotion of good E&S human resources management within the PFI. The PFI may adopt the CRESAP Labor Management Procedure (LMP) and Grievance Mechanism (GM) for labour, as disclosed here:

<https://www.agriculture.gov.bz/climate-resilient-agriculture-project-cresap/>

As the World Bank's ESS2 on Labor and Working Conditions applies to the PFI itself, the PFI should:

- (a) Adopt and implement human resources policies and procedures;
- (b) Document and communicate to all employees their rights under national labor and employment laws, any applicable collective agreements, working conditions and terms and conditions of employment, and notifying them when any material changes occur;
- (c) Promote fair treatment, nondiscrimination, and equal opportunity of all employees;
- (d) Establish and manage a grievance process to learn about employees' concerns and suggestions, and to handle complaints about working conditions; and
- (e) Provide a safe working environment through appropriate occupational health and safety programs and measures.

The PFI will provide adequate documented evidence of such procedures to the BSIF PIU. A template for the PFIs to use to describe the GM component of their LMPs is provided in the Annex 8 of this document.

## **6.2. Training and Resource Documents**

The PFI will ensure that the requirements of the ESMS and PFI's LMPs are clearly communicated to all relevant PFI personnel and to ensure that relevant personnel have the necessary knowledge and capabilities for managing E&S risks in accordance with the PFI's ESMS. The PFI will ensure this by continually educating employees on the ESMS and LMPs.

PFI's staff responsible for the Project, including any external consultants, will receive training on the PFI's ESMS, and SEP, GM, LMPs, Gender Based Violence (GBV), Environmental and Social Health and Safety (ESHS) Guidelines, and the roles and responsibilities of different key agencies in the Environmental and Social Framework (ESF) implementation.

**Suggested guidelines and trainings for ESMS implementation are as follows:**

### **World Bank ESS9 Guidance Note**

This Note was used in the development of the ESMS and can be referred to as necessary.

<https://documents1.worldbank.org/curated/en/484961530217326585/ESF-Guidance-Note-9-Financial-Intermediaries-English.pdf>

### **World Bank Group Environmental, Health, and Safety Guidelines**

The Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice. They are

designed to be used together with the relevant Industry Sector EHS Guidelines which provide guidance to users on EHS issues in specific industry sectors.

Both General EHS Guidelines and Industry Sector Guidelines specific to Agribusiness and Food Production can be found here:

<https://www.ifc.org/en/insights-reports/2000/ehs-guidelines-agribusiness-and-food-production>

### **IFC ESMS Implementation Handbook and Toolkit**

This handbook is guidance that provides additional insight into ESMSs for PFIs to consider. The overall purpose is to demonstrate a technical and more specific means of integrating environmental and social concerns into organisational management, so that it can become more effective in reducing its socio-economic impact.

This handbook includes several sections:

- Sections 1-2 provide background on environmental and social management systems (ESMS).
- Section 3 provides step-by-step instructions on how to develop and implement an ESMS. Where a Toolkit icon is shown, it means that there is an accompanying tool in the ESMS Toolkit.
- The ESMS Self-Assessment and Improvement guide is a companion publication containing a questionnaire, maturity matrix, and improvement tips to help measure the maturity of the ESMS and develop a plan for improvement.

[https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/publications/publications\\_handbook\\_esms-general](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_esms-general)

### **FIRST (Financial Institutions: Resources, Solutions and Tools) for Sustainability website**

FIRST for Sustainability collates all key information for financial institutions to get information and learn about the benefits of environmental and social risk management and how to identify and take advantage of environmental business opportunities.

For managers and staff of financial institutions, stakeholders and other users, FIRST provides guidance and tools to understand and manage the risks that environmental and social issues present for financial institutions.

FIRST provides guidance to a financial institution on how to implement an ESMS, conduct environmental and social due diligence, as well as how to create a pipeline of new business and develop product offerings tailored to the environmental needs of its clients.

## 7. Environmental and Social Procedures

The PFI will put in place and maintain clearly defined environmental and social risk evaluation procedures which reflect and implement the PFI's Environmental and Social Policy, and will support the identification, assessment and management of the environmental and social risks and impact of CSA Investment. The procedures will be proportionate to the size of the PFI and to the potential environmental and social risks and impacts associated with the PFI subprojects.

The environmental and social procedures will be carried out in five phases:

### – Phase 1 – Screening and Appraisal

- The PFI receives CSA Investment Applications from the potential beneficiaries.
- The PFI screens against the exclusion list of activities in Annex 3.
- The application should not proceed any further if excluded activities are identified.
- The PFI's staff in charge of day-to-day implementation of the ESMS completes the E&S Screening Form in Annex 1 based on information from the applicant. The screening questions will help the PFI to understand key E&S issues.
- If there are any gaps or further information needed to complete the screening, the PFI should request this information from the applicants. If needed, the PFI may conduct site visits to assess the potential E&S risks and impacts.
- Assign an E&S risk classification (low, moderate, substantial, high) to the subprojects and provide rationale.
- Activities with high risk shall not proceed and shall be automatically rejected.
- Activities with substantial risk shall be forwarded to the BSIF PIU and the World Bank for further review and consideration.
- Where required, an Environmental and Social Management Plan will be agreed with the potential beneficiary in order for the CSA Investment to proceed.
- Assist the Applicants to complete the Stakeholder Engagement Form in Annex 7 to ensure that the appropriate level of stakeholder engagement is done.
- Include relevant E&S risk avoidance and mitigation measures proportionate to the E&S risk.

