
Annex 6

Environmental and

Social Management

System

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Acronyms

Acronym	Full Term
CC-ACF	CC Asia Climate Fund
CO2	Carbon Dioxide
DD	Due Diligence
E&S	Environmental and Social
EA	Executing Agency
EBRD	European Bank for Reconstruction and Development
EHS	Environmental, Health, and Safety
EMP	Environmental Management Plan
EPRP	Emergency Preparedness and Response Plan
ESAP	Environmental and Social Action Plan
ESG	Environmental, Social, and Governance
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FPIC	Free, Prior, and Informed Consent
GAP	Gender Action Plan
GCF	Green Climate Fund
GESI	Gender Equality and Social Inclusion
GRM	Grievance Redress Mechanism
HCV	High Conservation Value
IFC	International Finance Corporation
ILO	International Labour Organization
IPP	Indigenous Peoples Plan
ISO	International Organization for Standardization
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
NDA	Nationally Designated Authority
NbS	Nature-based Solutions
OHS	Occupational Health and Safety
PS	Performance Standard
RAP	Resettlement Action Plan
SEAH	Sexual Exploitation, Abuse, and Harassment
SEP	Stakeholder Engagement Plan
SME	Small and Medium Enterprise
USD	United States Dollar

Introduction

1.1. Fund overview

CC Asia Climate Fund (CC-ACF) will be established as an Equity Fund to mobilise climate finance for private sector projects in Kazakhstan, Uzbekistan and Mongolia. CC-ACF will aim to reduce carbon emissions, improve energy and water efficiency and benefit local populations by creating resilient livelihoods. The Fund focuses on sectors such as renewable energy, energy efficiency, sustainable transport, water management, and climate-smart infrastructure.

CC-ACF will be managed by CC Global Service Holdings (Accredited Entity, referred to CC GSH therein), a Hong Kong SAR, China based investment management firm with over two decades of experience in private equity, real estate, structured finance, and asset management. The Fund operates under a blended finance model, combining public concessional capital with private investment to reduce risk and improve the bankability of climate-aligned projects.

The Fund targets climate-resilient and low-emission development pathways in the following sectors:

- Energy generation, transmission and storage infrastructure: full hybrid renewable energy with Battery Energy Storage Systems (BESS); distributed RE for industrial use; smart grids;
- Low-carbon transport: electric vehicles (EV) and EV infrastructure;
- Energy efficient buildings and urban environment;
- Climate smart agriculture and efficient irrigation;
- Water and wastewater management;
- Solid waste treatment and waste-to-energy;
- Low carbon industries: concrete and cement.

The programme will have two main components:

- **Component 1** focuses on the establishment and operation of the investment vehicle, which will secure co-financing and invest directly in companies operating in renewable energy, waste to energy, demand-side resource efficiency (incl. energy efficiency and water efficiency) and other projects.
- **Component 2** will strengthen sustainability outcomes through active board participation and strategic support to portfolio companies, focusing on climate impact metrics, long-term operational and environmental sustainability, and establishing robust governance structures and monitoring systems.

CC-ACF will primarily focus on investing in late-venture, early-growth, and growth-stage companies (typically corresponding to Technology Readiness Levels 7 and 8) through equity instruments.

1.2. Purpose of the document

The Environmental and Social Management System (ESMS) outlined in this document defines the policies, procedures, and tools used by the Fund to identify, assess, manage, and monitor environmental and social (E&S) risks and impacts throughout the investment lifecycle. The ESMS is fully aligned with the GCF Revised Environmental and Social Policy, the GCF Indigenous Peoples (IP) Policy, and the GCF Information Disclosure Policy, as well as the Equator Principles.

CC-ACF exclusively finances Category B (moderate risk) and Category C (minimal risk) subprojects, and applies exclusion criteria and a robust screening and monitoring approach to ensure environmental sustainability, social inclusion, and regulatory compliance.

The Principles and Commitments stated in the ESG Policy included are a cornerstone of all business operations of the Fund. Compliance with the ESG Policy will be achieved through an Environmental and Social Management System (ESMS) implemented at two levels:

- **ESMS at Portfolio Companies:** Portfolio Companies will be required to adhere to the ESG requirements of the Fund. Each Portfolio Company will establish and maintain its own ESMS to assess, address and monitor ESG risks and impacts of company operations in line with the Fund requirements;
- **ESMS at Fund level:** The Fund management team will establish and maintain the Fund ESMS to assess, oversee and support the management of ESG matters by the Portfolio Companies, as well as oversee ESG matters at overall Portfolio level.

These Operational Guidelines aim to provide the information needed to support the implementation and operationalisation of the ESMS. They are based on the IFC Policy and Performance Standards on Environmental and Social Sustainability (2012) and the associated Guidance Notes. The Guidelines have been harmonised with the Green Climate Fund (GCF) Environmental and Social Safeguards, and the standards applied by CC GSH.

The Fund is committed to achieving high environmental, social, and governance standards across its investment operations in Kazakhstan, Uzbekistan and Mongolia.

Senior Management Endorsement and Communication

The ESMS and associated policies are formally endorsed by the Fund's senior management and the General Partner, reflecting top-level commitment to environmental and social sustainability. The approved ESMS and policies will be circulated to all staff, included in induction and periodic training, and communicated to Portfolio Companies and relevant external stakeholders. The endorsed policies will also be made publicly available (where applicable) to demonstrate transparency and accountability. Senior management will review and re-approve the E&S Policy periodically to ensure continued relevance and alignment with GCF and IFC standards.

These Guidelines serve as a practical framework for Fund staff, investee companies, consultants, and other implementation partners to:

- Screen and assess the environmental and social risks of proposed investments;
- Apply appropriate risk mitigation measures and develop action plans (e.g., ESAP, ESMP);
- Engage stakeholders in a transparent, inclusive, and culturally appropriate manner;
- Monitor ESG compliance and performance across all project phases;
- Ensure that gender equity, Indigenous Peoples rights, SEAH safeguards, and climate resilience are integrated throughout the investment cycle.

These Guidelines are living documents and will be reviewed periodically to reflect lessons learned, updates in GCF or IFC standards, and emerging best practices in sustainable investing. The Fund and its Portfolio Companies are expected to align operationally and strategically with the principles enshrined in these Guidelines.

Use of GCF Proceeds and Eligibility: As a binding condition for the use of GCF proceeds, the Fund will finance only portfolio companies and subprojects whose potential environmental and social

risks and impacts fall within the GCF Revised Environmental and Social Policy (RESP) environmental and social risk categories B or C. Category A activities are ineligible for GCF financing and are excluded from this programme.

Compliance with GCF E&S Policies: All portfolio investee companies using GCF proceeds - regardless of ESS category (B or C) - will comply with the GCF RESP (including SEAH requirements), the GCF IDP, the GCF IPP, and the GCF Gender Policy.

Funding Proposal package: This IFC Performance Standards-aligned ESMS forms part of the Funding Proposal package submitted to the GCF. It specifies screening, categorisation, assessment, mitigation, monitoring and reporting procedures, as well as stakeholder engagement, grievance redress, information disclosure (per the GCF Information Disclosure Policy), and access to the GCF Independent Redress Mechanism (IRM).

Funding Proposal Annex - Programme Design Stakeholder Engagement Summary: As part of the Funding Proposal submitted to the GCF, the Fund will include a Programme Design Stakeholder Engagement Summary documenting the stakeholder engagement undertaken to inform the programme design. The summary will cover stakeholder mapping at Fund and portfolio-company levels, dates and locations of engagement activities, participant lists including gender and affiliation (e.g., community member, company representative, government official, CSO/NGO), the key inputs/feedback received, and how these inputs/feedback were incorporated into the programme design and this ESMS.

1.3. Oversight and strategic support

The Fund recognises the critical importance of sufficient and specialised environmental and social capacity, not only at the Fund level but equally within its Portfolio Companies. While Portfolio Companies bear the primary and direct responsibility for the day-to-day management and implementation of project-level E&S safeguards, including the preparation and execution of E&S instruments such as Environmental and Social Impact Assessments (ESIAs), Environmental and Social Action Plans (ESAPs), Land Acquisition and Resettlement Plans (LARPs), and Indigenous Peoples Plans (IPPs), the Fund maintains a dedicated E&S function.

