
Urban Research Institute
Governance Document

Environmental and Social Safeguard Policy and Procedures



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PURPOSE AND SCOPE OF THE POLICY

The Urban Research Institute (URI) will effectively and equitably manage environmental and social risks and impacts and improve outcomes of all URI-implemented projects. This Policy presents the commitments of URI and articulates the principles and standards to which URI will hold itself accountable. Through this Policy, URI will require that all URI-supported activities will commit to:

- Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment.
- Enhance equitable access to development benefits.
- Give due consideration to vulnerable and marginalized populations, groups, and individuals, local communities, indigenous peoples, and other marginalized groups of people and individuals that are affected or potentially affected by URI-implemented projects.

The policy ensures full compliance with applicable national environmental and social laws, regulations, and standards, while maintaining alignment with URI's policies to ensure consistent application across all organizational activity.

The scope of this policy extends to all projects developed and implemented from Urban Research Institute, including those implemented by sub-contractors. It sets forth procedures for systematically identifying, assessing, and managing environmental and social risks in all future projects.

This policy does not specifically address issues related to preparedness or response to environmental emergencies, as sudden onset disasters or accidents resulting from natural, technological or human-induced factors, or a combination of these that cause or threaten to cause severe environmental damage as well as loss of human lives and property.

The Environmental and Social Policy applies to Urban Research Institute and all its collaborators performing work for Urban Research Institute throughout the country and region. This includes current employees and persons working for Urban Research Institute through an employment agreement, consultant contract, implementing partners, third party contractors.

Sustainability is a fundamental part of the way we deliver our work, and we promote the same principles in our relationships with contractors, suppliers and any other partners.

COMMITMENT TO ENVIRONMENTAL AND SOCIAL SAFEGUARDS

At Urban Research Institute, we are committed to conduct our work with integrity, honesty and fairness. We do this in compliance with applicable laws and the Urban Research Institute's Code of Conduct and its underlying policies.

Upholding the principles of integrity, honesty, and fairness is paramount in all our work. We steadfastly abide by applicable laws, environmental and social standards, and the Urban Research Institute's Code of Conduct to ensure the ethical conduct of our operations.

We hold our contractors, suppliers, and collaborators to the same high standards, fostering a culture of mutual respect and responsibility. By aligning our values and actions, we aim to cultivate enduring partnerships built on trust and ethical business practices. Together, we strive to achieve shared goals while upholding the highest standards of integrity and social responsibility.

Urban Research Institute, a conscientious regional organization, endeavours to contribute to the advancement of various sectors, including the promotion of good governance and decentralization,

environmental conservation and sustainable resource management, the improvement of public service delivery by empowering local and national capacities, the fostering of art, cultural heritage, and tourism, as well as the support of civil society.

Recognizing that gender-related risks are a fundamental aspect of environmental and social safeguards, URI commits to systematically identifying, assessing, and mitigating potential adverse gender impacts across all projects, addressing these by proactively integrating gender safeguarding measures into project planning, implementation, and monitoring frameworks.

The Environmental and Social Policy takes account of the interests of our various stakeholders. They include employees, partners, suppliers, clients, government bodies, educational and knowledge institutes, industry and society associations (including other NGOs) and the communities in which Urban Research Institute operates.

This policy reflects our dedication to sustainable development and our commitment to safeguarding beneficiaries from unintended negative impacts derived from our projects. It applies to all URI's activity, employees, partners, and sub-contractors involved in project implementation.

ENVIRONMENTAL AND SOCIAL REQUIREMENTS

Projects supported by URI must comply with environmental and social requirements. These requirements include compliance with national and sub-national laws and standards in the areas environmental and social protection, as well as compliance with Environmental and Social Management Performance Standards (PS) as defined by the IFC and the safeguards of the Green Climate Fund (GCF). The adopted PS are:

- PS 1: Assessment and management of environmental and social risks and impacts.
- PS 2: Labour and Working Conditions.
- PS 3: Resource Efficiency and Pollution Prevention.
- PS 4: Community Health, Safety, and Security.
- PS 5: Land Acquisition and Involuntary Resettlement.
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- PS 7: Indigenous peoples.
- PS 8: Cultural Heritage.

An overview and the objectives of each performance standard is available in annex 1.

The environmental and social risk categories of projects supported by URI are defined as follows:

Category A. Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.

Category B. Activities with potential limited adverse environmental and/or social risks and impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Category C. Activities with minimal or no adverse environmental and/or social risks and/or impacts.

Details on URI's environmental and social risk categorization are provided in Annex 2.

GOVERNANCE AND PROCEDURES

The process of delivery of the policy includes:

- Implementation of procedures during the entire project cycle
- Implementation of procedures for projects financed by Intermediaries or implemented by subcontractors
- Clear roles and responsibilities across the organisation
- Capacity development
- Communications
- Stakeholder Engagement and Grievance Mechanism
- Regular policy review and upgrade

IMPLEMENTATION OF PROCEDURES DURING THE ENTIRE PROJECT CYCLE

Each project financed and/or implemented by URI goes through a project cycle, with each step in the cycle having its own dedicated environmental and social safeguard (ESS) procedures. URI will implement ESS procedures for the following steps in the project cycle:

1. Identification and preparation of projects
2. Assessment and selection of projects
3. Contracting of projects
4. Implementation, monitoring and supervision
5. Project completion, evaluation

Step 1: Identification and preparation of projects

- An URI ESS/gender expert carries out an initial environmental and social screening and categorization of a project proposal (see annex 2 for detailed guidance). This will result in an initial assessment of potential environmental and social (E&S) risks, the initial E&S categorization of the proposed project and the definition of E&S assessments that will need to be carried out before contracting the project.
- Unless the E&S categorization was “C”, the URI ESS/gender expert will inform the proponent of the outcome of the initial environmental and social screening and categorization of the project proposal. The proponent will be informed of:
 - The URI’s E&S requirements including gender requirements.
 - The initial categorization of the proposal.
 - The documentation (ESIA, ESMP, etc.) that will need to be generated, if at all.
 - How such documentation can be carried out and financed.
- If the initial categorization of a project proposal is “A” and URI is interested in financing the project, URI will carry out a scoping site visit, accompanied by an experienced E&S consultant. Next to an ESIA, additional studies and plans can be requested for category A projects, as applicable, including Stakeholder Engagement Plan (SEP), Labor Management Plan (LMP), Environmental & Social Management System (ESMS), Resettlement Plan (RP), etc.
- An URI ESS/gender expert will elaborate terms of references for mandatory documentation (ESIA, ESMP, etc.) to be generated, as necessary, and procure the experts carrying out such work. If in the previous step it was agreed that the proponent will procure, oversee, and finance the generation of mandatory E&S documentation, URI can assist the proponent in preparing terms of references and/or procurement, as per individual agreement.

- See Annex 3 for details on ESIA and ESMP requirements.
- Once above steps are completed, the URI ESS/gender expert ensures that all documents produced are stored digitally to facilitate accessibility and future analysis of files/information.

