

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Rooftop Solar Guarantee Facility for MSMEs

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

December 2022

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

- The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will implement the Rooftop Solar Guarantee Facility for MSME(the Project), with the involvement of the Participating Financial Intermediaries, as set out in the Guarantee Agreement and the Sub-Guarantee Agreement. The International Bank for Reconstruction and Development (the World Bank/Bank) has agreed to provide the financing for the Project, as set out in the referred agreements.
- The CGTMSE shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the World Bank. The ESCP is a part of the Guarantee Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement.
- Without limitation to the foregoing, this ESCP sets out material measures and actions that the CGTMSE shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
- As agreed by the World Bank and the CGTMSE, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the CGTMSE and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the CGTMSE. The CGTMSE shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>Prepare and submit Monitoring reports to the World Bank comprising:</p> <ul style="list-style-type: none"> environmental, social, health and safety (ESHS) performance of the ESMS Implementation of the ESCP stakeholder engagement activities, and functioning of the grievance mechanism(s) Auditing Report to reflect on the effectiveness and efficiency of ESMS implementation. The external audit report to cover both CGTMSE and PFI's (on a sample basis) 	<p>a. Quarterly reporting on the performance of ESMS</p> <p>b. Auditing Report (Internal and External) to be submitted annually</p>	CGTMSE
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the World Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injuries. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or planned to address it, and any information provided by PFI or RESCO, Leasing company or MSME or Contractor</p> <p>Ensure that the PFI also include the requirement of incident and accident reporting in the sub-financing agreements. The notification from the PFI to reach CGTMSE such that it can report to the Bank within 48 hours</p> <p>- Subsequently, at the World Bank's request, compile a report on the incident or accident and propose any measures to address it and prevent its recurrence, based on the reports submitted by PFIs</p>	<p>- Notify the World no later than 48 hours after learning of the incident or accident.</p> <p>- At the time of signing of the Master Agreement</p> <p>- Provide subsequent reports to the World Bank within agreed timeframe</p>	<p>CGTMSE</p> <p>CGTMSE</p> <p>CGTMSE</p>
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <ul style="list-style-type: none"> - Establish and maintain an Environment and Social Unit (ESU) with qualified staff and resources to support the management of ESHS risks and impacts of the Project. - Maintain a full-time E&S Manager (Senior Representative) for CGTMSE to assist implementation of the ESMS and coordinate all E&S activities for the MSME Solar Rooftop Project with World Bank. - Appoint an Environmental Expert and a Social Expert with the Implementation Consultant appointed by CGTMSE for the MSME Rooftop Solar Project. These experts would assist the E&S Manager in the discharge of his duties. - CGTMSE shall indicate the name and functions of the responsible persons and their relevant expertise once such relevant persons are designated and shall notify The World Bank if these relevant persons are replaced or the team has been enlarged, indicating the name and functions of the responsible persons and their relevant expertise. - 	<ul style="list-style-type: none"> - By project effectiveness - Throughout project implementation - Within 10 working days after the staff is designated, replaced or changed - 	CGTMSE
1.2	<p>ENVIRONMENTAL AND SOCIAL INSTRUMENTS</p> <p>CGTMSE shall implement and cause each selected PFI to implement an ESMS. For details, refer to 9.2</p>	Prior to CGTMSE signing a sub-guarantee agreement with the selected PFI	CGTMSE
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Adopt HR policies and practices as part of the ESMS to ensure risks relating to the following are addressed and implemented:</p> <ul style="list-style-type: none"> i) occupational health and safety risks and impacts are limited to: essentially ergonomics, working conditions, etc.; ii) clarity on terms and conditions in the contractual arrangement, non-discrimination policies and practices, zero tolerance on of Sexual Harassment, etc. as per national regulations and iii) Grievance Mechanism for its workers 	Before the effectiveness of the IBRD guarantee	CGTMSE