This dedicated E&S function at the Fund level is responsible for the overall governance and effective implementation of the Environmental and Social Management System (ESMS) across the entire investment portfolio. Its responsibilities are strategically focused on:

- **Rigorous E&S Due Diligence:** Conducting thorough E&S assessments of potential investments to identify risks and opportunities in alignment with GCF IP Policy, ESS and IFC Performance Standards.
- **Strategic Oversight and Quality Assurance:** Providing high-level oversight and quality assurance of E&S processes and deliverables across all Portfolio Companies, ensuring consistency and adherence to the ESMS and international best practices. This includes reviewing and approving key E&S documents and monitoring their implementation effectiveness.
- **Risk Mitigation and Compliance Monitoring:** Proactively identifying emerging E&S risks, monitoring compliance with E&S action plans and legal obligations, and guiding Portfolio Companies in developing robust mitigation measures.
- **Capacity Building and Technical Support:** Offering targeted technical guidance, training, and strategic advice to Portfolio Companies to enhance their internal E&S management capabilities and ensure effective application of safeguards.
- **Grievance Redress and Accountability:** Overseeing the establishment and effectiveness of grievance redress mechanisms at the project level and acting as an escalation point for complex E&S concerns, fostering accountability.
- **Performance Reporting:** Tracking and reporting on the overall E&S performance of the portfolio, ensuring transparency and accountability to investors and stakeholders, including the GCF.
- The Fund is unequivocally committed to ensuring its E&S resourcing is commensurate with the evolving E&S risk profile and the volume and complexity of its investment portfolio. This commitment ensures that while direct implementation lies with investees, the Fund provides robust, expert-driven oversight and strategic support to achieve leading environmental and social outcomes throughout the investment lifecycle.

2. ESMS Objectives and Scope

The ESMS provides the operational framework for environmental and social risk management across all investment activities of CC-ACF. The main objectives are to:

- Ensure that Fund-supported activities comply with applicable national environmental and social laws and regulations, as well as international best practices, including the GCF ESS and IFC Performance Standards;
- Screen, categorise, and assess all proposed investments based on their E&S risk level;
- Implement mitigation measures proportionate to risks and manage compliance through Environmental and Social Action Plans (ESAPs);
- Ensure continuous stakeholder engagement and respond to grievances and incidents effectively.

2.1. Scope of Application:

This ESMS applies to all subprojects financed by the Fund, whether directly implemented by investee companies or through financial intermediaries. It includes activities funded via equity, quasi-equity, or other forms of debt and concessional finance under the Fund's portfolio. The ESMS is applicable throughout the investment lifecycle: from origination and due diligence through implementation, monitoring, and exit.

The ESMS also provides procedures for managing stakeholder engagement, grievance redress, SEAH risks, and potential impacts on Indigenous Peoples, while promoting transparency and gender equality.

3. Environmental and Social Risk Categorisation

The CC Asia Climate Fund (CC-ACF) has adopted a risk categorisation framework aligned with the Green Climate Fund's (GCF) Environmental and Social Safeguards (ESS), GCF IP Policy and the IFC Performance Standards (2023). The risk categorisation process ensures that subprojects are screened and assessed based on the nature, magnitude, and reversibility of their potential E&S impacts.

Risk Categories:

- Category B: Projects with potential limited adverse environmental and social impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.
- Category C: Projects with minimal or no adverse environmental and social impacts.

Projects classified as Category A (significant and irreversible E&S risks) are excluded from financing under CC-ACF, in line with its Exclusion List and GCF requirements.

Ring-fencing of GCF Proceeds: GCF proceeds will only be deployed to subprojects and portfolio companies screened and confirmed as ESS Category B or C under this ESMS. If, at any point prior to disbursement, a proposed subproject is assessed or re-classified as Category A, GCF proceeds will not be committed or disbursed to that subproject. If such a re-classification occurs post-commitment but prior to disbursement, the commitment of GCF proceeds will be cancelled or redirected in agreement with the GCF.

3.1. Screening Process

The Fund will apply a risk screening checklist (Annex A) during the initial appraisal of all investments. This includes assessment of project type, location, scale, potential to affect vulnerable populations, and potential to trigger sector-specific safeguards and must explicitly reference the requirements of the GCF Indigenous Peoples Policy (e.g., land acquisition, biodiversity, Indigenous Peoples).

Exclusion Criteria: The Fund excludes projects involving:

- Forced eviction or involuntary resettlement;
- Activities in legally protected areas without clearance;
- Child or forced labour, or violation of core labour standards;
- Conversion or degradation of critical natural habitats;
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such people;
- All mining, mineral extraction, processing and transportation activities;
- Financing of fossil fuel assets;
- Production or trade in hazardous substances or banned pesticides.

4. Applicable Standards and Policies

The CC-ACF ESMS is designed to ensure compliance with both international and national standards across its countries of operation. The ESMS integrates the following policies and frameworks:

- GCF Environmental and Social Safeguards (ESS): Based on IFC Performance Standards;
- IFC Performance Standards (2023): Applicable across the project cycle, including Performance Standards on labour, resource efficiency, community health and safety, land resettlement, biodiversity, and Indigenous Peoples;
- Equator Principles: Adopted by the Fund to align with global financial sector ESG practices;
- IFC Environmental and Social Management System (ESMS) Implementation Handbook – General (2015): <https://www.ifc.org/en/insights-reports/2015/publications-handbook-esms-general>
- IFC Guidance Note on Financial Intermediaries (2023): <https://www.ifc.org/content/dam/ifc/doc/2023/202309-ifc-guidance-note-on-financial-intermediaries.pdf>
- National Regulations: Each subproject must comply with applicable environmental and social laws and permitting requirements in Mongolia, Kazakhstan, and Uzbekistan;
- GCF Indigenous Peoples Policy, Gender Policy, Information Disclosure Policy, and SEAH Policy are fully embedded into this ESMS framework.

Internal Policies

CC GSH will also apply its own ESG Policy, Code of Ethics, and Conflict of Interest Policy to all fund and subproject operations.

5. Environmental and Social Due Diligence Process

The environmental and social due diligence (ESDD) process is applied to all investments to identify risks, assess mitigation needs, and ensure compliance with the Fund's safeguards framework. The ESDD process includes the following steps:

1. **Screening and Categorisation:** All proposed investments are screened using the E&S Categorisation Tool (Annex A). This determines the project's risk level (Category B or C) and identifies applicable safeguard requirements.
2. **Preliminary Review:** An initial review of any existing E&S documentation (e.g., ESIA, permits, certificates) is conducted to assess gaps relative to GCF and IFC standards.
3. **Detailed Assessment:** Where gaps are identified, additional studies or stakeholder consultations may be required. An Environmental and Social Action Plan (ESAP) and/or Environmental and Social Management Plan (ESMP) must be developed for Category B projects.
4. **IP/CH screening and planning:** Screen each proposed investment for GCF IP Policy and PS8 applicability. Where the GCF Indigenous Peoples Policy is potentially triggered, follow the Indigenous Peoples Planning Framework (IPPF) to determine engagement requirements (including Free, Prior, and Informed Consent where applicable) and the need for an IPP; where PS8 applies, determine the need for a Cultural Heritage Management Plan (including chance-finds procedures).
5. **Gap analysis and time-bound action plan for GCF alignment:** Where GCF proceeds will be equalised to, or deployed to, an existing portfolio company, the investee will prepare an ESIA with ESMP or an ESDD with ESAP for GCF review. This package will 1) state the rationale for the ESS category (B or C), 2) identify any gaps against GCF requirements (RESP including SEAH, IPP, Gender, and IDP), and 3) include a time-bound action plan to meet GCF requirements.
6. **Approval Conditions:** Investment approval is contingent upon completion of ESAP and disclosure of key E&S documents.
7. **Monitoring and Compliance:** Once a project is under implementation, the Fund conducts monitoring site visits, stakeholder consultations, and reviews progress against ESAP targets.
8. **Category B documentation requirement:** For ESS Category B investments, the ESIA or ESDD and the commensurate ESMP/ESAP will be prepared and disclosed per Section 13.4 and the GCF IDP; Category C investments will complete screening and proportionate documentation and will maintain a SEP and GRM.

Key instruments used:

- Environmental and Social Impact Assessment (ESIA)
- Environmental and Social Management Plan (ESMP)
- Environmental and Social Action Plan (ESAP)
- Stakeholder Engagement Plan (SEP)
- Indigenous Peoples Plan (IPP), if triggered.