Step 2: Assessment and selection of projects

- Once a complete project proposal and the mandatory E&S documentation as per step 1 above are submitted to URI, and prior to the URI's decision to finance and/or implement the proposal, URI's ESS/gender experts will review the E&S documents submitted for compliance with the URI E&S and gender requirements. If there is no full compliance, the proponent will be informed and asked to amend the documentation to achieve compliance. In case of full compliance, E&S due diligence will be carried out.
- URI's ESS/gender experts will carry out the E&S due diligence:
 - The initial project E&S category will be reviewed and if necessary updated.
 - If a project is category "A" or "B", identify potential stakeholders and interest groups that could be negatively impacted by the proposed project and discuss the proposal with them to avoid possible short term or likely future disputes. Modify the ESMP if necessary.
 - If a project is category "A" or "B", discuss and agree with the proponent the procedures and timing for implementing the ESMP. If a project is category "A", URI will also carry out a mandatory scoping site visit, accompanied by an experienced E&S consultant. If a project is category "B", a scoping site visit can be carried out, but is not mandatory.
 - Evaluate and consider the client's past performance in the area E&S management of projects.
 - Summarize the E&S documentation and due diligence outcome for inclusion into the overall project appraisal report, e.g. by preparing an E&S due diligence memo. Note that not only technical information is to be included, but also proposed E&S related conditions and arrangements for E&S management, monitoring and evaluation during project implementation and how related costs will be covered.
 - Submit the memo to the Executive Director, highlighting any specific E&S related risks that should be considered during project approval. The Executive Director and General Director Project Management will decide about the ESS related recommendations contained in the memo. Based on this decision, the ESS/gender experts will then adjust and finalize the E&S documentation prior to project contracting.
 - Prepare and publish a summary of the ESIA on the website in accordance with URI's requirements.
 - Inform the proponent of the outcome of the due diligence. This will usually be done together with informing the proponent of URI's decision to finance/implement the project.

Step 3: Contracting of projects

- For category "B" and "C" projects, E&S standard clauses will be included in the financing contract with the proponent, relating to:
 - Compliance with legislation.
 - URI's ESS standards and gender policy of URI.
 - Mandatory implementation of the ESMP, if applicable.
 - Mandatory monitoring and reporting as per ESMP.
- For category "A" projects, dedicated clauses relating to specific E&S risks will be formulated and included in the financing contract relating to:
 - Compliance with legislation.
 - URI's ESS standards and the gender policy of URI.

- Mandatory structures for E&S management at project level.
- Mandatory implementation of the ESMP.
- Mandatory E&S management related monitoring and reporting (at least annually).
- Regular and ad hoc monitoring and oversight site visits by URI.
- Additional clauses, as needed.
- The draft clauses for contract inclusion will be elaborated by URI's ESS/gender experts and after clearance by the General Director Project Management submitted to the URI's legal team for finalization of the contract with the proponent. Clauses of category "A" projects will always be reviewed and cleared by the Executive Director. Once proposed financing contracts are cleared by URI, they will be negotiated with the proponent/client, including the E&S clauses. Should contract negotiations lead to situations where E&S related clauses cleared by the General Director Project Management are compromised, proposed alternative clauses will always be reviewed by URI's ESS/gender experts and cleared anew by the General Director Project Management. Such review and renewed clearance will always ensure that full compliance is guaranteed with relevant legislation, URI's ESS standards and URI's gender policy.

Step 4: Project implementation, monitoring and supervision

- In line with the conditions included in the project contract, the project manager and/or client will ensure that URI's ESS and gender requirements will be implemented at any time during project implementation. In particular, the client will be responsible for implementing the agreed ESMP and other management plans, and report to the General Director Project Management and co-financiers about implementation progress.
- The project manager and/or client will elaborate and submit project implementation progress reports as determined in the project contract. These reports will be reviewed and verified by the General Director Project Management and ESS/gender experts. Problems encountered and reported will be first discussed internally with the General Director Project Management and, if deemed necessary by the General Director Project Management, with the Executive Director. Proposed remedies to issues will then be discussed and agreed with the project manager and/or client.
- Additional monitoring will be performed by the ESS/gender experts as per financing contract and may include dedicated site visits, for example. Should such monitoring reveal issues and require amendments to the ESMP, the problems will be first discussed internally with the General Director Project Management and, if deemed necessary by the General Director Project Management with the Executive Director. Proposed remedies to issues will then be discussed and agreed with the project manager and/or client.
- In some cases, mid-term project evaluations will be carried out. If such evaluations take place for projects categorized "A" or "B", the E&S requirements of the project will be evaluated too. The ESS/gender experts will review such evaluation reports and if changes to the ESMP or other applicable instruments have been recommended, such changes shall be discussed and agreed with the project manager and/or client.
- The review of project implementation progress reports, mid-term evaluations and additional monitoring activities will always be documented in E&S monitoring reports prepared by ESS/gender experts and stored together with other E&S documentation in the project file. See Annex 4 for the E&S monitoring template (possible additional monitoring reports or information required by project co-financiers will be documented and stored as well).

Step 5: Project completion, evaluation

- In line with the conditions included in the project contract, the project manager and/or client will submit a project completion report including information on the implementation

of the ESMP. These reports will be reviewed and verified by ESS/gender experts and, if applicable, by the General Director Project Management. Any issues requiring remedy, if applicable, will be communicated to the project manager and/or client and addressed before final transfer of funds.

- In some cases, final project evaluations will be carried out. If such an evaluation takes place for projects categorized “A” or “B”, the E&S requirements of the project will be evaluated too. The ESS/gender experts will review such evaluation reports and if violations of the ESMP or other applicable instruments have been reported, related remedies, as recommended by the evaluators, shall be discussed and agreed with the project manager and/or client and implemented before final transfer of funds.
- The review of project completion reports and final evaluations will always be documented in E&S monitoring reports prepared by ESS/gender experts and stored together with other E&S documentation in the project file.

URI’s ESS Policy will be audited at least every 4 years by Internal Audit to assess institutional management program effectiveness.

IMPLEMENTATION OF PROCEDURES FOR PROJECTS FINANCED BY INTERMEDIARIES OR IMPLEMENTED BY SUBCONTRACTORS

In some cases, URI may finance or implement projects through subcontracted intermediaries or executing entities.

In such cases, URI will ensure and make subcontractors contractually responsible to implement URI’s E&S requirements in the subcontractor’s project cycle. In particular:

- Prior to subcontracting, URI will assess the intermediary’s ability to implement URI’s E&S requirements. URI will work only with such intermediaries passing the assessment. If an intermediary fails to pass the assessment, the intermediary and URI may agree on URI assuming a role of partially or fully implementing the E&S management tasks in order to satisfy URI’s E&S requirements. If such agreement is made, the costs for such E&S work carried out by URI will be borne by the subcontractor or a project co-financier.
- Subcontractors will implement E&S management at project level which is at least as robust as URI’s own E&S management as outlined in the present policy.
- URI and the subcontractor will agree contractually that all E&S management related documentation produced and collected by the intermediary, including at project level, will be made available to URI. In addition, and if applicable, regular, and detailed E&S reporting at portfolio level (at least annually) will be agreed between URI and the intermediary. Such reporting will be compatible with reporting requirements URI will have from its own financiers, if applicable.
- URI and the subcontractor will agree contractually that relevant legislation relating to ESS of the country in which the project will have activities will be complied with at all times during project development and implementation.
- URI and the subcontractor will agree contractually that URI maintains a right to conduct site visits at any time related to ESS of projects supported financially by URI.
- In case of projects considered for financing by the intermediary which are categorized “A” or “B”, URI will always review the intermediary’s E&S due diligence reports for such projects, before the intermediary’s approval decision for such projects is taken. URI and the intermediary will contractually agree that the intermediary’s approval is conditional to URI’s approval of each project’s E&S due diligence documentation.

ROLES AND RESPONSIBILITIES ACROSS THE ORGANISATION

URI implements the roles and responsibilities described below to achieve the objectives of the ESS Policy and ensure compliance with PS 1 “Assessment and management of environmental and social risks and impacts”.