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
	See text under ESS 9 for details		
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	See text under ESS 9 for details		
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	See text under ESS9 for details		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
	See text under ESS9 for details		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	See text under ESS9 for details		
ESS 8: Cultural Heritage			
	See text under ESS9 for details		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</p> <p>Develop, disclose, maintain, and implement an ESMS, and shall cause the selected PFIs to develop, maintain, and implement an ESMS consistent with the CGTMSE’s ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of sub-projects to be implemented by RESCO, leasing company and/or MSMEs. The system shall include, inter alia, the following elements:</p> <ul style="list-style-type: none"> - Exclusion list to identify FI subprojects that are not eligible for financing, - An environmental and social policy - clearly defined procedures for identification, assessment and management of the E&S risks and impacts of subprojects including FORCED LABOR, waste management i.e. management and disposal of rejected/end-of-life equipment/material like PV cells,/ batteries, e-waste etc., as per the national laws and ensure compliance; community related nuisance during installation and O&M related works; - An organisational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities 	Prior to loan effectiveness	CGTMSE

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<ul style="list-style-type: none"> - System for Monitoring and reporting of environmental and social performance of subprojects and the effectiveness of the ESMS. - Incidents and accidents notification and subsequent reporting requirements from the sub-projects to MSME/leasing company/RESCO/PFI/FI to CGTMSE onwards to Bank. - An external communications mechanism, including measures to respond to public enquiries, concerns, grievances, including SEA/SH in a timely manner by CGTMSE and PFI. 		
<p>9.2 Develop eligibility criteria to select PFIs with the requisite E&S capacity whereby Is will either:</p> <ul style="list-style-type: none"> • demonstrate their existing E&S practices are robust • develop E&S practices • adopt CGTMSE’s system; <p>to assess and manage the E&S risks to be eligible to participate in this program in accordance with the ESMS laid down by CGTMSE.</p> <p>PFIs to maintain the system and assess, and manage the environmental and social risks and impacts of the proposed credit guarantees provided under the Program PFIs to ensure that the RESCOs/MSMEs maintain requisite capacity to manage E&S aspects and report as required in the ESMS</p>	<p>Prior to signing of Master agreement for participation in the program</p> <p>Throughout program implementation period</p>	<p>CGTMSE</p>
<p>9.3 EXCLUSIONS</p> <p>cause the PFI to screen all proposed sub-project against the exclusion list set out in the ESMS, including:</p> <ul style="list-style-type: none"> - involuntary land taking, any physical displacement or permanent disruption of sources of income, - adverse impact on Indigenous People or their territories without their consent, - located in protected areas, critical habitats, culturally or socially sensitive areas or leading to conversion of natural habitat - risks to labour rights, health and safety of employees, and harmful child or forced labour. 	<p>Prior to effectiveness of the loan effectiveness</p>	<p>CGTMSE</p>
<p>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Include in the ESMS the following aspects:</p> <ul style="list-style-type: none"> - relating to disclosure of information to as well as external communication, with stakeholders. - a GRM - Implement and periodically report on the SEP implementation to WB 	<ul style="list-style-type: none"> - By Project Effectiveness of the IBRD guarantee - Periodically during implementation 	CGTMSE
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <ul style="list-style-type: none"> - Publicize the current grievance mechanism along with the modes of registration of queries and grievances (e.g., separate email id for Rooftop Solar MSME) and procedures for redressal. Further, maintain and operate an accessible grievance mechanism to receive and facilitate the resolution of concerns and grievances in relation to the Project. - Cause the PFIs to setup/maintain a GRM 	Publicize and maintain the grievance mechanism before loan effectiveness and thereafter operate and maintain throughout Project implementation.	CGTMSE
CAPACITY SUPPORT			
CS1	<p>CGTMSE shall organize the following training / virtual training on the application of ESMS</p> <p>The training should cover the following: i. Screening and risk classification for sub-projects, ii. guidance to both CGTMSE and all PFIs on the identification of Stakeholders and engaging them in an effective and culturally appropriate fashion, including GRM iii, Monitoring and reporting on the environmental and social performance of subprojects and ESMS effectiveness, iv Stakeholder mapping and engagement, v. Occupational health and safety vi. Labor working conditions and associated inspections</p>	CGTMSE will implement the training plan and conduct this training for each PFI prior to signing guarantee agreement.	CGTMSE
CS2	Ensure that PFIs and MSME/leasing company/RESCO/PFIs sensitize contractor workers on occupational health and safety, including fall from heights, lifting of heavy loads and other areas as may be fit, SEA/SH prevention and response including consequences of misconduct	Prior to commencement of installation works	CGTMSE (and PFIs)