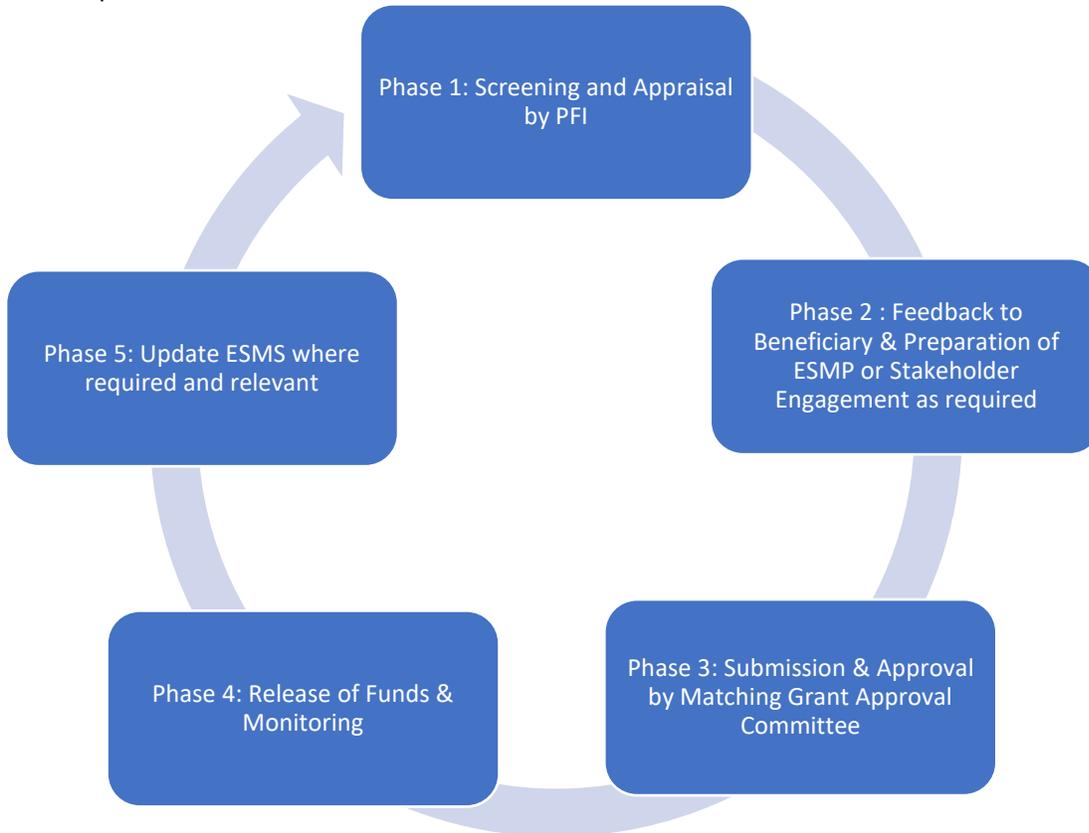
### – Phase 2. BSIF PIU Review: Feedback to potential beneficiary and preparation of Environmental and Social Management Plan or Stakeholder Engagement as required

- The PFI forwards the E&S screening results and recommended E&S mitigation measures to the BSIF PIU E&S specialists for review.

- The BSIF PIU E&S specialists may request the PFI for additional information and clarification, recommend further screening, and/or update the recommended mitigation measures as part of its review process.
  - After the BSIF PIU completes its review of the E&S aspects, it makes a recommendation to the Matching Grant Approval Committee (MGAC). For the first three (3) applications from each PFI, the BSIF PIU shall share the results of the screening with the World Bank. The BSIF PIU shall submit all CSA Investment activities rated as Substantial Risk on E&S aspects for the World Bank’s review before submitting them to the MGAC for a decision. The BSIF PIU, in consultation with the World Bank, shall reject any activities rated as High Risk on E&S aspects or those that fall under the exclusion list of activities.
- **Phase 3– Submission of CSA Investment Application packages and approval by the Matching Grant Approval Committee**
- The MGAC (facilitated by the BSIF PIU) considers the E&S recommendation of the BSIF PIU as part of its overall decision-making and to determine if the matching grant is approved or rejected.
  - Note any E&S actions required with timeline.
  - Continue to assist the CSA Investment Applicant to complete and finalize the Stakeholder Engagement Plan.
  - Integrate E&S mitigation measures to be implemented by the CSA Investment beneficiary, as required, into the loan documentation and the legal agreement with the borrower to address the gaps identified in the E&S screening.
  - Matching grant will be approved for proposals that receive financial, technical, and environmental and social approvals.
  - The MGAC will instruct the BSIF PIU to transfer approval grant amounts to the PFI to be disbursed alongside the loan amount from the PFI.
- **Phase 4 – Monitoring of the CSA Investment**
- Monitor compliance with the E&S requirements.
  - Follow up on any relevant issues including issues reported by the CSA Investment beneficiary, incidents and accidents, health and safety, labor and working conditions.
  - The PFI contacts the BSIF PIU for guidance if there are changes in an activity or its impacts which increases its risk rating.
- **Phase 5 - Adaptive Management – Update the ESMS where required and relevant**
- The ESMS shall be updated or supplemented by the PFI if the E&S risk profile of the PFI’s subproject portfolio changes significantly.
  - Changes to the ESMS may include updating procedures, conducting staff training on specific issues, or adding additional staff with relevant skills.
  - Any significant changes proposed to the ESMS are agreed with the World Bank prior to their adoption. A summary of changes to the ESMS will be included in

the reports submitted to the BSIF PIU for onward forwarding to the World Bank, copying in the Ministry of Agriculture Food Security and Enterprise (MAFSE).

Review process:



### 7.1. Phase 1: Screening and Appraisal

Entity and Position	Responsibility	Documentation	Timeline
PFI E&S Focal Point  (The FI will have its own E&S expertise, whether in house or through external consultants, to support the screening and risk categorization of projects and support the borrower in the development of their E&S Management Plans)	<ul style="list-style-type: none"> <li>• Screen the CSA Investment against the Exclusion list.</li> <li>• The BSIF PIU E&amp;S Specialists can also support with screening where necessary.</li> <li>• The application should not proceed any further if excluded activities are identified.</li> </ul>	Annex 3 – Exclusion list	To be outlined in the Matching Grant Operations Manual
	<ul style="list-style-type: none"> <li>• If the activities are not on the exclusion list, the application should proceed to the Risk Categorization phase.</li> <li>• Activities with high risk should not proceed.</li> <li>• Activities with substantial risk should be forwarded to the BSIF PIU and the World Bank for further review and consideration.</li> <li>• Potential Beneficiaries of CSA Investments must also demonstrate compliance with applicable laws and policies, such as permits, as well as mitigation actions to remove/avoid/minimize E&amp;S risks.</li> <li>• Where required, an E&amp;S Management Plan will be agreed with the Beneficiary in order for the CSA Investment to proceed. A template is available in Annex 4</li> </ul>	Annex 1 – Screening Tool  Annex 2 – Environmental and Social Risk Categorization  Annex 4 – Environmental and Social Management Plan	
	This part of the process seeks to confirm and validate the following: <ul style="list-style-type: none"> <li>• There are no exclusion list activities, including high or substantial risk activities.</li> <li>• E&amp;S risks are clearly outlined and categorized, and a feasible management plan is developed where appropriate.</li> <li>• The appropriate level of Stakeholder engagement is done.</li> </ul>	Annex 7 Stakeholder engagement form	