The roles and responsibilities for implementing the ESS Policy in URI are in line with the procedures set out in above section and are as follows:

General Assembly (GA) and GA’s Risk and Audit Committee

- Adopts the ESS Policy and future changes to it.
- Oversees, through Internal Audit and Executive Director, the implementation of the ESS Policy.

Executive Director

- Oversee the implementation of the ESMS.
- Discuss proposed updates to the ESS Policy and recommend updates to the GA for adoption.
- Review and clear proposed financing contract clauses for proponents of projects categorized “A”.
- Act on E&S complaints which are escalated to the level of Executive Director.

Internal Audit

- Act on E&S complaints which are escalated to the level of Internal Audit.
- Carry out internal audits of the ESMS every four years and specific project audits as per audit plan.

General Director Project Management

- Responsible for the overall coordination of the implementation of the ESMS, including E&S related project cycle management.
- Reviews and clears proposed financing contract clauses for proponents of projects categorized “B” and “C”.
- Coordinates the elaboration of any updates to the ESS Policy and submits proposed updates to the Executive Director.
- Ensures that all ESS documentation at project level is systematically and properly recorded to facilitate the accessibility and analysis of files/information.
- Contributes to implementing procurement procedures to select service providers for any external studies that will be required as part of the ESMS, e.g., ESIA, ESMPs, RPs, etc.
- Facilitate E&S grievances as per annex 5.

ESS/gender experts

- Conduct the initial environmental & social assessment / categorization of a proposed new project and ensure that such assessments are systematically and properly recorded (see annexes 1 - 2).
- Elaborate terms of references for any external environmental and social study that will be procured by URI as part of its ESMS, including for example: ESIA, ESMPs, SEPs and RPs (see annexes 2 and 3).
- Carry out E&S due diligence.
- Review environmental and social studies that were procured by URI as part of its ESMS. Formulate recommendations from a URI perspective related to such studies. In cooperation with the General Director Project Management, ensure that these recommendations are being transmitted to and implemented by the project proponent.

- Ensure that all documentation is systematically and properly recorded.
- Where necessary, support clients/intermediaries/subcontractors in elaborating ESMPs, or, where applicable, elaborate such Plans in projects coordinated directly by URI. Ensure that all ESMPs for projects supported by URI fully comply with URI's ESMS. Report to the General Director Project Management on ESMPs on a regular basis. Ensure that all documentation is systematically and properly recorded.
- Draft E&S contract clauses.
- Support the work of carrying out project monitoring field visits (ESS aspects of such field visits).
- Support the General Director Project Management in the work of reviewing ESS aspects of project monitoring and/or evaluation reports, including reporting on ESMPs.
- Facilitate E&S grievances as per annex 5.

Project Managers (PMs) and Officers

- In cooperation with the ESS/gender and other experts working under the General Director Project Management, ensure that ESMPs of URI-implemented projects are being implemented, monitored, evaluated and, if necessary, updated. In cases where project components are being implemented by Executing Entities (subcontractors to URI), ensure that these entities comply with the agreed ESMPs. Report to the General Director Project Management on ESMPs on a regular basis.

Monitoring experts

- Carry out all required E&S monitoring and evaluation work, including project monitoring field visits. Ensure that all documentation is systematically and properly recorded. See Annex 4 for the E&S monitoring template.
- Review (and where applicable: prepare) project monitoring reports prepared by subcontractors and prepare related analytical reports (including ESS related content, e.g. reporting related to ESMPs). Ensure that such reviews and reports are systematically and properly recorded. Report to the General Director Project Management Unit about such monitoring and verification reviews and results.

Project Developers elaborating new URI projects

- Ensure that URI's ESMS is fully reflected in Concept Notes and Funding Proposals prepared by URI for financing by bilateral and/or multilateral partners.

CAPACITY DEVELOPMENT

To support the implementation of its ESMS, URI formulates and continuously implements a capacity building program for staff and partners, so that they have the skills, knowledge, and resources necessary for ESMS implementation. To formulate the program, URI may carry out capacity needs assessments of staff and partners.

The capacity building program will include the following areas among others: IFC Performance Standards; environmental management; health, safety and social management; gender; indigenous peoples; ESMS procedures and tools in project design, implementation and evaluation; grievance management; etc.

To implement the capacity building program, URI will establish partnerships with suitable trainers and experts to help deliver the program in line with good international practice.

COMMUNICATIONS

URI establishes and maintains a digitized system to systematically collect, store and archive all documents that are generated while implementing the ESMS. The files will be secured in regular intervals in line with URI's ICT policy. The files will be kept for a duration of ten years.

The files are stored into the system by the experts in charge as per section "roles and responsibilities" above. The General Manager Project Development ensures that all ESMS documentation at project level is systematically and properly recorded and facilitates the accessibility and analysis of files/information. In line with URI's information disclosure policies and subject to approval of the Executive Director, the General Manager Project Development determines the access rights to the digitized ESMS system.

The ESIA's and ESMP's of proposed category A and B projects will be published and disclosed to the public on URI's website for the following minimum duration, whereas the webpage will include or link to a form that allows website users to provide inquiries and/or complaints related to the disclosed information:

- Category A projects: At least 120 calendar days in advance of URI's financing/implementation decision.
- Category B projects: At least 30 calendar days in advance of URI's financing/implementation decision.
- Analogous minimum time periods for category A and B projects of a subcontractor or intermediary engaged by URI.

URI will take financing decisions on proposed category A and B projects only after the above time periods for providing comments on the respective ESIA's have elapsed and all comments received were addressed to the satisfaction of commentor, proponent and URI, complying with all applicable law in force.

In addition, URI publishes the following ESMS information on its website:

- URI's ESS Policy.
- Any other E&S information URI is contractually or legally obliged to disclose.

Further, URI publishes and continuously maintains a dedicated webpage on its website which allows for inquiries and complaints related to URI's ESMS work, including individual projects URI supports. Inquiries and complaints will be managed as per section "Stakeholder Engagement and Grievance Mechanism" below.

URI will report on implementing its ESMS in each URI Annual Report.

STAKEHOLDER ENGAGEMENT AND GRIEVANCE MECHANISM

Stakeholder engagement

URI is committed to identify its stakeholders for every project activity, provide timely and accessible information to them and give them the opportunity to express their views and concerns about a project and its impacts/risks at different stages in the project life cycle to ensure meaningful, effective and informed participation of stakeholders in the design and implementation of a project. The project stakeholders including financial beneficiaries, individuals affected by the proposed project, surrounding community and other interested parties will be involved through information disclosure, consultation, and informed participation in a way proportionate to the risks and impacts on affected parties. This engagement will contribute to building trust, credibility and local support as well as increasing ownership. Stakeholder engagement is understood as an on-going process which is characterized by:

- Identification of stakeholders who would be directly or indirectly impacted by the project.
- Be aware of which issues are important to each group. Engagement will be stronger and more frequent with groups that are severely affected.
- If dealing with a representative of a group, make sure that the representative legitimately represents the interests of the affected groups and communities.
- Engagement with stakeholders in their own communities, where they feel comfortable.
- Provision of an opportunity for two-way dialogue.
- Keeping a record of questions, comments and suggestions from stakeholders and adapting action plans and improving project implementation processes based on such feedback.
- Reporting back on how their inputs were considered.
- Avoiding the generation of expectations that will or cannot be fulfilled.
- Developing a project specific Stakeholder Engagement Plan to guide the engagement process, where needed.

Grievance mechanism

URI will establish and continuously operate a E&S grievance mechanism that allows for inquiries and complaints raised by project stakeholders, (potentially) affected populations and the public.