Responsibilities:

The Fund Manager is responsible for oversight and quality assurance of ESDD. Investee companies must submit required documentation and updates as part of the investment agreement.

6. Country-Level Risk Contexts

CC-ACF operates in Mongolia, Kazakhstan, and Uzbekistan. Each country presents a unique environmental, social, regulatory, and institutional context that may influence the risks and opportunities of individual investments.

Mongolia: The country faces acute environmental challenges including land degradation, water scarcity, and climate vulnerability in fragile steppe ecosystems. Projects in urban and peri-urban areas such as Ulaanbaatar may involve risks related to infrastructure expansion, land use change, and impacts on nomadic communities. Energy infrastructure (e.g. solar, wind, battery storage) may intersect with sensitive habitats. Attention will be given to nomadic land access patterns and traditional land-use rights.

Kazakhstan: The national decarbonisation agenda prioritises renewable energy, industrial energy efficiency, and carbon markets. Risks associated with wind and solar power projects include biodiversity disruption, noise pollution, and land acquisition issues. Industrial projects may involve outdated permitting systems or inconsistent enforcement of environmental regulations. Local communities, particularly those near industrial zones, will require proactive stakeholder engagement.

Uzbekistan: As a largely agrarian economy, the country faces risks related to water availability, desertification, and inefficient agricultural systems. Projects involving irrigation infrastructure or agriculture supply chains may impact groundwater and rural labour systems. Many smallholder farmers operate informally, and there are gendered disparities in land access, ownership, and income generation.

Country-specific regulatory reviews, legal compliance checks, and institutional capacity assessments will guide risk mitigation planning for each subproject.

6.1. Kazakhstan

Environmental

Air Quality and Emissions

Impact Assessment

Risk probability: High

Magnitude: High

Scale: Regional

Direct Impact: High

Indirect Impact: Medium

Long-term Impact: High

Cumulative Impact: High

Applicable IFC Performance Standards: PS3 (Resource Efficiency and Pollution Prevention)

Overview:

Kazakhstan's coal-dependent energy system contributes to severe air pollution and GHG emissions. Industrial projects may exacerbate local air quality issues, particularly in cities and regions with heavy legacy pollution.

Biodiversity and Natural Habitats

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Site-specific

Direct Impact: Medium

Indirect Impact: Low

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standards: PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources)

Overview:

While sparsely populated, Kazakhstan contains sensitive grasslands and migratory corridors that may be affected by infrastructure or renewable energy projects. Improper siting can result in biodiversity disruption.

Social

Occupational Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Regional

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Low

Applicable IFC Performance Standard: PS2

Overview:

Workers in renewable energy and manufacturing sectors may face outdated equipment and insufficient safety protocols. Common issues include exposure to mechanical hazards, inadequate PPE, and poor site safety enforcement, particularly in semi-industrial regions. Health and safety plans are often not adequately implemented.

Labour Conditions

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Medium

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standard: PS2

Overview:

Despite Kazakhstan's ratification of ILO conventions, enforcement of labour laws varies. In low-income and rural areas, contract violations and wage disputes are reported, especially in temporary or subcontracted roles. Monitoring of grievance mechanisms and worker representation is critical.

Community Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Regional

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standard: PS4

Overview:

Indigenous Peoples Context

Kazakhstan's population is predominantly ethnic Kazakh, but there are small groups with distinct cultural identities and traditional land-use practices, particularly in western and southern regions. While most groups are integrated into mainstream governance, nomadic herding families and certain ethnic minorities may qualify as vulnerable groups under ESS7. Portfolio Companies should screen for the presence of such groups, especially in remote rural areas, and ensure inclusive consultations and culturally appropriate grievance mechanisms.

Large-scale infrastructure and industrial projects may increase traffic, noise, and air quality impacts in surrounding communities. Flood risks in urbanised regions could be exacerbated by poor drainage from new infrastructure. Public consultation and hazard communication are essential.

6.2. Uzbekistan

Environmental

Water Scarcity and Agricultural Practices

Impact Assessment

Risk probability: High

Magnitude: High

Scale: National

Direct Impact: High

Indirect Impact: High

Long-term Impact: High

Cumulative Impact: High

Applicable IFC Performance Standards: PS3, PS6

Overview:

Uzbekistan's irrigation-heavy agriculture system is highly vulnerable to water shortages. Declining water flows from regional rivers, inefficient irrigation, and climate-driven drought risk threaten both agricultural productivity and rural livelihoods.

Social

Labour and Informal Sector

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Widespread

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standards: PS2 (Labour and Working Conditions)

Overview:

Seasonal and informal labour is prevalent in agriculture and construction sectors. Female workers often face wage inequality and poor access to grievance mechanisms. Monitoring of employment conditions and labour protections is necessary for all Fund-supported activities. Much of Uzbekistan's agricultural labour is informal, with limited social protections. Climate-smart agriculture or infrastructure projects may alter traditional employment patterns and require mitigation through labour standards enforcement and skills training.

Occupational Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: National

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standard: PS2

Overview:

Agricultural and energy workers face exposure to heat stress, pesticide risks, and equipment injuries. PPE availability is limited, especially for women and informal labourers. Training on occupational safety is rarely institutionalised, and enforcement remains weak, especially in rural areas.

Community Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Regional

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standard: PS4

Indigenous Peoples Context

Uzbekistan does not have officially recognised Indigenous Peoples as defined under ESS7, but rural and ethnic minority communities - such as Karakalpaks in the autonomous Republic of Karakalpakstan - have distinctive cultural traditions and strong land and resource attachment. Subprojects in these areas should apply the principles of ESS7 for meaningful engagement and equitable benefit sharing where traditional livelihoods (e.g., fishing, farming) could be affected by project activities.

Overview:

Energy and water infrastructure may lead to displacement of agricultural communities or alter access to communal resources. Risks include traffic accidents, construction-related noise, and lack of communication about hazards. Resettlement risks and disputes over compensation can arise if land acquisition is not managed transparently.

6.3. Mongolia

Environmental

Land and Soil

Impact Assessment

Risk probability: High

Magnitude: High

Scale: Medium

Direct Impact: High

Indirect Impact: Medium

Long-term Impact: High
Cumulative Impact: High
Applicable IFC Performance Standards: PS3 (Resource Efficiency), PS6 (Biodiversity Conservation)

Overview:

Nomadic pastoralism, mining expansion, and climate-induced desertification have led to large-scale land degradation in Mongolia. Overgrazing and fragile soils are causing topsoil erosion, reducing land productivity. Energy and infrastructure projects may disrupt traditional land-use rights.

Water Resources

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Local

Direct Impact: Medium

Indirect Impact: High

Long-term Impact: High

Cumulative Impact: Medium

Applicable IFC Performance Standards: PS3, PS4 (Community Health and Safety)

Overview:

Mongolia faces increasing water stress, particularly in arid and semi-arid zones. Renewable energy and industrial developments may impact surface and groundwater resources, especially in regions dependent on seasonal rivers and aquifers.

Social

Occupational Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Local

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Low

Applicable IFC Performance Standard: PS2

Overview:

Workers in energy and infrastructure construction sites in Mongolia may be exposed to harsh climates, poor working conditions, and limited protective equipment. Risks include hypothermia, equipment injury, and long shifts in remote areas. Occupational health infrastructure and emergency response services are limited in rural areas, raising concerns for site-based workers.

Labour Conditions

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Medium

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Low

Applicable IFC Performance Standard: PS2

Overview:

Labour rights enforcement in Mongolia is improving but remains uneven. Temporary and seasonal workers in the construction and utilities sectors may face contract instability, low wages, and limited grievance mechanisms. Investments in the energy sector should include monitoring of labour contracts and safety compliance.

Community Health and Safety

Impact Assessment

Risk probability: Medium

Magnitude: Medium

Scale: Local

Direct Impact: Medium

Indirect Impact: Medium

Long-term Impact: Medium

Cumulative Impact: Medium

Applicable IFC Performance Standard: PS4

Indigenous Peoples Context

Mongolia has nomadic and semi-nomadic pastoralist groups, including the Dukha (Tsaatan) reindeer herders and other traditional herding communities in the north and west, who meet criteria under GCF ESS7 for collective attachment to ancestral lands and unique cultural identity. Projects in or near these regions must assess potential impacts on traditional land-use patterns, migration routes, and livelihoods. Free, Prior and Informed Consent (FPIC) and culturally appropriate benefit-sharing will be required for any subprojects with direct or indirect effects on these groups.