### 7.2. Phase 2 and 3: Feedback to Beneficiary and MGC Approval

Entity and position	Responsibility	Documentation	Timeline
PFI E&S Focal Point	<p>Review legal documentation in relation to E&amp;S related definitions, representations and undertakings, including the incorporation of any actions required to address gaps. Key inclusions of the legal agreement with the Beneficiary are:</p> <ul style="list-style-type: none"> <li>• Not to engage in any activities on the Exclusion List.</li> <li>• To comply with all legal requirements.</li> <li>• To report to the PFI if there is a substantial change in the nature of the operations.</li> <li>• To report to the PFI if there are any material E&amp;S incidents.</li> <li>• To address any gaps identified and follow the management plan.</li> <li>• Validate that legal agreement with the Beneficiary meets the ESMS requirements on E&amp;S aspects.</li> </ul> <p>The PFI forwards the E&amp;S screening results and recommended E&amp;S mitigation measures to the PIU E&amp;S specialists for review.</p>	<p>Legal Documents with E&amp;S inclusions</p> <p>Annex 4 Template</p> <p>Environmental and Social Management Plan</p> <p>Annex 7 Stakeholder Engagement Plan</p> <p>Legal Documents with E&amp;S inclusions</p>	To be outlined in the Matching Grant Operations Manual
PIU E&S Specialists	<ul style="list-style-type: none"> <li>• The PIU E&amp;S specialists may request the PFI for additional information and clarification, recommend further screening, and/or update the recommended mitigation measures as part of its review process.</li> <li>• After the PIU completes its review of the E&amp;S aspects, it makes a recommendation to the MGAC. For the first three (3) applications from each PFI, the PIU shall share the results of the screening with the World Bank and all accompanying E and S document which support the application. The PIU shall submit all CSA Investment activities rated as Substantial risk on E&amp;S aspects for the World Bank’s review before submitting them to the MGAC for a decision. The PIU, in consultation with the World Bank, shall reject any activities rated as High risk on E&amp;S aspects or those that fall under the exclusion list of activities.</li> </ul>		

Matching Grant Approval Committee (MGAC)	<ul style="list-style-type: none"><li>• Matching grant will be approved for proposals that receive financial, technical, and E&amp;S approvals.</li><li>• It will instruct the BSIF PIU to transfer approval grant amounts to the PFI to be disbursed alongside the loan amount from the PFI.</li></ul>		
--	---	--	--

### 7.3. Phase 4 Monitoring

Entity and Position	Responsibility	Documentation	Timeline
PFI E&S Focal Point	<ul style="list-style-type: none"> <li>• Report any material adverse E&amp;S event associated with CSA Investments to the PIU for further reporting to the World Bank</li> <li>• In particular, the PFI should notify the PIU if impacts could result in irremediable harm.</li> <li>• Examples of material E&amp;S incidents which require immediate reporting include the following:               <ul style="list-style-type: none"> <li>○ Fatalities and major injuries (including employees, contractors, or any other project affected party).</li> <li>○ Strikes or significant employee disputes.</li> <li>○ Regulatory action in regard to E&amp;S matters.</li> <li>○ Exposure to hazardous chemicals or pollutants that could result in irreversible health conditions and/or significant environmental damage.</li> <li>○ Fires, explosions.</li> </ul> </li> <li>• Annex 5 is a proposed template for the recording of material events and incidents.</li> <li>• If the risk profile of a subproject increases significantly, the PFI will refer to the Project guidance/instrument on how change in risk profile should be determined and notify the PIU for further reporting to the World Bank. The World Bank, PIU and the PFI will agree upon which remedial measures should be implemented by the subproject.</li> <li>• The PFI will monitor the measures and actions agreed upon, and report to the PIU for forward reporting to the World Bank as appropriate.</li> <li>• Monitoring and oversight of the CSA Investment during the post-financial close monitoring phase will be proportionate to the environmental and social risks and impacts of the subprojects, as follows:               <ul style="list-style-type: none"> <li>○ Low risk: No monitoring required. Subproject to comply with national law.</li> </ul> </li> </ul>	Annex 5: Material E&S Incident Report Template	To be outlined in the Matching Grant Operations Manual

	<ul style="list-style-type: none"> <li>○ Moderate risk: Require monitoring to confirm whether there have been material changes in business activities; confirm the CSA Investment is still compliant with the exclusion list; ensure actions outlined and compliance with local requirements have been addressed as outlined in the ESMP, if developed. Monitoring will be undertaken annually or in accordance with the monitoring period outlined in the ESMP, whichever is more frequent.</li> <li>○ Substantial risk: Monitoring on a case by case basis as agreed with the PIU.</li> <li>● Take additional steps in the event of non-compliance.</li> <li>● The PFI will first seek to resolve any issues with the subproject borrower. Actions must be documented in an updated ESMP and ensure that the actions are implemented.</li> <li>● If the issues cannot be addressed through this channel, the PFI may seek to address the issues through the legal channels outlined in the loan documents.</li> <li>● All material developments will be reported to the PIU for onward reporting to the World Bank.</li> </ul>		
--	--	--	--

## 7.4. Updating the ESMS

The ESMS should be updated or supplemented by the PFI if the E&S risk profile of the PFI's subproject portfolio changes significantly. If the risk profile of a subproject increases significantly, the PFI will refer to the Project guidance/instrument on how change in risk profile should be determined and notify the PIU for further reporting to the World Bank. Changes to the ESMS may include updating procedures, conducting staff training on specific issues, or adding additional staff with relevant skills. Any significant changes proposed to the ESMS are agreed with the World Bank prior to their adoption. A summary of changes to the ESMS will be included in the reports submitted to the BSIF PIU for onward forwarding to the World Bank, copying in MAFSE.

## 8. Reporting Incidents and Accidents

PFI's must have a written/documented procedure for the managing of incidents and accidents related to the CSA Investments they finance and for reporting all incidents relating to workplace safety under ESS2, collectively these are known as "adverse events". The form to be used for submitting the reports to the BSIF PIU is Annex 5 and as described below which include reporting the incident to the PIU within 24 hours.

### 8.1. Process for Reporting Material Adverse Events in CSA Investments

The incident management and reporting process may comprise the following steps:

- **Step 1 Initial Communication:** The Beneficiary notifies the relevant authorities and the PFI as soon as possible, preferably within 24 hours of learning of the incident or accident.
- **Step 2 Notification to BSIF PIU and MAFSE:** The PFI informs the BSIF PIU and MAFSE within 24 hours of learning of the incident or accident.
- **Step 3 Classification:** The PFI, with assistance from the BSIF PIU, identifies how serious the incident or accident is.
- **Step 4 Investigation:** The PFI, with assistance from the BSIF PIU, conducts a root cause analysis (RCA) and identifies a corrective action plan (CAP) which are the necessary set of measures to appropriately address the root causes. A detailed report shall be submitted in writing, for the BSIF PIU's approval.
- **Step 5 Response:** The Beneficiary, with assistance from the PFI and if necessary, the BSIF PIU, implements the corrective actions.
- **Step 6 Follow Up:** The Beneficiary completes corrective actions, and with assistance from the PFI and/or the BSIF PIU, develops necessary preventive actions to prevent similar incidents or accidents from occurring in the future.
- **Step 7 Record Keeping:** The PFI keeps a record of the incident, actions taken, and resolution.