URI will ensure that inquiries and complaints can be submitted and will be dealt with during the entire project life cycle, including for:

- ESIA's and ESMP's of projects being considered by URI for financing.
- Projects financed/implemented by URI (project implementation phase).

The objectives of the grievance mechanism are:

- Addressing and resolving issues raised by project stakeholders, (potentially) affected population and the public in a fair and effective manner.
- Strengthening the E&S performance of projects.
- Strengthening URI's ESMS.

The grievance procedure consists of the following steps:

1. Filing of the request.
2. Registration and acknowledgment of receipt of the request.
3. Examination of the eligibility of the request.
4. Assessment of how the issue can be resolved.
5. Preparing the response and informing the complainant.
6. If the complainant is unsatisfied with the proposed solution, review the issue with Internal Audit and Executive Director and inform the complainant of the response.
7. If the complainant is unsatisfied with the proposed solution, review the issue with the GA's Risk and Audit Committee and inform the complainant of the response.

The detailed grievance procedures are included in annex 5.

All E&S complaints received by URI will be entered into a publicly accessible online system to allow their tracking and monitoring. The updating of the information will be weekly and done by the E&S team. The information will include the following data organized by type and location:

- Number and type of complaints received.
- Number and percentage of complaints that have reached agreement.
- Number and percentage of complaints that have been resolved.
- Number and percentage of complaints that have gone to mediation.
- Number and percentage of complaints that are unresolved.



REGULAR POLICY REVIEW AND UPGRADE

URI's ESS Policy will be updated regularly in line with latest developments in good international practice and requirements of URI's project financiers. The General Director Project Management will initiate and coordinate any updates. Any proposed changes to the Policy will be submitted to the Executive Director and General Assembly for adoption.

In addition, URI's ESS Policy will be reviewed by Internal Audit at least every 4 years.

ANNEX 1: AN OVERVIEW AND THE OBJECTIVES OF EACH PERFORMANCE STANDARD

PS 1: Assessment and management of environmental and social risks and impacts.

This standard requires the project proponent to study the potential environmental and social impacts of a proposed project to ensure that it remains viable and sustainable on both counts in the long term. It sets out the responsibilities for assessing, managing, and monitoring the E&S risks / impacts in all stages of a project. For projects financed by URI, this PS requires carrying out mandatory environmental and social due diligence to identify, assess, categorize, and manage all E&S risks and impacts. This may be supported by a number of instruments including for example Environmental and Social Impact Assessment (ESIA), studies, Environmental and Social Management Plans (ESMP), Gender Action Plans, Resettlement Plans, etc.

PS 2: Labour and Working Conditions.

Performance Standard 2 recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient in the sustainability of a company. Failure to establish and foster a sound worker-management relationship can undermine worker commitment and retention and can jeopardize a project. Conversely, through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, clients may create tangible benefits, such as enhancement of the efficiency and productivity of their operations. Objectives:

- To promote the fair treatment, non-discrimination, and equal opportunity of workers.
- To establish, maintain, and improve the worker-management relationship.
- To promote compliance with national employment and labour laws.
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain.
- To promote safe and healthy working conditions, and the health of workers.
- To avoid the use of forced labour.

PS 3: Resource Efficiency and Pollution Prevention.

Performance Standard 3 recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels. There is also a global consensus that the current and projected atmospheric concentration of greenhouse gases (GHG) threatens the environment, and public health and welfare of current and future generations. At the same time, more efficient and effective resource use and pollution prevention and GHG emission avoidance and mitigation technologies and practices have become more accessible and achievable in virtually all parts of the world. These are often implemented through continuous improvement methodologies similar to those used to enhance quality or productivity, which are generally well known to most industrial, agricultural, and service sector companies. This Performance Standard outlines a project-level approach to resource efficiency and

pollution prevention and control in line with internationally disseminated technologies and practices. In addition, this Performance Standard promotes the ability of private sector companies to adopt such technologies and practices as far as their use is feasible in the context of a project that relies on commercially available skills and resources. Objectives.

- To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.
- To promote more sustainable use of resources, including energy and water.
- To reduce project related GHG emissions.

PS 4: Community Health, Safety, and Security

Performance Standard 4 recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. While acknowledging the public authorities' role in promoting the health, safety, and security of the public, this Performance Standard addresses the client's responsibility to avoid or minimize the risks and impacts to community health, safety, and security that may arise from project related activities, with particular attention to vulnerable groups. In conflict and post-conflict areas, the level of risks and impacts described in this Performance Standard may be greater. The risks that a project could exacerbate an already sensitive local situation and stress scarce local resources should not be overlooked as it may lead to further conflict. Objectives:

- To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.
- To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities

PS 5: Land Acquisition and Involuntary Resettlement.

Performance Standard 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail. Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for the Affected Communities and persons, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided. However, where involuntary resettlement is unavoidable, it should be minimized and appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented. The government often plays a central role in the land acquisition and resettlement process, including the determination of compensation, and is therefore an important third party in many situations. Experience

demonstrates that the direct involvement of the client in resettlement activities can result in more cost-effective, efficient, and timely implementation of those activities, as well as in the introduction of innovative approaches to improving the livelihoods of those affected by resettlement. Objectives:

- To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.
- To avoid forced eviction.
- To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.
- To improve, or restore, the livelihoods and standards of living of displaced persons.
- To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

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

Performance Standard 6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity, which defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems.” Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services. Ecosystem services valued by humans are often underpinned by biodiversity. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services. This Performance Standard addresses how clients can sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project’s lifecycle. Objectives:

- To protect and conserve biodiversity.
- To maintain the benefits from ecosystem services.
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

PS 7: Indigenous peoples.

Performance Standard 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous

Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases. Private sector projects can create opportunities for Indigenous Peoples to participate in, and benefit from project-related activities that may help them fulfil their aspiration for economic and social development. Furthermore, Indigenous Peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development. Government often plays a central role in the management of Indigenous Peoples' issues, and clients should collaborate with the responsible authorities in managing the risks and impacts of their activities. Objectives:

- To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
- To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.
- To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
- To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle.
- To ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.
- To respect and preserve the culture, knowledge, and practices of Indigenous Peoples.

PS 8: Cultural Heritage.

Performance Standard 8 recognizes the importance of cultural heritage for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to ensure that clients protect cultural heritage in the course of their project activities. In addition, the requirements of this Performance Standard on a project's use of cultural heritage are based in part on standards set by the Convention on Biological Diversity. Objectives:

- To protect cultural heritage from the adverse impacts of project activities and support its preservation.
- To promote the equitable sharing of benefits from the use of cultural heritage.

ANNEX 2: E&S RISK SCREENING AND CATEGORIZATION

URI requires the following:

As part of the process of identifying and preparing projects for financing:

- An URI ESS/gender expert carries out an initial environmental and social screening and categorization of a project proposal. This will result in an initial assessment of potential environmental and social risks and the initial E&S categorization of the proposed project.

As part of the process of assessing and selecting project proposals:

- As part of E&S due diligence, an URI ESS/gender expert carries out a review of the initial project E&S categorization.

As part of the process of implementing, monitoring, and evaluating projects that are being financed:

- The project E&S categorization can be reviewed as part of reviewing project implementation progress reports and monitoring and/or evaluation activities that may be carried out. Such project E&S categorization review is carried out if the documentation submitted indicates that a re-categorization is likely necessary.

Environmental and social risk screening

The screening of environmental and social risks of activities is an important step in the overall environmental and social due diligence of activities implemented in URI projects. Screening serves to identify and assess, at the earliest stage possible, the likely environmental and social risks and impacts that could be reasonably anticipated from the design and execution of activities. It is also a tool to ensure that gender, indigenous peoples and other environmental and social sustainability issues are considered in the design and throughout the life of the activities. Undertaken at the earliest possible opportunity during the preparation of activities, screening assists URI, executing entities, and other stakeholders in anticipating the risks and impacts of the project, how these will be addressed, and the requirements that need to be met and addressed.