Overview:

Energy infrastructure may intersect with nomadic herder routes, leading to disputes or loss of access to pasture. Community health may be affected by dust and transport during construction. Risk of road accidents and limited emergency preparedness in rural regions heighten vulnerability.

7. Programme Environmental and Social Risks

7.1. Sector-Specific Risks, Impacts, and Management Frameworks

Given the target sectors and geographies of the CC-ACF, the programme is expected to encounter a range of sector-specific E&S risks and impacts.

Energy and Industrial Decarbonisation: Potential risks include land-use change, occupational health and safety hazards during construction, and potential community exposure to noise and emissions. These will be managed through ESMPs incorporating specific mitigation measures, such as OHS Management Plans and Emergency Response Plans.

Sustainable Transport and Urban Infrastructure: Likely impacts relate to temporary land acquisition, disruption of local livelihoods, and traffic and safety risks. These will be managed through RAPs or LRPs where relevant.

Climate-Smart Agriculture and Land Restoration: Potential impacts include biodiversity disturbance, water resource competition, and pesticide management risks. These will be managed through Biodiversity Action Plans (BAPs), Integrated Pest Management Plans (IPMPs), and Sustainable Water Use Plans.

Green Buildings and Urban Energy Efficiency: Key risks may include labour and working conditions, waste management, and building safety. Management tools include Construction Environmental and Social Management Plans (CESMPs) and Waste Management Plans.

The Fund will ensure that each subproject implements the appropriate management plans in line with GCF interim ESS standards and host-country legislation.

Reference to Sector-Specific E&S Risk Guidance

To strengthen sectoral risk analysis and ensure consistency with global best practice, the Fund will apply the IFC EHS Guidelines when identifying and managing sector-specific E&S risks during screening and due diligence. These include, but are not limited to:

- **Electric Power Transmission and Distribution (IFC, 2007):** addresses key risks such as right-of-way acquisition, community safety, electromagnetic field exposure, avian impacts, and habitat disturbance.
- **Wind Energy (IFC, 2015):** highlights typical concerns including land-use conflicts, noise, shadow flicker, bird and bat collision risks, and visual and cumulative impacts.
- **Forestry and Forest Harvesting Operations (IFC, 2007):** outlines issues such as biodiversity loss, soil and water contamination, labour safety, and community resource-use conflicts.
- **Waste Management Facilities (IFC, 2007):** covers waste handling, leachate and odour management, occupational health and safety, community health risks, and emergency preparedness.

The Fund will ensure that these sectoral considerations are integrated into subproject-level E&S screening, categorisation, and the preparation of management plans (e.g., Biodiversity Action Plans, Community Health and Safety Plans, or Waste and Pollution Prevention Plans, as outlined in Annex S).

Each investee company will prepare a site-specific Emergency Preparedness and Response Plan (EPRP) proportionate to its E&S risk profile. The EPRP will outline potential emergency scenarios, response actions, communication protocols, and resources. Plans must be developed in collaboration with relevant local authorities, emergency services, and affected communities, and must be reviewed and updated at least annually or after any major incident. Guidance for EPRP preparation is provided in Annex T.

7.2. Environmental Risks

While CC-ACF will deliver significant climate and environmental benefits across Mongolia, Kazakhstan, and Uzbekistan, the programme is not without environmental risks. Five major risks include site degradation, water scarcity, pollution, biodiversity loss, and infrastructure-related impacts.

Site Degradation: Infrastructure projects such as renewable energy farms, transport hubs, and industrial retrofits may lead to soil compaction, vegetation clearance, and disruption of natural land cover. In Mongolia, large-scale wind and solar installations in fragile steppe ecosystems may result in habitat fragmentation. Unsustainable land conversion practices could impact land fertility and traditional land-use systems.

Water Scarcity: In Uzbekistan, the Fund's activities related to climate-smart agriculture and irrigation modernization may exacerbate already strained water systems. Groundwater abstraction, particularly in regions like the Aral Sea Basin, poses a risk to water tables and downstream communities. In Mongolia, peri-urban water supply may be affected by expanding urban energy and waste treatment systems.

Pollution: Industrial energy efficiency upgrades and waste-to-energy interventions in Kazakhstan may generate short-term emissions or hazardous waste. Without proper management, construction-related pollutants and solid waste disposal can contribute to localised contamination. Poor chemical management in agriculture may increase nitrate runoff or pesticide exposure in Uzbek farmlands.

Biodiversity Loss: Renewable energy developments in Kazakhstan's grasslands or Mongolia's steppe may intersect with migratory corridors and wildlife habitats. Poor siting or lack of biodiversity baseline studies could lead to irreversible ecosystem disruption. The Fund will require Biodiversity Management Plans for projects near or within sensitive habitats.

Infrastructure-Linked Impacts: Projects such as smart grid expansions, EV charging networks, and resilient building retrofits may lead to temporary air and noise pollution, especially in dense urban zones like Ulaanbaatar. These activities may require coordination with municipal environmental management frameworks.

7.3. Social Risks

CC-ACF operates in complex social environments and recognises five major social risks: labour conditions, land acquisition and resettlement, community health and safety, gender inequality, and risks of sexual exploitation, abuse, and harassment (SEAH).

Labour and Working Conditions: Informal employment and low occupational safety standards remain a challenge, particularly in rural Uzbekistan and semi-urban Mongolia. Construction and agriculture-related projects may expose workers to physical risks, hazardous chemicals, or extreme temperatures. In Kazakhstan, legacy labour practices in energy and industrial sectors may limit adoption of international standards. CC GSH will require robust Occupational Health and Safety (OHS) plans and monitoring frameworks.

Land Resettlement and Acquisition: Projects involving land-based infrastructure may lead to temporary or permanent displacement, particularly in peri-urban Mongolia and rural Kazakhstan. Inadequate land governance or compensation frameworks may exacerbate tensions. All Category B projects will be screened for land-related impacts and may require Resettlement Action Plans (RAPs).

Community Health and Safety: Construction, transport, and energy transmission projects may increase risks such as road accidents, air pollution, or disruption to communal services. Poor handling of hazardous waste may impact surrounding populations. Infrastructure projects will be required to include community hazard assessments and communication protocols.

Gender Inequality: In Uzbekistan and Mongolia, women face limited access to training, land ownership, and decision-making roles in climate-sensitive sectors. Without proactive inclusion, benefits from Fund investments may bypass women and girls. All projects will be required to integrate gender-responsive planning, including Gender Action Plans (GAPs).

Sexual Exploitation, Abuse and Harassment (SEAH): Female workers and community members, particularly in low-income or informal labour settings, are vulnerable to harassment or abuse. Projects with large construction labour forces or isolated operations may elevate these risks. The ESMS embeds the GCF SEAH Policy, requiring investees to adopt SEAH protocols, conduct awareness training, and establish confidential grievance redress channels.

7.3.1. Indigenous Peoples

Across Mongolia, Kazakhstan, and Uzbekistan, some communities maintain distinct cultural identities, traditional livelihoods, and collective attachment to ancestral lands that may meet the GCF's definition of Indigenous Peoples under ESS7. Potential risks include loss of access to customary land and resources, disruption of traditional livelihoods, and inadequate consultation or benefit sharing. All subprojects will be screened for the presence of IPs or Indigenous-linked groups. Where such presence is confirmed, the Fund will require the preparation of an Indigenous Peoples Plan or integration of IP-specific measures into project Environmental and Social Action Plans. These measures will include culturally appropriate stakeholder engagement, respect for FPIC, and equitable participation in project benefits. Guidance for IP screening and IPP preparation is provided in Section 15 and Annex Q.

8. Risks and Impacts Using the IFC Performance Standards

The following table presents an overview of relevant environmental and social risks for the programme, based on the IFC Environmental, Health and Safety Guidelines relevant for the programme.