## Flow chart and timeline of reporting of material adverse events



The initial communication (Step 1 and 2) shall address the following questions:

1. What was the incident or accident? What happened? To what or to whom?
2. Where and when did the incident or accident occur?
3. What is the information source? How did you find out about the incident?
4. Are the basic facts of the incident or accident clear and uncontested, or are there conflicting versions?
5. What were the conditions or circumstances under which the incident or accident occurred?
6. Is the incident or accident still ongoing or is it contained?
7. Is the loss of life or severe harm involved?
8. How serious was the incident or accident? How is it being addressed?

An Root Cause Analysis (RCA) (Step 4) reports the sequence of events and factual circumstances. The analysis identifies what issues led to the accident, what safety measures were in place, and what were the risk information and training provided to workers on site. The level of supervision of unskilled labor should also be assessed, if relevant.

Below is a sample corrective action plan template (Step 4):

Root Cause	Corrective Action	Preventive Action
Reason(s) for the accident.	Immediate and long-term actions taken; where; when; to whom; by whom to correct the action/root cause. E.g., driver refresher training.	Immediate and long-term actions taken; where; when; to whom; by whom to prevent the accident or similar near misses from occurring or recurring. E.g., H&S training, training on proper usage of PPE, placing warning signs in appropriate/local languages.

## **8.2 Definition and Classification of Adverse Incidents to be reported by Beneficiaries and PFIs**

The Beneficiary should notify the PFI if impacts occur which could result in irremediable harm. Examples of material E&S incidents which must be reported immediately by the Beneficiary to the PFI, and by the PFI to the PIU, include the following:

- Any work-related fatalities (including PFI employees, contractors, or any other project affected party).
- Injury or occupational illness that results in a worker requiring 3 or more days off work, or an injury or release of substance that results in a member of the community needing medical treatments.
- Complaints or cases of sexual abuse or sexual harassment.
- Disease outbreaks in excess of normal expectancy of number of cases.
- Acts of violence/protest such as strikes or significant employee disputes.
- Displacement Without Due Process: The permanent or temporary displacement against the 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 and other protection and/or in a manner that does not comply with an approved resettlement action plan.
- An incident of child labor or forced labor.
- Unexpected Impacts on heritage resources.
- Unexpected impacts on biodiversity resources.
- Environmental pollution incident: Exceedances of emission standards to land, water, or air (e.g., from chemicals/toxins) that have persisted for more than 24 hours or have resulted in harm to the environment.
- Any other incident or accident that may have a significant adverse effect on the environment, the affected communities, the public, or the workers, irrespective of whether harm had occurred on that occasion. Any repeated non-compliance or recurrent minor incidents which suggest systematic failures that the task team deems needing the attention of Bank management.

## **9. Monitoring and Reporting**

PFIs must submit quarterly reports to the BSIF PIU to be consolidated as part of the regular Project reporting to the World Bank. An E&S reporting template that PFIs may uniformly adopt to meet this requirement is in Annex 6 to ensure streamlined consolidation of reporting.

Quarterly monitoring reports cover the environmental, social, health and safety (ESHS) performance of the Project for activities, and include but is not limited to:

- the status of preparation and implementation of E&S documents which are required under this ESMS,

- status and performance of subprojects,
- incident and accident reporting,
- stakeholder engagement activities, and
- functioning of the Grievance Redress Mechanisms (GRMs) (Project GRM and Labour GRM).

## **10. Stakeholder Engagement**

### **10.1. Stakeholder Engagement**

The PFI will require Beneficiaries to conduct stakeholder engagement in a manner proportionate to the risks and impacts of the CSA Investment, and which reflects the type of CSA Investment being financed. In certain circumstances, depending on the risks and impacts of the project and the type of CSA Investment it will finance, the World Bank may require the PFI to be engaged in stakeholder engagement.

As part of the application process, the PFI will require the Beneficiaries to identify stakeholders and provide them with the following project information:

- The purpose, nature, and scale of the project.
- The duration of the proposed project activities.
- Potential risks and impacts of the project on local communities, and proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize them.
- The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate.
- The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported.
- The process and means by which grievances can be raised and will be addressed with the contact details for the PIU and PFI's mechanism for receiving and handling complaints.

To meet these requirements, the PFI will require the Beneficiary to document that meaningful stakeholder engagement has occurred or will soon occur by requiring as part of the loan application process, and required prior to loan closing, the completed Stakeholder Engagement Form in Annex 7.

The Stakeholder Engagement Form requires the Beneficiary to identify stakeholders and provide the following project information:

- The purpose, nature, and scale of the project.
- The duration of the proposed project activities.

- Potential risks and impacts of the project on local communities, and proposals for mitigating these.
- The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate.
- The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported.
- The contact details for the BSIF PIU and PFI's mechanism for receiving and handling complaints.

On behalf of the Beneficiary, the PFI will disclose any subproject-related documents required (a) by the application of the ESSs; and (b) any environmental and social monitoring reports relating to (a), such as E&S assessment reports and Indigenous Peoples plans (IPPs). Alternatively, and with agreement with the BSIF PIU, the BSIF PIU website can be used for PFI disclosure.

The information will be disclosed in the relevant local languages and in a manner that is accessible and culturally appropriate, and prior to approval of the PFI subproject.

## **10.2. External Communication Mechanism**

The PFI will put in place procedures for external communications on E&S matters proportionate to the risks and impacts of the PFI CSA Investments. These procedures will be designed to share E&S information about CSA Investments, and to receive, respond to, and document requests for E&S information or complaints and to allow a timely response.

Response times as it relates both to acknowledgement of the query/concern as well as resolution should be clearly outlined. If a concern or a complaint is deemed not to be relevant, the PFI records the reasons for this determination to include in reporting and provides a clear response and justification to the complainant as well.

The PFI will ensure that their external communications mechanism is known and accessible to stakeholders by disclosing such mechanisms in local languages and in various formats (e.g., online, physically at PFI locations). The details for contacting the PFI must be publicly available and easily accessible and will include the following: phone number, website, e-mail address, and the physical address of the PFI where the public can meet with PFI staff. To help meet this requirement, the contact details of the PFI are to be included in Part D of the Stakeholder Engagement Form (Annex 7).

Stakeholders must also be made aware of the existence of the PFI's ESMS, both through disclosure of relevant parts of the PFI's ESMS and through the consultation process. Such stakeholders include personnel at the PFI, MAFSE, BSIF PIU, the general public that are able to apply for financing, and people who will be impacted by CSA Investment activities. The PFI will

disclose through the PFI's website, if a website exists, and permit, in writing, the World Bank to disclose on the World Bank's website, a summary of each of the elements of the PFI's ESMS.