The screening of environmental and social risks and impacts of activities informs the risk-based approach to due diligence. By identifying and analysing the potential risks and impacts of the activities, the overall level of environmental and social risk from the activities can be established. This can then be reflected as the overall environmental and social risk category of the activities.

URI is responsible for undertaking the screening of risks and impacts, based on information provided by relevant stakeholders.

Screening is undertaken at the early stages of project development. It is considered as a starting point in the environmental and social due diligence of activities, typically during the preparation of concept notes or financing proposals. The screening of environmental and social risks of proposed activities allows to:

- Identify the potential environmental and social risks and impacts of the activities.
- Analyse the identified risks and impacts to understand their potential significance.
- Assign an environmental and social risk category.
- Determine applicable standards, policies and plans for meeting requirements, including the scope of further assessments.

Screening is usually undertaken through a desktop assessment of the concept note or financing proposal. Screening will also be based on information of various aspects of the proposed activities, such as the biological and physical environment, social, economic, and cultural elements, policy and governance, capacity, and implementation arrangements. It is important to understand that the screening process is conducted while project activities may still be designed and when information related to the activities may not be available in detail. Where there are limitations in the information related to the likely environmental and social risks and impacts, assigning the appropriate category of the activities following a precautionary approach will be necessary to assess and address the anticipated risks and impacts. It is the responsibility of URI to require stakeholders to provide adequate information for an informed analysis of the environmental and social risks and impacts. Where gaps in knowledge about the activities are identified, such gaps must be included in the scope for the detailed environmental and social assessments of the activities. As better information and understanding of the risks and impacts become known, the category assigned to the activities during screening will need to be adjusted to reflect the results of the detailed environmental and social assessments or if any risks and impacts are identified.

Additional information about the activities that is required during screening at a minimum includes anything related to the scale of the activities, their proposed locations, descriptions of the intervention and technology that will likely be used, and the inherent risks of the activities associated with the sector and industry. Related literature and previous environmental and social assessments, including stakeholder consultations relevant to the proposed activities, if available, are also important in understanding the expected risks, impacts and concerns that may affect the activities.

Screening should also be undertaken during the implementation of the activities, as part of adaptive management. This becomes an important due diligence process as it reveals risks and impacts associated with the changes in the design and implementation arrangements, policies and regulations, and host environment and communities. These changes may bring about unanticipated risks and impacts or alter the overall environmental and social risk level. Screening, or updating of the previous screening, would be required to determine if there are changes in the overall category of the activities and the scope of any environmental and social assessment of the unanticipated or planned changes to the activities.

Below are important considerations in planning and undertaking screening of the environmental and social risks of activities:

- Conduct the screening as early as feasible and ideally as part of developing a project concept and as part of due diligence of a financing proposal. By making the screening an upstream process, the environmental and social risks as well as opportunities are integrated into the design of the activities. By conducting screening in the early stages of activity design, the cost for due diligence is minimized as the process becomes more predictable and the requirements are clarified from the start. Screening also supports the examination and consideration of alternatives that have more benign environmental and social risks and impacts.
- Consider risks and impacts that are regarded as direct, indirect, induced, transboundary, long term and cumulative as well as impacts from associated facilities and third parties. These must be included in screening in order to obtain a comprehensive scan of potential risks and

impacts associated with the activities. It is also important to consider requirements of laws applicable to the activities, including national laws and relevant international obligations policies, regulations and standards related to managing environmental and social risks and impacts that will need to be met and complied with in the course of the development and implementation of the activities.

- Consider opportunities for improving the environmental and social performance of the activities. Screening can identify ways to enhance environmental and social benefits that can be harnessed from the activities.
- Include gender aspects and other impacts on vulnerable groups. Women and vulnerable groups may be affected differently by the activities, and screening can show how women, vulnerable groups, or indigenous peoples may be differently impacted.
- Screening should be continuously updated. It is important to understand that screening is not a one-off undertaking but rather one part of a due diligence process that is carried out during design, implementation, and conclusion of the activities. The information in the screening will need to be updated, particularly in instances where there are changes in the design and scope of implementation of activities.

Environmental and social risk categorization

The environmental and social risks and impacts of activities vary greatly. They are determined by factors such as nature, location, scale, magnitude, intensity, duration and reversibility of the impacts, and other risks inherent to the sector or industry. A risk-based approach requires the determination of the extent and scope of environmental and social due diligence that will be required for each activity. An environmental and social risk category will need to be assigned to the activity. For URI, the environmental and social risk category of an activity indicates the extent of:

- The due diligence that needs to be undertaken.
- The mitigation measures, including the resources needed to implement the environmental and social management plans.
- The stakeholder engagement and information disclosure.

URI recognizes that fulfilling its mandate to finance development may necessitate financing activities that could be inherently risky from the context of environmental and social risks and impacts. The risk category of the activities does not, in any way, imply whether an activity is “good” or “bad” but instead indicates recognition of the likely risks and impacts. This will allow measures to be put in place to avoid, minimize, or mitigate them.

URI assigns appropriate categories to activities in a manner consistent with international good practice, which differentiates between high, moderate, and minimal to no adverse environmental and/or social risks and impacts. These risk levels are based on defined criteria and follow a continuum of risks and potential impacts. The assignment of risk categories reflects an integrated view of the environmental and social aspects of the activities and is the result of the environmental and social risk screening of the activities.

The environmental and social risk category of activities is informed by the result of the screening. Where the result requires further environmental and social assessments to be conducted, the risk category assigned during the screening process may need to be adapted based on the review of these additional assessments.

The environmental and social risk categories of activities supported by URI are defined as follows:

- Category A. Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.
- Category B. Activities with potential limited adverse environmental and/or social risks and impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.
- Category C. Activities with minimal or no adverse environmental and/or social risks and/or impacts.

Category A activities, often referred to as high-risk activities, include those with potential significant adverse environmental and social risks and impacts as determined by the screening process. Activities considered as category A may have significant risks for and impacts on the physical and biological environment as well as the socio-economic and cultural environment. Examples of features of category A activities include:

- Having large geographic scale.
- Involving large-scale infrastructure.
- Located in valuable ecosystems and/or critical habitats.
- Entailing adverse impacts to the rights, resources, and lands of indigenous peoples.
- Entailing significant resettlement of affected peoples.

The significant adverse environmental and social risks and impacts are further analysed as to whether the impacts are:

- Diverse, where there may be various types of risks and impacts associated with the activities. The diversity of risks and impacts may affect the capacity of the entities to plan and implement measures to manage risks and impacts, for example, projects or programmes with several different types of component subprojects that may generate varied risks and impacts.
- Unprecedented, where the activities and the identified risks and impacts may have not been experienced in the locality, and as such may be limited in designing and implementing effective mitigation measures. Examples of such activities include infrastructure that would require mitigation measures with unique requirements.
- Irreversible, where the activities may lead to permanent impairment of environmental quality, decline of ecosystem services, and adverse effects to the communities, including vulnerable groups. Examples of such activities include those that use non-renewable resources, reduce the integrity of natural habitats, and cause further decline and reduction of the population of species and ecological communities.
- Other considerations for category A activities include the large-scale nature of the activities, impacts that may extend beyond the project's footprint, complex implementation arrangements, duration of impacts, manageability of risks and impacts, and community involvement and support.