PS1: Assessment and Management of Environmental and Socials Risks and Impacts

Indicator	Role	Risk and Mitigation
ESG Policy	CC-ACF ESG Officer	<p>Risk: Portfolio company may lack formal ESG policies aligned with national laws in Kazakhstan, Uzbekistan, or Mongolia, and GCF/IFC standards.</p> <p>Mitigation: During due diligence, assess whether ESG policy exists and aligns with national frameworks and CC GSH's ESG policy. If gaps are identified, CC GSH will require development of an ESG policy as a condition in the ESG Action Plan (ESGAP).</p>
Identification of Risks and Impacts	CC-ACF ESG Officer and Third-Party E&S Consultants	<p>Risk: Investee may lack awareness of climate, environmental, or social risks (e.g., biodiversity in Kazakh steppe, peri-urban displacement in Mongolia, water abstraction in Uzbekistan).</p> <p>Mitigation: Evaluate ESMS and policies to ensure comprehensive risk identification and mitigation hierarchy. Require E&S training for investee teams where awareness is limited.</p>
Management Programmes	CC-ACF ESG Officer and Consultants	<p>Risk: Weak or absent ESMS may lead to unmanaged risks from wind farms, water use, or industrial emissions.</p> <p>Mitigation: Assess the ESMS comprehensiveness. If deficient, CC GSH will require enhancements through ESGAP to align with GCF/IFC requirements and regional risks.</p>
Organisational Capacity and Competency	CC-ACF ESG Officer and Consultants	<p>Risk: Lack of internal E&S experts or weak institutional structure at investee level (e.g., start-ups in UZB or early-stage grid projects in MNG).</p> <p>Mitigation: Due diligence will assess internal capacity. If inadequate, ESGAP will require training, hiring of ESG officers, or engagement with third-party experts.</p>

Monitoring and Reporting	CC-ACF ESG Officer and Investee Designee	Risk: Failure to report material incidents (e.g., SEAH, pollution, worker injury) may increase reputational or regulatory exposure. Mitigation: Reporting obligations included in legal side letters. Incidents must be reported in real time and tracked in semi-annual monitoring.
Stakeholder Engagement	CC-ACF ESG Officer, Investee ESG Lead, and Investee Board	Risk: Absence of inclusive consultation mechanisms or effective grievance redress, particularly for vulnerable populations and Indigenous communities. Mitigation: Fund requires investees to maintain stakeholder engagement plans and grievance redress mechanisms that incorporate SEAH safeguards and local context.

PS2: Labour and Working Conditions

Indicator	Role	Risk and Mitigation
Labour Conditions	ESG Officer + Legal Counsel	Risk: Weak enforcement of fair labour practices, especially in informal or rural sectors. Mitigation: Evaluate contracts, monitor wages, working hours, and access to PPE. Align to ILO.
Occupational Health & Safety	ESG Officer + Third-Party Assessors	Risk: Unsafe work environments in RE/infra/agricultural sectors. Mitigation: Include OHS planning, compliance monitoring, and worker training in ESGAP.
Worker Grievance Mechanisms	Company ESG Focal Point	Risk: Lack of safe channels to report labour abuse. Mitigation: Require effective, anonymous, and responsive grievance procedures.
Supply Chain Labour Practices	ESG Officer + Procurement/Legal Teams	Risk: Potential use of child or forced labour in upstream suppliers. Mitigation: Conduct supply-chain due diligence aligned with IFC PS2 and OECD Guidance for Responsible Business Conduct; include contractual clauses prohibiting child/forced labour; require suppliers to disclose origin of key inputs; perform periodic supplier audits and third-party verification where feasible. Guidance on supply-chain

		screening is provided in Annex U.
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Guidance on supply-chain screening is provided in Annex U.

PS3: Resource Efficiency and Pollution Prevention

Indicator	Role	Risk and Mitigation
Resource and Energy Efficiency	ESG Officer + Technical Consultants	Risk: Inefficient use of water, energy, or raw materials in manufacturing, processing, or renewable-energy facilities. Mitigation: Evaluate design efficiency; require implementation of best-available technologies and energy/water-efficiency measures.
Pollution Prevention and Waste Management	ESG Officer + Environmental Specialist	Risk: Improper handling of waste, emissions, or effluents leading to soil, air, or water contamination. Mitigation: Prepare Waste and Pollution Prevention Plans (WPPP) consistent with IFC EHS Guidelines; monitor discharge parameters.
GHG Emissions and Climate Risk	ESG Officer + External Experts	Risk: High GHG emissions or unassessed climate risks from industrial operations. Mitigation: Estimate GHG footprint; adopt reduction targets and climate-risk screening for all Category B+ projects.

PS4: Community Health, Safety and Security

Indicator	Role	Risk and Mitigation
Community Health and Safety	ESG Officer + Risk Consultants	Risk: Infrastructure development may harm public health (dust, noise, access barriers). Mitigation: Baseline health risk assessments and mitigation plans.
Security Personnel Conduct	Company Management	Risk: Improper use of force. Mitigation: Train all staff/security per Voluntary Principles on Security and Human Rights.

PS5: Land Acquisition and Involuntary Resettlement

Indicator	Role	Risk and Mitigation
Land Access & Compensation	Legal + ESG Officer	Risk: Unclear land tenure may lead to disputes or inadequate compensation. Mitigation: Conduct due diligence and prepare Resettlement Action Plans (RAPs) if needed.
Livelihood Restoration	ESG Officer + Development Partner	Risk: Income loss from land conversion. Mitigation: Identify impacted persons and provide support per IFC and local law.

Detailed guidance on the preparation of Resettlement Action Plans, including structure, minimum content, and procedural steps, is provided in Annex F.

PS6: Biodiversity Conservation and Sustainable Management

Indicator	Role	Risk and Mitigation
Critical Habitat Disruption	ESG Officer + Biodiversity Expert	Risk: Wind/solar projects intersecting with migratory bird routes. Mitigation: Biodiversity Management Plans, timing of construction, no-go zones.
Invasive Species or Habitat Loss	ESG Officer + Sector Specialists	Risk: Poor site preparation can lead to irreversible degradation. Mitigation: Screening during ESIA and project design adjustment.

PS7: Indigenous Peoples

Indicator	Role	Risk and Mitigation
Presence of Indigenous Peoples	ESG Officer + Social Specialist	Risk: Projects may affect Indigenous Peoples' lands, livelihoods, or cultural practices without proper consultation. Mitigation: Undertake screening for Indigenous Peoples presence; where relevant, apply Free, Prior and Informed Consent (FPIC) consistent with national law and IFC PS7.

Culturally Appropriate Engagement	ESG Officer + Community Liaison	<p>Risk: Inadequate participation or exclusion of Indigenous Peoples from decision-making.</p> <p>Mitigation: Require culturally appropriate stakeholder engagement and benefit-sharing plans.</p>
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PS8: Cultural Heritage

Indicator	Role	Risk and Mitigation
Cultural Heritage Protection	ESG Officer + Archaeologist / Local Authorities	<p>Risk: Construction or land-use activities may damage archaeological or sacred sites.</p> <p>Mitigation: Implement chance-find procedures; coordinate with local authorities; avoid sites of cultural significance during design.</p>
Intangible Heritage and Community Practices	ESG Officer + Community Liaison	<p>Risk: Neglecting traditional or intangible heritage (rituals, knowledge systems).</p> <p>Mitigation: Incorporate intangible heritage in consultation and benefit programs; promote cultural awareness among contractors.</p>
Chance Find Procedure	ESG Officer + Contractor / Portfolio Company	<p>Risk: Accidental discovery of artefacts or cultural resources during project implementation without proper documentation or protection.</p> <p>Mitigation: Portfolio Companies shall develop and implement Chance Find Procedures prior to construction. Procedures will outline roles, responsibilities, and notification protocols for halting work, securing sites, notifying authorities, and documenting finds. See Annex W for the standard Chance Find Procedure template.</p>

Additional guidance and templates for management plans relevant to PS 3, PS 7 and PS 8 are provided in Annex S: Sector-Specific Management Plan Frameworks and Annex W.

Detailed guidance and typical templates for sector-specific management plans (IPMPs, Sustainable Water Use Plans, CESMPs, and Waste Management Plans) are provided in Annex S.

9. ESG Management at the Fund Level

9.1. Overview

The Environmental and Social Management System (ESMS) of the CC Asia Climate Fund integrates environmental, social, governance, and integrity considerations across the entire investment lifecycle. It reflects the Fund’s commitment to the GCF Environmental and Social Safeguards (ESS), the IFC Performance Standards (2023), and international best practices. The figure below illustrates the ESG integration across the investment process.