## 11. Annex

### Annex 1 - CSA Investment Environmental and Social Screening Form

*This screening form is to be used by the Participating Financial Institution to review the potential environmental and social impacts of each CSA Investment and determine the appropriate environmental and social measures and whether the subproject will require any ESS instruments as described in the Environmental and Social Standards (ESS) of the World Bank or, in the case of low-risk projects, the regulations of the Department of the Environment. It is a tool to screen and classify the proposed investment during subproject preparation prior to loan closing.*

*To effectively complete this form the PFI may need to contact the applicant for more information about the project and its location, and may need to seek guidance from the BSIF PIU on the applicability of the World Bank's ESSs, including when risks and negative impacts on IPs and cultural heritage are identified.*

<b>BASIC SUBPROJECT INFORMATION</b>		Date: _____
1.) Name of CSA Investment:		
2) Purpose of Activity:		
3) Is the CSA Investment:	<input type="checkbox"/> an expansion of an existing activity	<input type="checkbox"/> a new activity
4) Description of CSA Investment:		
5) Location of CSA Investment:	(Street)	
	(Village/District)	
	(Approximate location coordinates [latitude, longitude])	

<p>6) Physical dimensions and scale of the CSA Investment:</p>	<p>a) Site Area to be developed:</p> <p>_____</p> <p>hectares</p>	<p>b) Building height(s) proposed:</p> <p>_____m</p>	<p>c) Footprint of proposed building:</p> <p>_____m<sup>2</sup></p>	<p>d) Length of proposed drain, etc.:</p> <p>_____m</p>
--	---	--	---	---

## Checklist Table – Screening

	Issue	Yes	No	Provide explanation / Actions Required	Relevant ESS
<b>1</b>	<b>Water and Soil</b>				ESS1/ ESS3/ ESS6
1.1	Is there a suitable location more than 1km away from waterways where equipment and machinery can be washed and cleaned, and construction debris disposed of?				
1.2	Will the CSA Investment lead to contamination of ground and surface waters by herbicides and/or pesticides?				
1.3	Will the CSA Investment lead to an increase in suspended sediments in streams, decline in water quality and increased sedimentation downstream?				
1.4	Will the CSA Investment lead to the creation of stagnant water bodies in borrow pits, quarries, ponds, etc., encouraging for mosquito breeding and other disease vectors?				
1.5	Does the CSA Investment involve significant new investments for extraction, diversion or containment of surface or ground water?				
<b>2</b>	<b>Noise and Air Pollution Hazardous Substances</b>				ESS3/ ESS4
2.1	Will the CSA Investment release harmful air emissions from vehicle/equipment/other processes?				
2.2	Will the CSA Investment increase ambient noise levels?				
2.3	Will the CSA Investment involve the storage, handling, or transport of hazardous substances?				
<b>3</b>	<b>Fauna and Flora</b>				ESS6

	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>Provide explanation / Actions Required</b>	<b>Relevant ESS</b>
3.1	Does the CSA Investment consist of converting lands that support the conservation of valued land and aquatic ecosystems, flora and fauna (e.g., protected areas, wild habitats, forest reserves, critical habitats, and endangered species)?				
3.2	Will the CSA Investment involve the disturbance or modification of existing drainage channels (rivers, canals) or surface water bodies (wetlands, marshes)?				
3.3	Will the CSA Investment lead to the disruption/destruction of wildlife through interruption of migratory routes, disturbance of wildlife habitats, livestock-wildlife interactions, and noise-related problems?				
<b>4</b>	<b>Destruction/Disruption of Land and Vegetation</b>				ESS6
4.1	Will the CSA Investment lead to the introduction of alien species?				
4.2	Will the CSA Investment lead to long-term or semi-permanent destruction of soils in cleared areas not suited for agriculture?				
4.3	Will the CSA Investment lead to the interruption of subsoil and overland drainage patterns (in areas of cuts and fills)?				
4.4	Will the CSA Investment lead to erosion of lands receiving concentrated outflow carried by covered or open drains?				
<b>5</b>	<b>Land Use</b>				ESS6
5.1	Is the CSA Investment located in an area falling within 500 meters of national forests, protected areas, wilderness areas, wetlands, biodiversity, critical habitats, or sites of historical or cultural importance?				
5.2	Is the CSA Investment located in an area of tourist importance?				

	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>Provide explanation / Actions Required</b>	<b>Relevant ESS</b>
5.3	Is the CSA Investment located near a waste dump?				
5.4	Does the CSA Investment require the conversion of significant land areas (e.g., >200 hectares)?				
5.5	Does the CSA Investment require clearing or levelling of large areas of land (e.g., >200 hectares), or land with steep slope (e.g., >5%)?				
5.6	Does the CSA Investment involve silvopasture or livestock management within 1km of natural or protected areas?				
<b>6</b>	<b>Cultural Resources</b>				ESS8
6.1	Does the CSA Investment consist of converting lands that contain sites of cultural/religious/ historical importance?				
6.2	Would the proposed CSA Investment produce a physical “splintering” of a community?				
6.3	Have the prepared Chance Finds procedures been adopted for use in the CSA Investment?				
<b>7</b>	<b>Expropriation and Land Use Restrictions</b>				ESS5
7.1	Will the CSA Investment involve land expropriation/acquisition or demolition of structures not owned by the Beneficiary?			If the answer is yes, the activity is not eligible for financing.	
7.2	Would the proposed CSA Investment result in dislocation or resettlement of population/s temporarily or permanently?			If the answer is yes, the activity is not eligible for financing.	
7.3	Would the proposed CSA Investment require the removal of crops or productive trees not wholly owned by the beneficiary?			If the answer is yes, the activity is not eligible for financing.	
7.4	Does the proposed CSA Investment restrict the access to assets, land, or natural resources for any group or individual?			If the answer is yes, the activity is not eligible for financing	
<b>8</b>	<b>Climate Change</b>				ESS3

	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>Provide explanation / Actions Required</b>	<b>Relevant ESS</b>
8.1	Will the proposed CSA Investment result in significant greenhouse gas emissions from the burning of fossil fuels?				
8.2	Is the proposed CSA Investment likely to directly or indirectly increase environmental and social vulnerability to climate change now or in the future (maladaptive practices)?				
<b>9</b>	<b>Indigenous People</b>				ESS7
9.1	Will the CSA Investment operate on land which is owned by or is used by indigenous people?				
9.2	Does the CSA Investment operate in an area which could impact indigenous people?				
9.3	Is the CSA Investment in an area that has cultural significance for Indigenous people?				
9.4	If the answer to 9.1, 9.2 or 9.3 above is “yes” has the CSA Investment Beneficiary communicated with the IP about the impacts?				
<b>10</b>	<b>Demographics and Labour</b>				ESS2 / ESS4
10.1	Would the CSA Investment cause uncontrolled in-migration likely to: a) Affect environmental and social sustainability of the project? b) Overload social infrastructure in the project area (e.g., health facilities, schools, water supply)?				