Category A activities are required to undertake:

- A comprehensive Environmental and Social Impact Assessment (ESIA) and to develop and implement corresponding Environmental and Social Management Plans (ESMPs).

- Other plans addressing specific risks and impacts, such as those related to land acquisition and involuntary resettlement, indigenous peoples, and biodiversity; stakeholder engagement; and activity-level grievance redress mechanisms.

Category B activities, or moderate risk activities, include those with risks and impacts that are less adverse than category A activities in terms of magnitude and likelihood of occurrence. Risks and impacts are considered limited, and the magnitude is expected to be low to moderate. The risks and impacts are few in number, contained within the footprint of the activities, largely reversible, and readily mitigated through generally accepted mitigation measures and good international industry practices.

In determining category B activities, it is important to consider the spatial extent of risks and impacts as well as whether the duration of impacts is temporary or permanent and whether the entities and proponents of activities have experience in designing and implementing measures to mitigate identified risks and impacts.

Category C activities, or low-risk activities, include those that have minimal to no adverse environmental and social risks and impacts. Category C activities are typically those that have no physical elements or defined footprints. However, in certain contexts, activities that have physical elements or a footprint may also be considered as low risk, particularly where the activities are small-scale, undertaken within an already built environment, do not involve physical and economic displacement of people or have minimal or no adverse impacts on indigenous peoples. Some examples of category C activities include:

- Capacity development, planning support, institutional development and strengthening, advisory services, communication and outreach, and early warning and other monitoring systems; and
- Small-scale facilities, smallholder production and community-based conservation, rehabilitation and maintenance of existing small-scale infrastructure within an already built-up area and with no additional footprint.

Categorization also applies to investments through financial intermediation. The screening and categorization will consider the risks associated with the intended end use. Categories of activities involving investments through financial intermediation functions or delivery mechanisms involving financial intermediation are divided into the following three levels of risk:

- High level of intermediation, or I1, when an intermediary's existing or proposed portfolio includes, or is expected to include financial exposure to category A activities.
- Medium level of intermediation, or I2, when an intermediary's existing or proposed portfolio includes, or is expected to include financial exposure to category B activities.
- Low level of intermediation, I3, when an intermediary's existing or proposed portfolio includes financial exposure to category C activities.

It is important to note that in assigning the overall environmental and social risk category of activities through financial intermediation, the highest risk category of potential subprojects will be adopted.

Screening and categorizing activities involving indigenous peoples

The screening and categorization take into account all potential environmental and social risks and impacts associated with the activities. It is important to understand that the screening of environmental and social risks is contextualized, recognizing the various factors such as those related to location,

communities and types of intervention that contribute to the analysis of the level of risks and impacts of the activities. The analysis of the risk factors associated with the activities will need to include how the different social groups, including indigenous peoples and other vulnerable and marginalized populations, are differently affected, either positively or negatively, by the impacts of the project. It should be recognized that there are due diligence requirements specific to indigenous peoples, women, and other vulnerable and marginalized groups that would need to be taken into consideration in the screening and further assessments.

The screening and categorization of activities will need to determine whether there are indigenous peoples who may be potentially affected by the activities, noting that the mere presence of indigenous peoples and other vulnerable or marginalized groups should not automatically signal higher magnitudes of risk. The screening and categorization of activities where indigenous peoples may be present will need to recognize that indigenous peoples may be affected differently by the activities due to their vulnerabilities, as may be affected by their economic, social and legal status; institutions, customs, culture and language; dependence on their lands and natural resources; and their relationship with the dominant groups and mainstream economy.

The screening and categorization will need to take into account the risks and impacts of the activities on the indigenous peoples, including their rights to territories, resources and livelihoods. Examples of the risk factors that may be considered during screening and categorization include risks related to the physical displacement of indigenous peoples from their ancestral lands and territories; restrictions that result in loss of their traditional livelihood systems including access to the territories and its resources; degradation of lands and the environment and the depletion of resources; exacerbation of community conflicts; and impacts to the cultural heritage and other physical resources and sites that are considered culturally important to the indigenous peoples.

In categorizing activities, it is important to understand the adverse impacts of activities on the indigenous peoples. For example, activities that seek to establish protected areas or areas set aside for enhancing ecosystem services may overlap with the indigenous people's territories or affect the land tenure rights of indigenous peoples. These conservation-based activities may also negatively impact traditional livelihoods of indigenous peoples, leading to the degradation of their culture and knowledge systems. Activities may also restrict the access of indigenous peoples to their lands, natural resources and cultural and religious sites. Activities may be considered to have moderate- to high-risk if these entail risk factors such as those cited in the previous paragraph. Activities may be considered low-risk if the activities are planned in consultation with indigenous peoples and expected to provide benefits such as capacity development, institutional strengthening, awareness building, outreach and other small-scale interventions and that do not result in adverse impacts such as on land tenure rights, access to resources and cultural heritage and other risk factors. It is also crucial to consider that while some low-risk activities may have no physical elements or defined footprints, these activities may have inadvertent adverse effects on the rights of indigenous peoples including lands and natural resources subject to traditional ownership or customary use. The environmental and social risk category of activities will need to take into account these environmental and social risks and impacts on the indigenous peoples.

If the screening identifies indigenous peoples, further analysis should be undertaken to collect baseline data on those communities, covering key aspects that may be affected by the activity and the potential

impacts and benefits of the activity to indigenous peoples. The breadth, depth, and type of assessment should be proportional to the nature and scale of the proposed activity’s potential impacts on the indigenous peoples and the vulnerability of the indigenous peoples.

Checklists

The tools for analysis and categorization of environmental and social risks are the checklists included below. Alternative methods may be used, if the use of such were explicitly requested by a financier of an URI project. URI will adapt the below checklists periodically in line with latest good international practice.

PROJECT SCREENING AND CATEGORIZATION CHECKLIST

Project title:	
Sector(s):	
Location, Region:	
Total project cost / total URI financing requested:	
Name, title, position, address, email/phone of project proponent / client:	
Name, title, position of the URI staff completing this form:	
Date:	Name and signature of URI staff completing this form:

Part 1: Brief description of the project

Components, activities, duration, areas of intervention, etc.

.....

Part 2: Compliance with legal framework

Legal and regulatory framework:

- Yes
- No
- Not sure
- To be assessed

Part 3: Identification of environmental and social risks and impacts

Environmental and social risks and impacts	Yes	No	Comments (risks, possible mitigation options, etc.)
Assessment and management of environmental and social risks and impacts			
Will the activities involve transboundary impacts on air, water or other natural resources?			
Are the activities likely to contribute to cumulative impacts?			