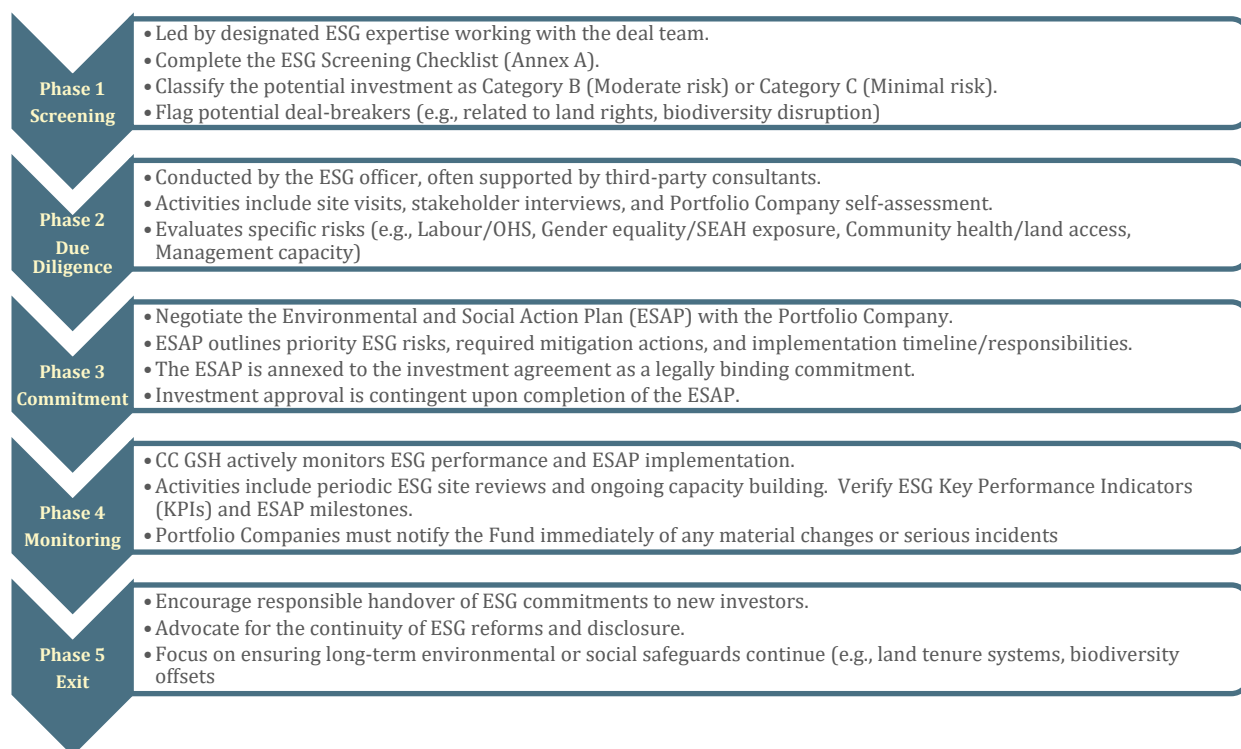


Figure 1: ESG integration across the investment process

ESG Considerations During the Investment Process

Screening Phase

ESG due diligence and screening will be led by designated ESG expertise, either through internal staff or qualified external specialists, working alongside the deal team.

This phase assesses ESG risks associated with both the company and the proposed investment. It involves:

- Reviewing public records for legal, environmental, or social controversies;
- Gathering relevant ESG documentation (e.g. policies, permits, previous audits);
- Completing the ESG Screening Checklist (Annex A) to classify the potential investment as Category B or C (per GCF/IFC risk categories).

The checklist helps flag potential deal-breakers, such as risks related to land rights in peri-urban Mongolia, water scarcity in Uzbekistan, or biodiversity disruption in Kazakhstan.

ESG Due Diligence

If shortlisted, an ESG Due Diligence (DD) is conducted by the ESG officer, often supported by third-party consultants. This involves:

- Site visits and interviews with stakeholders;
- Portfolio Company ESG self-assessment and Q&A;
- Review of capacity to manage identified ESG risks and impacts.

Projects are risk-categorised as:

- Category B: Limited, reversible impacts; require ESIA and ESMP.
- Category C: Minimal impacts; require basic screening.

In cases involving multiple subprojects, the highest-risk category determines the overall classification. Disclosure for Category B investments: In line with Section 13.4, the ESIA or ESDD and the commensurate ESMP/ESAP for Category B investments will be disclosed in English and local language(s) at least 30 days prior to the Fund's final investment approval meeting, consistent with the GCF IDP (including Section V exceptions). Separately, the IFC PS-aligned ESMS for this programme will be disclosed as set out in Section 13.4 - at least 30 days prior to GCF Board approval.

The ESG DD will evaluate:

- Labour and OHS practices;
- Gender equality and SEAH exposure;
- Community health and land access risks;
- Environmental impact of planned infrastructure;
- Company ESG management capacity and gaps.

Environmental and Social Action Plan (ESAP) Commitment

Based on DD findings, an ESAP is negotiated with the Portfolio Company. The ESAP outlines:

- Priority ESG risks;
- Required mitigation actions;
- Implementation timeline, costs, and responsibilities.

The ESAP is annexed to the investment agreement and forms a legally binding commitment. Breach of ESG obligations may trigger legal or financial consequences.

ESG During the Investment Period

Once invested, CC GSH actively monitors ESG performance and implementation of the ESAP. Portfolio Companies must notify the Fund of any material changes to the business plan or operations, which may trigger an updated ESG review.

CC GSH conducts:

- Periodic ESG site reviews;
- Ongoing support and capacity building;
- Verification of ESG KPIs and ESAP milestones;

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- Engagement with vulnerable and affected groups.

The Fund may fund additional assessments or audits through the Technical Assistance Facility in cases of significant deviation, community complaints, or new risks.

ESG During Divestment

Upon exit, CC GSH encourages responsible handover of ESG commitments to new investors. It advocates for the continuity of ESG reforms and disclosure, especially in projects where long-term environmental or social safeguards are essential (e.g., land tenure systems, biodiversity offsets).

ESG Standards and Requirements

Integrity and Governance

The Fund enforces rigorous screening of ownership structures, beneficial owners, and compliance with AML/CTF and tax laws. Any association with organised crime, corruption, or regulatory sanctions may halt the investment process.

Environmental and Social Standards

Performance Standards:

CC-ACF follows the IFC Performance Standards (2023), the GCF ESS, and other international benchmarks. All subprojects are assessed against:

- PS1: Assessment & ESMS
- PS2: Labour and Working Conditions
- PS3: Resource Efficiency and Pollution Prevention
- PS4: Community Health, Safety and Security
- PS5: Land Acquisition and Resettlement
- PS6: Biodiversity Conservation
- PS7: Indigenous Peoples (aligned with GCF Indigenous Peoples Policy)
- PS8: Cultural Heritage

10. ESMS at Portfolio Company Level

Portfolio Companies are required to establish and implement an ESMS proportionate to their operations and risk profile, consistent with applicable national laws, the GCF Environmental and Social Safeguards and GCF IP Policy, and the IFC Performance Standards. The ESMS should:

- Integrate risk assessment and stakeholder feedback;
- Reflect ongoing compliance with local and international standards;
- Be endorsed by senior management.

Depending on the nature and scale of risks and impacts, Portfolio Companies are expected to:

- Conduct ESAs (or environmental/social audits);
- Implement comprehensive risk management programmes;
- Allocate skilled ESG personnel and sufficient budgets;
- Maintain open stakeholder engagement, including Indigenous communities.

The following thematic areas apply where relevant:

Labour and Working Conditions (PS2)

All Portfolio Companies must comply with national labour laws and IFC PS2. Where relevant, they are expected to:

- Enforce non-discrimination and equal opportunity;
- Prohibit child and forced labour (incl. in supply chains);
- Establish gender-responsive grievance systems;
- Provide safe working environments and EHS training.

Biodiversity, Pollution and Resource Efficiency (PS3 & PS6)

Where operations may impact natural resources or habitats, companies are expected to:

- Conduct baseline biodiversity assessments;
- Mitigate impacts on critical habitats;
- Adhere to air, noise, and wastewater standards;
- Improve energy and water-use efficiency.