	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>Provide explanation / Actions Required</b>	<b>Relevant ESS</b>
10.2	Does the CSA Investment have access to the necessary safety equipment?				
10.3	Will the CSA Investment engage children over the minimum age but under 18 in any hazardous work or interfere with their education?				
10.4	Will the CSA Investment engage children under the minimum age?				
<b>11</b>	<b>Health and Safety</b>				ESS4
11.1	Will the proposed CSA Investment be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding, or extreme climatic conditions?				
11.2	Would the CSA Investment cause increase in public health risks to contagious diseases or transmission (e.g., HIV/AIDS, Malaria, etc.) for project workers or communities in the project area, as a result of a change in living and working conditions?				
<b>12</b>	<b>Analysis of Alternatives</b>				ESS1
12.1	Did the CSA Investment examine alternatives to avoid or minimize environmental and social impacts?				
12.2	Did the CSA Investment select the most feasible alternative based on technical, economic, environmental, and social factors?				
<b>13</b>	<b>Pesticides</b>				ESS1 / ESS3

	Issue	Yes	No	Provide explanation / Actions Required	Relevant ESS
13.1	Does the CSA Investment include the purchase or use of synthetic pesticides?			If the answer is No, skip questions 13.2-13.4.  If the answer is Yes, go to question 13.2.	
13.2	Does the CSA Investment follow an Integrated Pest Management (IPM) approach?			If the answer is No, refer the beneficiary to the District Agriculture Office in his/her area for technical advice and information on Integrated Pest Management for the actual or forecasted pest problem before financing the specific activities that include the purchase or use of pesticides.  If the answer is Yes, go to question 13.3.	
13.3	Does the CSA Investment application list the specific synthetic pesticide(s) as indicated in the attached partial list of approved pesticides for the CRESAP eligible subsectors?			If the answer is No, this aspect of the proposal will be discussed with PCB and MAFSE and advice provided to the beneficiary.	
13.4	Does the CSA Investment include the purchase or use of synthetic pesticides for those CRESAP eligible subsectors for which there are no approved pesticides in the partial list of pesticides attached?			If the answer is Yes, this aspect of the proposal will be discussed with the PCB that is developing a full list of approved pesticides by eligible subsectors for CRESAP and has mechanisms that could allow for pesticide use in certain circumstances.  Also, refer the beneficiary to the District Agriculture Office in his/her area for technical advice and information on Integrated Pest Management for the actual or forecasted pest problem.	
<b>14</b>	<b>Exclusion List: These activities ineligible for financing</b>				ESS1
	Does the CSA Investment fall under any of the following categories? <ul style="list-style-type: none"> <li>No environmental and social screening was done.</li> </ul>				

	Issue	Yes	No	Provide explanation / Actions Required	Relevant ESS
	<ul style="list-style-type: none"> <li>• An activity that may cause significant adverse environmental and social risks; long term, permanent and/or irreversible adverse impacts; and/or may give rise to significant social conflict.</li> <li>• An activity that may pose risks to natural habitats, critical habitats, ecologically sensitive areas, legally protected and/or internationally recognized areas of high biodiversity value.</li> <li>• An activity that may have a high probability of causing serious adverse effects to human health and/or the environment not related to COVID-19 treatment.</li> <li>• An activity involving the purchase and/or use of pesticides included in the Food and Agriculture Organization's (FAO) highly hazardous pesticides (HHP) identification tool.</li> <li>• An activity involving the purchase and/or use of any pesticide classified as restricted use pesticide (RUP) by the Belize Pesticide Control Board (PCB).</li> <li>• An activity that would cause damage or destruction of tangible and intangible cultural heritage.</li> <li>• Any action which requires the removal of people from land (permanently or temporarily), the loss of land, loss of assets or access to assets, or any action which would put limitations or prohibitions on land under use.</li> </ul>				

**Significant risk or impacts on indigenous peoples, or significant risks or impacts on the environment, community health and safety and working conditions, biodiversity or cultural heritage must be categorized as either “high risk” or “substantial risk”.**

<b>Category of Risk</b>	<b>Low Risk</b>	<b>Moderate Risk</b>	<b>Substantial</b>	<b>High Risk</b>
<b>Justification</b>	<i>[provide justification for risk level selected]</i>	<i>[provide justification for risk level selected]</i>	<i>[provide justification for risk level selected]</i>	<i>[provide justification for risk level selected]</i>
<b>Action To Be Taken</b>	Proceed to Implementation, following the requirements of national Laws.	PFI to identify required avoidance and/or environmental and social mitigation measures e.g., preparing an environmental and social management plan. In addition, the relevant standards of the World Bank Environmental and Social Framework will apply to manage risks and impacts.	CSA Investment shall be discussed with the PIU and the World Bank prior to taking action. Relevant standards of the World Bank Environmental and Social Framework will apply to manage risks and impacts.	Reject CSA Investment and inform the PIU. High risk CSA Investments are not eligible for funding.

Project Categorization prepared by (name and position at PFI): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Annex 2 - Summary of project risk classification and requirements

The following table serves as a guide on how CSA Investment can be categorized according to Environmental and Social risk. This overview should be accompanied by a case-by-case analysis that dives further into considerations such as sub-project location, environmental and social context, scale and magnitude of impacts.

E&S Risk Categorization and Requirements

Belize EIA Classification	FI E&S Risk Categorization	Description	Legal Requirements
Schedule I	High or substantial risk	<p>High risk subprojects would be ineligible for funding.</p> <p>Significant environmental and social risk means:</p> <ul style="list-style-type: none"> <li>(a) any significant social, labor, health and safety, security, or environmental incident, accident, or circumstance relating to the subproject, including, without limitations: explosions; spills; any workplace accidents that result in death, serious, or multiple injury; material pollution; or any violent labor unrest or dispute between the PFI, the PFI subproject or security forces (assigned to protect the subproject), and local communities and/or indigenous people; or</li> <li>(b) any other event or circumstance having, or which could reasonably be expected to have, a material adverse effect on the implementation or operation of the subproject in accordance with the ESSs and the EHSs; or</li> <li>(c) involves land expropriation, involuntary resettlement or loss or damage to assets.</li> </ul> <p>Substantial risk subprojects may have risks that are not as complex as high risks outlined above but could still cause negative impacts. The difference is that these risks would require substantial investment and resources to be able to</p>	Full EIA is required

		avoid or mitigate those risks, making it infeasible to proceed with.	
Schedule II	Moderate risk	Moderate risk subprojects may have activities that could potentially cause limited adverse environmental and/or social impacts. "Limited" refers to a small number of impacts, that are likely site-specific, reversible and can be relatively easily addressed through mitigation measures outlined in an ESMP. The ESMP would also fill the national requirement to have an LLES.	Full EIA or Limited Level Environmental Study may be required
Schedule III	Low risk	Low risk subprojects have activities that have minimal or negligible environmental and social risks. Majority of subprojects that fall in this low risk category will proceed past the screening phase.	No EIA or LLES required but any necessary measures can be stipulated in an Environmental Compliance Plan