Will the activities involve associated facilities and third-party impacts?			
Are the activities likely to induce potential social conflicts?			
Do the executing entities and implementing agencies have the capacity to implement the environmental and social management plans/action plans?			
Labour and working conditions			
Are the activities likely to affect working conditions, particularly in terms of employment, compliance with labour and other laws pertaining to non-discrimination, equal opportunity, child labour, and forced labour of direct, contracted and third-party workers?			
Will the activities pose occupational health and safety risks to workers, including supply chain workers?			
Resource efficiency and pollution prevention			
Will the activities generate emissions; discharge pollution into water and land; generate activity related greenhouse gas emissions; use hazardous materials; generate noise and vibration; and/or generate waste including hazardous waste?			
Are the activities likely to utilize natural resources, including water and energy?			
Will there be a need to develop and implement measures to reduce pollution and promote sustainable use of resources?			
Community health, safety and security			
Will the activities potentially generate risks and impacts on the health and safety of the affected communities, including impacts on ecosystem services affecting the local community health and safety?			
Will the activities increase the risk of sexual exploitation, abuse and harassment?			
Will there be a need for an emergency preparedness and response plan that also outlines how the affected communities will be assisted in emergencies?			
Will there be potential risks posed by the security arrangements and potential conflicts at the project site between the workers and the affected community?			
Land acquisition and involuntary resettlement			
Are the activities likely involving the acquisition of lands, land rights or land-use rights through expropriation or other compulsory procedures in accordance with the applicable legal system?			
Are the activities likely to alter existing land use and restrict access to natural resources resulting in loss of livelihoods and other economic activities?			
Biodiversity conservation and sustainable management of living natural resources			
Is the project or programme likely to be located on modified, natural and/or critical habitats or in protected or internationally recognized ecological areas?			
Is the project or programme likely to introduce invasive alien species of flora and fauna, affecting the biodiversity of the area?			
Is the project or programme likely to have potential impacts on biodiversity (especially critically endangered and/or endangered species, endemic or restricted-range species, and globally significant migratory or congregatory species) and ecosystem services, including production of living natural resources?			
Indigenous peoples			
Are the activities likely to have impacts on indigenous peoples and communities, such as impacts on lands and natural resources, land tenure and on cultural resources?			
Are the activities likely to lead to physical displacement of indigenous peoples and/or restrict the access of indigenous peoples to lands and resources resulting in loss of livelihood?			
Will the activities provide equitable opportunities to indigenous peoples and other vulnerable groups during stakeholder consultation and in			



- Update submitted (date: document ref:)
 - Environmental and Social Management Plan (ESMP)
 - Required
 - Submitted to URI (date: document ref:)
 - Requires update
 - Update submitted (date: document ref:)
 - Other (highlight applicable): Stakeholder Engagement Plan (SEP), Labor Management Plan (LMP), Environmental & Social Management System (ESMS), Resettlement Plan (RP), other:.....
 - Required
 - Submitted to URI (date: document ref:)
 - Requires update
 - Update submitted (date: document ref:)
- Category B/I2:
- Environmental and Social Impact Assessment (ESIA)
 - Full ESIA required
 - Partial ESIA required (state areas that need to be covered)
 - Submitted to URI (date: document ref:)
 - Requires update
 - Update submitted (date: document ref:)
 - Environmental and Social Management Plan (ESMP)
 - Required
 - Submitted to URI (date: document ref:)
 - Requires update
 - Update submitted (date: document ref:)
- Category C/I3:
- State documents required:
 - Required
 - Submitted to URI (date: document ref:)
 - Requires update
 - Update submitted (date: document ref:)

To be completed by supervisor:

Name :

Position:

Date:

Signature:

ANNEX 3: ESIA AND ESMP REQUIREMENTS

ESIAs and ESMPs will be prepared in compliance with the requirements of national law in which a project has activities in and take into account the respective requirements of a (co-)financier of a project, if any.

ESIAs must include detailed ESMPs addressing E&S risks identified. ESMPs will include the following information as a minimum:

Risk	Mitigation measures	Risk significance	Responsible party/person	Schedule	Expected results	Costs/budget
This contains the description of risks identified in screening/the ESIA.	Measures to avoid, reduce, mitigate risks and impacts.	This contains a description of the overall level of risk*.	Individual person, unit, or entity tasked to carry out the mitigation measures.	Timing of implementation of measures.	Expected outputs of the measures.	Estimated cost of carrying out the measures.

* Risk significance: The probability of occurrence is the likelihood for a risk to occur and can be characterized in terms of the degree to which it will happen (for example, “expected, highly likely, moderately likely, not likely, slight”). The impact or magnitude of risks is the description of how severe the impacts would be if it were to occur (for example, “critical, severe, moderate, minor, and negligible”). A significance value of the risk (for example low, medium, high) can be obtained by combining the probability and impact values. The risk significance indicates the relationship between probability and severity or magnitude of impacts.

More elaborate ESMP versions will be needed for complex category A or B projects, for example, including detailed mitigation and monitoring plans. Such ESMPs will be prepared both in line with the requirements of national law and/or the requirements of (co-)financiers, if any.

Costs for elaborating and implementing ESIAs and ESMPs are borne by the proponent. If a proposal is elaborated by URI, for example for financing by an international financier, URI will bear the costs.

ANNEX 4: E&S MONITORING TEMPLATE

The template below represents the minimum requirement for recording the E&S monitoring of projects categorized as requiring E&S monitoring. Additional M&E requirements of (co-)financiers can be integrated. Frequency and timing of monitoring will be in line with the project contract.

PROJECT SCREENING AND CATEGORIZATION CHECKLIST

Project title:	
Sector(s):	
Location, Region:	
City, Municipality:	
ESS category	
Date and document reference code of ESIA and ESMP	
Name, title, position, address, email/phone of project proponent / client:	
Name, title, position of the URI staff completing this form:	
Date:	Name and signature of URI staff completing the checklist:

Part 1: Brief description of the project

Components, activities, duration, areas of intervention, etc.

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Part 2: ESMP summary

Risk	Mitigation measures	Risk significance	Responsible party/person	Schedule	Expected results	Costs/budget
This contains the description of risks identified in the ESMP.	Measures to avoid, reduce, mitigate risks and impacts.	This contains a description of the overall level of risk	Individual person, unit, or entity tasked to carry out the mitigation measures	Timing of implementation of measures.	Expected outputs of the measures	Estimated cost of carrying out the measures
1.						
2.						
3.						
Etc.						

Additional agreed E&S requirements are:

Description	Responsible party/person	Schedule	Costs/budget
A.			
B.			
C.			
Etc.			

Part 3: Monitoring report



Measures*	Implementation of the measure		Observations	Corrective measures in the event of non-Compliance	Date of visit (if applicable)	Signature
	Completed	Not Completed				
PS Assessment and management of environmental and social risks and impacts						
1.						
PS Labour and working conditions						
1.						
PS Resource efficiency and pollution prevention						
1.						
PS Community health, safety and security						
1.						
PS Land acquisition and involuntary resettlement						
1.						
PS Biodiversity conservation and sustainable management of living natural resources						
1.						
PS Indigenous peoples						
1.						
PS Cultural heritage						
1.						
Gender						
1.						
Additional agreed E&S requirements						
1.						

* Use same numbering as in part 2 above (numbering included in table above for illustration only)

Part 5: Recommendations, agreed follow up & oversight

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To be completed by supervisor: Name : Position: Date: Signature:
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ANNEX 5: E&S GRIEVANCE PROCEDURES

The E&S grievance procedures consist of:

1. Filing of the application

Eligible parties, including project stakeholders, (potentially) affected population and the public, can submit an E&S related complaint or request (hereinafter: complaint) to the URI.

The complaint can be sent by website form submission, e-mail, mail or can be delivered in person against an acknowledgment of receipt. URI will provide a webpage at its website for submitting such complaints. Further, URI will establish and operate a dedicated email address for this purpose and disclose this address at the aforementioned webpage. Mail or in-person complaints or requests will be addressed to:

(Add address details and dedicated email address)

2. Registration and acknowledgment of receipt of the request

The General Director Project Management reviews and registers the complaint, informs the E&S team (all E&S and gender experts) about the complaint and within five workdays after receipt of the complaint sends an acknowledgment of receipt to the complainant.

3. Examination of the eligibility of the request

The General Director Project Management, in cooperation with the E&S team assesses the eligibility of the complaint. Eligible are:

- The complaint relates to the activities of a project considered for financing/implementation or financed/implemented by URI.
- Issues raised in the complaint relate to the URI's ESS Policy and related procedures.
- The complainant belongs to an eligible party - these include project stakeholders, (potentially) affected population and the public.