Involuntary Resettlement (PS5)

If land acquisition or displacement is unavoidable, a RAP or LARF must be prepared with full community participation and FPIC. This should include:

- Census, asset registry, and entitlement matrix;
- Full replacement cost compensation;
- Livelihood restoration measures;
- Monitoring and evaluation framework.

Indigenous Peoples (GCF Indigenous Peoples Policy (2018), Operational Guidelines (2021), and IFC Performance Standard 7)

Where projects may affect Indigenous Peoples (e.g., nomadic herders in Mongolia), Portfolio Companies must:

- Conduct culturally sensitive engagement;
- Respect collective rights and traditional knowledge;
- Prepare an Indigenous Peoples Plan (IPP) if needed, aligned with GCF Indigenous Peoples Policy.

Where impacts on Indigenous Peoples are anticipated, the development and implementation of an IPP is **mandatory (not optional)**. This process must include **meaningful engagement** and culturally appropriate consultations, the application of the **FPIC process** for applicable circumstances, and the development of a culturally appropriate GRM. **No project activities affecting IPs shall commence prior to the development and approval of the IPP.**

SEAH risks must also be assessed and addressed through Codes of Conduct, training, and survivor-centred grievance systems.

Stakeholder Engagement

Stakeholder Engagement (both Category B and C): All Portfolio Companies - ESS Category B and C - must maintain an ongoing, inclusive, and proportionate Stakeholder Engagement Plan throughout the investment cycle, using Annex H as the baseline template.

Stakeholder engagement must be ongoing, inclusive, and proportionate to project risks. Portfolio Companies are expected to:

- Map key stakeholders;
- Disclose E&S information in local languages;
- Facilitate public consultations;
- Maintain functional grievance redress mechanisms.

Where Indigenous Peoples may be affected, Portfolio Companies will follow the IPPF and prepare/implement an IPP as required; engagement will be culturally appropriate and, where applicable, will seek and document FPIC.

11. Governance, Capacity, and Resource Allocation

Given the fund's lean internal structure, ESG functions at the Fund level will be delivered through a risk-based and proportional approach. A single dedicated ESG Officer will lead ESG screening, due diligence, and portfolio monitoring engaging external environmental and social consultants as needed. These specialists may be deployed for tasks requiring advanced technical input- such as environmental and social impact assessments (ESIAs), biodiversity or cultural heritage studies, FPIC processes, or SEAH risk assessments. This blended delivery model ensures that ESG performance remains robust, while maintaining cost-effectiveness and flexibility across diverse geographies and project types.

Fund-Level ESG Team

- ESG Officer: Leads ESG due diligence, risk classification, and portfolio monitoring.

All new staff receive ESG training. The Fund holds periodic ESG reviews and learning sessions for team development.

Portfolio Company Responsibilities

Each Portfolio Company must allocate staff and budget proportional to its risk profile. Key roles include:

- ESG Coordinator: Central point for ESG reporting, DD inputs, and ESAP delivery.
- Environmental Manager: Oversees compliance with environmental standards, permits, pollution control.
- Health & Safety Officer: Manages labour, OHS, and SEAH-related safeguards.
- Community Liaison Officer: Leads stakeholder engagement, FPIC processes, and grievance mechanisms.

Resourcing and budget at portfolio level. Each Portfolio Company will allocate staff and a dedicated E&S budget proportionate to risk. As a minimum:

- Category B investments will designate a named ESG Coordinator (with defined time allocation), a Health & Safety Officer (role may be combined where appropriate), and resources to prepare and implement ESIA/ESMP/ESAP, stakeholder engagement and disclosure (including translations), monitoring, incident management, and grievance handling.
- Category C investments will designate an ESG focal point and maintain proportionate budget to implement screening outcomes, SEP and GRM, and routine monitoring.
- Investees will complete onboarding ESMS training within 60 days of investment and maintain an annual training plan.

Higher-risk subprojects must have full-time, qualified ESG staff or consultants in place.

ESG capacity at Fund level will be formally reviewed at midterm, or earlier if the scale and complexity of the portfolio increases, to ensure alignment with the GCF Environmental and Social Safeguards and IFC Performance Standards.

11.1. Environmental and Social Roles and Responsibilities

The implementation of the ESMS is supported by a multidisciplinary team combining internal capacity within the Fund Manager and access to specialised external expertise, as required by the risk profile of individual investments.

Key roles include:

- **ESG Officer (Fund-level):** Overall responsibility for ESMS implementation, screening, due diligence oversight, monitoring, reporting, and liaison with the Accredited Entity and GCF.
- **ESG Lead / Investment Deal Team:** Integration of ESG considerations into investment appraisal, preliminary risk screening, and coordination with technical specialists during due diligence.
- **Environmental Specialist:** Provides technical input on environmental risks, including pollution prevention, resource efficiency, waste management, climate risk, and compliance with IFC PS3 and relevant EHS Guidelines.
- **Social Specialist:** Advises on labour and working conditions, land acquisition and resettlement, community health and safety, gender equality, and social inclusion in line with IFC PS2, PS4, and PS5.
- **Legal Counsel:** Supports due diligence and transaction structuring to ensure contractual incorporation of ESMS requirements, including ESAP obligations, grievance mechanisms, and compliance with national laws.
- **External Independent E&S Consultants:** Engaged as needed to support Environmental and Social Impact Assessments (ESIAs), audits, specialised studies, and monitoring for higher-risk or technically complex investments.

12. Management Measures and Mitigation Instruments

CC-ACF applies a tiered approach to risk management based on the risk classification of each subproject. For each Category B investment, the Fund requires a detailed Environmental and Social Action Plan (ESAP), which includes mitigation measures for identified risks. Category C projects are required to complete a simplified screening checklist and basic mitigation guidance.

Key Safeguard Instruments:

- Environmental and Social Impact Assessment (ESIA)
- Environmental and Social Management Plan (ESMP)
- Environmental and Social Action Plan (ESAP)
- Stakeholder Engagement Plan (SEP)
- Indigenous Peoples Plan (IPP), if relevant.

The Fund provides templates for each instrument, including guidelines for scoping, consultation, documentation, and monitoring (see Annexes). Independent experts will validate ESIA and ESMPs where needed, especially for higher-complexity or multi-stakeholder projects. The Fund may commission supplementary studies (e.g. biodiversity or cultural heritage assessments) if deemed necessary.

13. Monitoring and Reporting

13.1. Process Overview

CC-ACF implements a two-tiered ESG monitoring and reporting process. Portfolio Companies are responsible for tracking ESG performance at the project level and reporting to the Fund. The Fund management team consolidates this data to produce aggregated ESG reports for the GCF, investors, and stakeholders.

13.2. Portfolio Company Monitoring

Portfolio Companies are contractually obligated to continuously monitor their ESG performance and report on a standardised set of indicators. Reports are submitted:

- Quarterly: Updates on significant environmental and social matters;
- Annually: Comprehensive reports on ESG performance, risk mitigation, gender and SEAH issues, stakeholder engagement, and compliance.

Templates will be provided by the Fund to reduce administrative burden and ensure comparability. Reports typically include:

- Labour and OHS updates;
- Grievance reports and community engagement;
- Environmental indicators (e.g. emissions, water use, waste);
- Gender equality metrics;
- Aggregated performance across ESG KPIs, including a summary of engagement and mitigation actions concerning Indigenous Peoples, where applicable, using sex and IP-disaggregated data.

Fund representatives will conduct routine site visits and review ESG performance as part of Board meeting discussions. The Board evaluates ESG progress annually, defines targets for the following year, and identifies corrective actions. Support will be provided where capacity challenges hinder performance.

Portfolio Companies must also immediately notify the Fund of any serious incidents, changes to project scope, or ESG compliance breaches. These include:

- Major workplace accidents (e.g. fatalities);
- Pollution incidents with health/environmental consequences;
- SEAH-related grievances;
- Labour disputes or industrial action;
- Corruption, fraud, or cybersecurity breaches.

Such incidents must be reported to the Fund within five business days. Follow-up site visits and, where needed, third-party audits will be conducted.