### Annex 3 - Exclusion list

The following list outlines the activities that would not be considered for financing under the CRESAP:

- Any activity where no environmental and social screening was done.
- Any activity that may cause significant adverse environmental and social risks; long term, permanent and/or irreversible adverse impacts; and/or may give rise to significant social conflict.
- Any activity that may pose risks to natural habitats, critical habitats, ecologically sensitive areas, legally protected and/or internationally recognized areas of high biodiversity value.
- Any activity that may have a high probability of causing serious adverse effects to human health and/or the environment not related to COVID-19 treatment.
- An activity involving the purchase and/or use of pesticides included in the Food and Agriculture Organization's (FAO) highly hazardous pesticides (HHP) identification tool.
- An activity involving the purchase and/or use of any pesticide classified as restricted use pesticide (RUP) by the Belize Pesticide Control Board (PCB).
- Any activity that would cause damage or destruction of tangible and intangible cultural heritage.
- Any action which requires the removal of people from land (permanently or temporarily), the loss of land, loss of assets or access to assets, or any action which would put limitations or prohibitions on land under use.

Annex 4 - Environmental and Social Management Plan Template and Sample

**ESMP Template**

ESMPs will be prepared for subprojects, and consist of a set of mitigation, monitoring, and institutional measures (including relevant stakeholder engagement activities, application of the GRMs, obtaining required permits, etc.) to be taken when environmental and social risks and impacts are identified. External experts may be hired to assist PFIs and BSIF PIU to prepare these instruments on behalf of the Project.

Phase	Environmental and Social Impact	Subproject activity	Mitigation Measures	Monitoring Indicators	Cost		Responsibility		Time/duration	Supervision observation and comments (to be filled out during supervision)
					Install	Operation	Install	Operation		
Planning/Design Phase										
Construction Phase										
Operation Phase										

## Sample ESMP

Phase	Environmental and Social Impact	Subproject activity	Mitigation Measures	Monitoring Indicators	Cost		Responsibility		Time/duration	Supervision observation and comments (to be filled out during supervision)
					Install	Operation	Install	Operation		
Planning/ Design Phase	Forests impacted from invasive species	Improved yield seed varieties; agroforestry	<ul style="list-style-type: none"> <li>Ensures proper Species-Site Matching.</li> <li>Exclude known invasive alien species (or, ideally, all alien species) from agroforestry plots.</li> <li>As much as possible, use only local tree species.</li> <li>Monitor activity quarterly for invasive species over the project duration.</li> </ul>	Vegetation type by location	Fee to Agronomist/ biologist @ \$200/pay for 3 days = \$600BZD	Fee to Agronomist /biologist @ \$200/pay for 20 days = \$4000BZD	BSIF PIU, E&S Focal Point and farmer	BSIF PIU, E&S Focal Point and farmer	Implement mitigation actions during activity planning phase.  Monitor activity quarterly for invasive species over the project duration.	
Operation Phase	Forests impacted from agricultural expansion and deforestation	Improved yield seed varieties	<ul style="list-style-type: none"> <li>Ensure that there is no net forest cover loss as a consequence of farming intensification.</li> <li>Ensure improved yield varieties are only used in already cultivated land.</li> <li>Monitor net forest cover loss twice a year.</li> </ul>	Deforestation (net forest cover loss)		Fee to biologist @ \$200/pay for 10 days = \$2000BZD	BSIF PIU, E&S Focal Point and farmer	BSIF PIU, E&S Focal Point and farmer	Implement mitigation actions during activity planning phase.  Monitor net forest cover loss twice a year.	

Annex 5 - E&S Incident Report Template

The PFI shall report incidents and accidents according to the following reporting template, which include reporting the incident to the PIU within 24 hours and attaching supporting documentation.

Report on E&S Issues / Incidents Associated with CSA Investment Beneficiary		
Date of the report		
Name of CSA Investment Beneficiary		
Date of incident		
Name of project (if applicable)		
Description of issue(s)		
Action taken by the CSA Beneficiary		
Analysis by PFI		
Conclusion/recommendations		
Reviewer (Name, Title and Position):	Subproject borrower Name and contact:	Date:
<b>Further observations:</b>		
Are the CSA Investment activities the same as at origination?		
Is the CSA Investment conducting activities that are on the exclusion list?		
Does the Beneficiary have all the right permit and is		

following all national and local regulations?	
Did the Beneficiary experience any unforeseen E&S issues? If yes, how were they dealt with?	
Other comments/observations	
Approved by:	Name, Title and Position:

Annex 6 – Quarterly Environmental and Social Monitoring Report Template for PFIs to report to BSIF PIU

Quarterly Environmental and Social Monitoring Report for PFIs to report to BSIF PIU

Reporting Period	
<b>From: Day, Month</b>	<b>To: Day, Month</b>

<b>Name of PFI:</b>		
<b>Completed by:</b>	[Name]	[Position]
<b>Date completed:</b>		
<b>Cumulative summary of all approved CSA Investments</b>	Number and percentage of all loans per risk category at time of report submission.	
<b>Low Risk</b>		
<b>Moderate Risk</b>		
<b>Substantial Risk</b>		

Status of preparation and implementation of environmental and social documents	Yes/No	Further requirements
Have you established and are maintaining a unit with senior management representative accountable for E&S performance and a staff member to coordinate E&S requirements and implementation of the ESMS?		If yes, please provide details of the staff member and suitability for the role
Have you developed an ESMS?		If yes, please provide a copy of the ESMS
Have there been any updates to the ESMS?		If yes, please provide a copy of the updated ESMS and reason for such updates
Has senior management signed off on those changes?		If yes, please provide a copy of such sign off
Has the BSIF PIU and World Bank been made aware of those changes?		If yes, please provide a copy of the correspondence. If no, please provide a copy with this report
Have you ensured CSA Investments were screened against the exclusion list?		
Were any transactions rejected on an account of the exclusion list?		If yes, please provide details