If the complaint is eligible, the General Director Project Management will inform the E&S team, the project team, and the project proponent/client, if any, about the complaint. If the complaint is ineligible, the complaint will be rejected, and the General Director Project Management will inform the complainant about rejection and the reasons for ineligibility.

Eligibility examination and information procedures shall not last for more than 10 business days overall.

4. Assessment of how the issue can be resolved

Within twenty business days following the determination of eligibility:

- The General Director Project Management will contact the complainant to inform him/her of the grievance procedure and discuss possible options for resolving the issue.
- The E&S team will contact the project proponent or client of the respective project to discuss possible options for resolving the issue.
- The E&S team will identify, and contact affected persons and entities of the respective project to discuss possible options for resolving the issue.
- As necessary and on a case-by-case basis, the E&S team will organize a meeting between complainant, proponent/client and affected persons/entities aimed at resolving the issues.



- The E&S team will document the meetings and their outcomes (use below form).

5. Preparation of the response

Once the assessment of the complaint resolution is completed, the E&S team will prepare a draft response, considering the views of the complainant and all relevant stakeholders and propose a specific solution. This draft response will be reviewed and finalized by the General Director Project Management, who will also officially send the response to the complainant and relevant stakeholders. This written communication will include a proposed settlement agreement (if applicable), proposed measures for resolving grievances and any recommendations regarding further action by the URI for all relevant stakeholders. The complainant will be asked to express his or her opinion of whether he or she agrees with the proposed resolution. Step 5 will be completed in no more than 5 business days and once the complainant and stakeholders receive the URI’s resolution proposal.

If the complainant accepts the proposed solution, the General Director Project Management is responsible for ensuring that the resolution will be implemented.

6. Review of the issue by Internal Audit

If the complainant writes that he or she is not satisfied with the resolution proposed in step 5 and if such rejection is reasonable or could pose a risk to the URI’s reputation, the General Director Project Management will inform the Manager Internal Audit and the Executive Director of the case and they will further consult with relevant parties and decide about a revised proposal for resolving the issue and communicate this to the complainant.

7. Review of the issue by the Risk and Audit Committee

If the complainant writes that he or she is not satisfied with the resolution proposed in step 6 and if such rejection is reasonable or could pose a risk to the URI’s reputation, the Executive Director will inform the Risk and Audit Committee of the General Assembly of the case and the Risk and Audit Committee will further consult with relevant parties and decide about a revised proposal for resolving the issue and communicate this to the complainant. The Risk and Audit Committee will work until the case is resolved in line with applicable law.

E&S COMPLAINT ASSESSMENT FORM

The Complaint

Part 1: The complainant and the project

No. of E&S complaint:
Name and first name of the complainant: Address: Telephone: Email: URI client (if yes, provide details)
Date and time when the complaint was received: Where is the complaint filed?
Information on the project, the complaint is referring to: Project ID: Project title:



Financing from URI: Total project value:

Part 2: Summary of the complaint or request

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Follow-up, processing of the complaint

Part 3: Eligibility of the complaint

Date received:	Eligibility assessment completed by:	
	When:	
Acknowledgment of receipt of the complaint to the complainant:	<input type="checkbox"/> Yes, when:	<input type="checkbox"/> No
	If no, reasons:	
Complaint eligible for follow up, processing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If no, reasons:	

Part 4: Assessment of how the issue can be resolved

Time and date when the issue was discussed with the complainant:

Who was present in the meeting?

How long did the meeting last?

Meeting summary:

-
-
-

If deemed useful, please attach a meeting summary signed by the complainant.

Time and date when the issue was discussed with the project proponent/client:

Who was present in the meeting?

How long did the meeting last?

Meeting summary:

-
-
-

If deemed useful, please attach a meeting summary signed by the proponent/client.

Time and date when the issue was discussed with affected persons:

Who was present in the meeting?

How long did the meeting last?

Meeting summary:

-
-
-

If deemed useful, please attach a meeting summary signed by the participants.

Add meetings summaries for any additional meetings that took place.



Part 5: Elaboration of the response

Key points of the resolution (attach resolution sent to complainant)
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Draft resolution prepared by:		Resolution finalized and approved by:	
Name:		Name:	
Position:		Position:	
Date:		Date:	
Signature:		Signature:	

Communication of resolution to the complainant by:	Contact made by:	
	Date:	Observations:
<input type="checkbox"/> Phone call		
<input type="checkbox"/> E-Mail		
<input type="checkbox"/> Mail		
<input type="checkbox"/> Other, specify:		
Complainant Satisfaction:	<input type="checkbox"/> Yes	
	<input type="checkbox"/> No, why:	

If the issue could not be settled, please attach to this file documentation for steps 6 (review internal audit and the Executive Director) and if applicable step 7 (Risk and Audit Committee review)

ANNEX 6: GLOSSARY OF KEY TERMS

Associated facilities: Associated facilities are those that are not funded as part of the project, and that would not have been constructed or expanded if the project did not exist and without which the project would not be viable.

“Disadvantaged or vulnerable” refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so.

Due diligence, in the context of environmental and social management system, means the process of investigating potential investments to confirm all facts, such as reviewing environmental and social safeguards, audits, assessments, and compliance before consideration of funding or entering into an agreement with another.

“Environmental and social assessment” means the assessment of environmental and social risks, impacts and opportunities including, where appropriate assessment of potential transboundary risks and impacts undertaken by the project proponent in a manner that follows good international industry practices, identifies best alternatives, and allows for an integrated and balanced view of the environmental and social risks and impacts. This type of assessments may include specific impacts assessment, audits, and due diligence studies, among others.

“Environmental and social impact assessment (ESIA)” refers to a process or tool based on an integrated assessment where the scale and type of potential biophysical and social, including, where appropriate transboundary risks and impacts of projects, programs and/or policy initiatives, are predicted, acknowledged, and evaluated. It also involves evaluating alternatives and designing appropriate mitigation, management, and monitoring measures to manage the predicted potential impacts.

“Environmental and social impacts” refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community and workers, resulting from the activities to be supported.

“Environmental and social risk” is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.

“Environmental and social management system (ESMS)” refers to a set of management processes and procedures that allow an organization to identify, analyse, control and reduce the environmental and social impacts of its activities including transboundary risks and impacts, in a consistent way and to improve performance in this regard over time.

“Environmental and social management plan (ESMP)” refers to a document that contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including, where appropriate transboundary risks and impacts, or minimising them to acceptable levels, or to mitigate and compensate them and usually the main output of the ESIA process.

“Environmental and social safeguards (ESS)” refers to a set of standards that specifies the desired outcomes and the specific requirements to achieve these outcomes through means that are

appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts.

“Executing entity” means any entity, through which URI proceeds are channelled or used for the purposes of a financed activity or part thereof, and/or any entity that executes, carries out or implements a financed activity, or any part thereof.

“Intermediaries” refers to subnational, national or regional entities (financial or non-financial) which are contracted by URI to channel funds on behalf of URI for specific defined purposes to projects and clients.

“Involuntary resettlement” means physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets, or access to assets, including those that lead to loss of income sources or other means of livelihood), or both, caused by project-related land acquisition or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

“Land acquisition” refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way.

“Stakeholders” refers to individuals or groups, communities, governments who: (a) are affected or likely to be affected by the activities; and (b) may have an interest in the activities (other interested parties). The stakeholders of an activity will vary depending on the details of the activity and may include local communities, national and local authorities, including from neighbouring governments, neighbouring projects, and nongovernmental organizations.