Have you ensured CSA Investments are screened against the applicable local and national laws and regulations?		
If an applicant had not been issued a needed permit or license, have you advised applicants to obtain such documents before approving the loan?		If yes, please provide a copy of such advice
What number of Beneficiaries were required to prepare detailed E&S plans such as E&S Management Plans (ESMPs), Cultural Heritage Plans, Indigenous people’s Plans, or others, for activity?		
Are there any Beneficiaries who may need BSIF PIU assistance or other assistance to complete any E&S plan or mitigation measures?		
<b>Status and performance of subprojects</b>	<b>Yes/No</b>	<b>Further requirements</b>
Do you monitor Beneficiaries for compliance with project requirements?		If yes, please provide a description of monitoring activities and the number of subprojects monitored
Did you conduct client site visits?		If yes, please describe the process including the environmental and social issues considered on such visits
What percentage of subprojects were visited during the reporting quarter?		
Were there any material environmental and social issues associated with Beneficiaries during the reporting period in particular?		If yes, please provide details
Are there any difficulties related to implementation of environmental and social considerations by Beneficiaries?		If yes, please provide details
Has there been any media coverage on a Beneficiary?		If yes, please provide details
Have there been any worker accidents, injuries on the job?		If yes, please provide details and copies of E&S Material Incident Reports
Have major incidents been reported to the BSIF PIU?		If yes, please provide copy of such correspondence
<b>Functioning of the PFI Grievance Redress Mechanisms (GRMs)</b>	<b>Yes/No</b>	<b>Further requirements</b>
Have there been any grievances against any Beneficiary?		If yes, provide details on the number of grievances and whether they were resolved in accordance with the mechanism
Are there any grievances that have been referred to the Project-level GRM for resolution?		If yes, provide details (without including names or personal information)
<b>Stakeholder engagement activities</b>	<b>Yes/No</b>	<b>Further requirements</b>

Have the relevant stakeholders been made aware of the existence of the ESMS, both through disclosure of the ESMS and consultation?		If yes, provide more details on location of disclosure and consultation report(s)
What percentage of Beneficiaries completed the stakeholder and neighbor notification requirements prior to loan closing?		

Annex 7 – Stakeholder Engagement Form

To be completed by beneficiaries and submitted as part of the application package for loan/grant approval. Completion is required prior to loan closing.

Support to complete this form, and to identify the appropriate engagement approach and the appropriate mitigation measures, can be sought by contacting [insert here the name and phone number of E&S Focal Point in the PFI].

**Part A.**

*Table 1 Project Basic Information.*

Purpose of the project:
Location of the project: District and village
Beginning date and ending date of project

*Table 2 Physical dimensions and scale of the sub-project.*

	a. Site Area to be developed: _____ hectares	b. Building or structure height(s) proposed: _____m	c. Footprint of proposed building or structure: _____m <sup>2</sup>	d. Length of proposed drain, etc.: _____m
--	---	--	--	--

## Part B.

Complete tables 3 and 4. If the proposed activity is exclusively contained to the farmer’s own building, structures, or land with no anticipated negative impacts, only complete table 4.

*Table 3 Impacts and mitigation to be communicated with stakeholders.*

	<p>A</p> <p>Potential negative impacts on the environment – such as road, water bodies, air, trees, and animals.</p>	<p>B</p> <p>Potential negative impacts on people.</p>	<p>C</p> <p>Mitigation proposed to avoid or reduce negative impacts.</p> <p>(Complete now or leave blank to complete with support from the PFI E&amp;S Focal Point).</p>
1			
2			
3			
4			

*Table 4 Identification of vulnerable or indigenous groups.*

Describe below if any impact will affect people who are indigenous.

## Part C.

Complete table 5 if impacts were documented in Part B of this form which are moderate or substantial.

*Table 5 Stakeholder Consultation for moderate and significant risk projects.*

The time and venue of any proposed public consultation meetings.	The process by which meetings will be notified.	Process by which meetings will be summarized and reported to the PFI (if known).

Table 6 below is for low risk activities where impacts listed in Part B of this form will only impact abutting neighbours.

*Table 6 Neighbour notification and comment – for low risk projects.*

	Name of each neighbour abutting the farmers property, where there are any anticipated impacts on that neighbour.	Notification provided to neighbour about the proposed activity. Circle Yes or No	Describe here any comments or issues raised by neighbour.  Mention how issues has been or can be solved.	If issues or concerns were raised, indicate if assistance is needed to help resolve the issue.  Circle Yes or No
1		Yes No		Yes No
2		Yes No		Yes No
3		Yes No		Yes No

Use back of page if there are more than 3 abutting neighbours.



Annex 8 -- Grievance Redress Mechanism (GRM) Template for PFI Labour Management Procedures

**Explanation and Instructions to PFI for completing this Template:**

This form is to capture the information on your institution’s GRM relating to handling complaints from your workforce in relation to working conditions. Under World Bank financing requirements, this complaints mechanism must be established and be available to direct workers and contracted workers.

Complete tables 1 and 2 for submission to the BSIF PIU. If the PFI does not have a complaints tracking tool, adopt table 3 to help track complaints.

The use of this template by the PFI is not mandatory, however the information it collects does need to be provided to the BSIF PIU in another format if this form is not used.

The purpose of this GRM is to describe the process by which concerns related to labour conditions of the PFI can be raised and addressed by project workers, that is workers who are employed by the PFI. Anonymous complaints can be accepted by the GRM and the use of this GRM does not interfere with any legal process the complainant may be using.

Table 1 Contacts and business standards for complaint management (to be completed by the PFI).

<b>Contact Details for filing a Labour related Complaint:</b>	
Position of complaint receiver within the PFI	
Phone	
Email	
Any other channels such as suggestion boxes	
<b>Number of days for:</b>	
Acknowledging receipt of complaint to complainant	
Grievance handler to investigate simple complaints	
Timeframe for grievance handler to investigate complex complaints	
Number of days after completing complaint for the PFI to provide a response to the complainant	

Table 2 Personnel and roles in the Labour GRM (to be completed by the PFI).

<b>Key personnel in the Labour GM process</b>	<b>Role description</b>	<b>Name of person in the PFI who will fill this role (to be completed by the PFI and submitted as part of the PFI's ESMS)</b>
Complaint receiver within the PFI (typically this is a position within the Human Resources Department)	Receiving complaint, registering the complaint in a spreadsheet (see template below). Tracking closure or resolution of the complaint and registering this in the log book/spread sheet.	
Complaint acknowledger	Maybe the same person as the complaint receiver. Preparing and sending the acknowledgement of receipt to the complainant.	
Complaint handler	Maybe the same person as the complaint acknowledger. Takes responsibility for ensuring the complaint is investigated and where possible a resolution is found.	
Complaint investigator	May be the same person as the complaint handler or may come in to assist the complaint handler to investigate the complaint.	

Table 3 Grievance Log Template (to be used by the complaint receiver and other in the complaint handling process to track each complaint).

<b>Date of receipt</b>	<b>Name of complaint receiver</b>	<b>Date acknowledgement sent</b>	<b>Outcome</b>	<b>Date of closure/resolution</b>