13.3. Fund-Level Monitoring

At the Fund level, CC GSH will produce an Annual ESG Report consolidating data across all Portfolio Companies. This report is shared with the GCF, Limited Partners, and stakeholders. The Fund also provides updates to Nationally Designated Authorities (NDAs) and convenes bilateral sessions where necessary.

Annual reporting covers:

- Aggregated performance across ESG KPIs;
- Overview of ESG risk trends and incident response;
- Implementation status of Portfolio Company ESAPs;
- Lessons learned and forward-looking improvements.

The Fund will follow the ESG KPI Methodology and ensure data integrity through triangulation, validation, and periodic reviews.

Resourcing and capacity metrics. The Annual ESG Report will include a summary of ESG resourcing (FTEs and consultant days), budget utilisation vs. plan, training coverage and results, and any scaling actions taken under the triggers in Section 11.

13.4. Disclosure of Information

IPPF and IPP disclosure: The IPPF will be disclosed in line with the GCF IDP. Where GCF Indigenous Peoples Policy (2018), Operational Guidelines (2021), and IFC Performance Standard 7 (PS7) is triggered for a subproject, the IPP will be disclosed in English and in the local language(s) at least thirty (30) calendar days prior to the Fund's final investment approval meeting, consistent with Section V (Exceptions) of the GCF IDP.

Policy basis and exceptions: These disclosures will follow the GCF Information Disclosure Policy (IDP), including Section V (Exceptions). Where an exception is applied under the IDP, the Fund will disclose the rationale consistent with the IDP and will still provide non-confidential summaries sufficient for stakeholder understanding and meaningful feedback.

GCF Disclosure Requirement (ESMS): In line with GCF requirements, the IFC Performance Standards-aligned ESMS for this programme will be disclosed on the GCF website and on the Fund's website, in English and in the local languages of the target countries (Kazakh, Uzbek, and Mongolian), at least thirty (30) calendar days prior to GCF Board approval of the funding proposal.

CC Asia Climate Fund commits to a high level of transparency. Disclosure will align with the GCF Information Disclosure Policy and will be proportionate to project risk. Key documents will be made publicly available online and, where appropriate, shared through in-country networks..

The Fund will publish:

- This ESMS and related annexes;
- Environmental and Social Impact Assessments (ESIAs) for Category B projects at least 30 days prior to investment committee decision;
- Environmental and Social Management Plans (ESMPs);
- Other safeguard documents such as Land Acquisition and Resettlement Action Plans (LARPs), Indigenous Peoples Plans (IPPs) and Gender Action Plans (GAPs), only where triggered by the specific project;

-
- Non-technical summaries will also be made available in the local languages through in-country channels (e.g., municipal offices, community centres, notice boards) to ensure broad accessibility.

13.5. Summary of stakeholder consultations and grievance redress updates.

Programme design engagement: the Fund will prepare and maintain a consolidated Programme Design Stakeholder Engagement Summary. At a minimum, the summary will include:

- Stakeholder mapping/table identifying Fund-level stakeholders and anticipated portfolio-company level stakeholders (including affected communities, vulnerable and marginalised groups, Indigenous Peoples where relevant, women's organisations, labour representatives, private sector, NDAs/line ministries, CSOs/NGOs, and development partners).
- Engagement log with dates, locations (or virtual platform), language(s), and format (public meeting, focus group, key informant interview, written consultation).
- Participant list with gender and affiliation/role (community member, company representative, government official, CSO/NGO, NDA, etc.).
- Inputs/feedback matrix capturing issues raised and how these were addressed (incorporated into programme design/ESMS, or rationale if not adopted).
- Linkages showing where inputs informed changes to the programme theory of change, risk mitigation, ESMS procedures, monitoring framework, or other design features.
- Evidence references (e.g., meeting notes, sign-in sheets) managed in accordance with the GCF Information Disclosure Policy (IDP), including Section V (Exceptions) for confidential information.
- Summary of grievances (if any) raised during programme design engagement and their resolution or referral.

Core ESG documents will be disclosed on the Fund's website in English. Where affected stakeholders do not commonly use English, non-technical summaries - and, where warranted, key safeguard plans - will be made available in relevant local languages in-country in forms accessible to them (e.g., municipal offices, community centers, notice boards, or community meetings). Publication on investee websites will be used where feasible and appropriate. All disclosed materials will be clear, non-technical, and culturally appropriate.

The Fund welcomes stakeholder feedback during the public disclosure period and will integrate feedback where appropriate. An open grievance channel at the Fund level is maintained to address issues not resolved at the project level.

14. Gender Equality and Social Inclusion (GESI)

Gender equality and social inclusion are cross-cutting priorities for CC-ACF. All investments must align with the GCF Gender Policy. The Fund promotes women’s leadership in climate sectors, improves access to finance for women-led MSMEs, and ensures that women, youth, persons with disabilities, and other marginalised groups meaningfully participate in project design and benefit-sharing.

GESI Measures:

- A Gender Assessment is required for all Category B subprojects and selected Category C subprojects.
- A Gender Action Plan (GAP) must be developed and integrated into the ESAP.
- The Fund provides capacity-building to investees and implementing partners on inclusive consultation, gender-responsive budgeting, and gender-disaggregated data collection.
- Monitoring of GESI-related indicators is conducted throughout the project lifecycle.

Annex P contains a standard Gender Action Plan template.

15. Indigenous People and Cultural Heritage

This section is guided by the GCF Indigenous Peoples Policy (2018) and its Operational Guidelines (2021), and is aligned with IFC Performance Standard 7.

Purpose and scope. In line with the GCF Policy on Indigenous Peoples and IFC PS7/PS8, this section sets out: 1) a programme-level Indigenous Peoples Planning Framework (IPPF) to guide screening, engagement (including meaningful consultation and FPIC where required), risk mitigation and benefit-sharing; and 2) subproject-level requirements (screening, IPP preparation/implementation, disclosure and monitoring).

The IPPF is designed to provide clear, detailed operational guidance and methodology to the Executing Entities/Investees on screening, risk assessment, FPIC processes, and IPP preparation, ensuring full alignment with the GCF IP Policy operational guidelines.

CC-ACF recognises the importance of protecting the rights, lands, resources, and cultural heritage of Indigenous Peoples. Although no Indigenous Peoples have been explicitly identified during the design phase, the Fund acknowledges that future subprojects may be located in areas traditionally occupied or used by Indigenous communities, especially in Mongolia and certain rural areas of Kazakhstan and Uzbekistan.

In accordance with the GCF Indigenous Peoples Policy, the Fund commits to the following:

- Screening each subproject for potential impacts on Indigenous Peoples;
- Conducting meaningful, inclusive consultations to ensure Free, Prior and Informed Consent (FPIC) where rights, resources, or livelihoods may be affected;
- Requiring the preparation of an Indigenous Peoples Plan (IPP) if such impacts are anticipated;
- Respecting Indigenous knowledge and ensuring culturally appropriate benefit-sharing mechanisms.

Investee companies must disclose the presence or likely impact on Indigenous Peoples in their initial environmental and social screening. Where required, the Fund will provide technical assistance to ensure compliance with FPIC procedures and support the preparation and implementation of IPPs.

15.1. Programme-level screening and design-phase engagement

The Fund will conduct programme-level screening to identify the potential presence of Indigenous Peoples in target geographies (desk review of national sources, academic literature, CSO inputs, and consultations with relevant public authorities and representative IP organisations). The Fund will undertake meaningful consultations during programme design and development to inform siting principles, engagement approaches, benefit-sharing measures, and the IPPF. Summary evidence will be included in the Programme Design Stakeholder Engagement Summary.

At this stage, no Indigenous Peoples have been directly consulted, as subproject locations remain indicative. Subsequent screening during implementation will determine the presence of Indigenous Peoples in specific investment areas. Where confirmed, the Fund will initiate consultations aligned with GCF ESS7 and national frameworks to ensure FPIC and equitable participation in benefits.

Detailed identification criteria and procedures are provided in the IPPF (Section 15.2).

15.2. Indigenous Peoples Planning Framework (IPPF)

The Fund adopts this IPPF as a mandatory operational guide for all investment activities that may affect IPs or communities with customary resource rights. The IPPF provides the detailed methodologies and processes required by the GCF Indigenous Peoples Policy, which will take precedence over IFC PS7 requirements where they diverge.

The core purpose of the IPPF is to ensure full respect for the human rights, dignity, culture, and aspirations of Indigenous Peoples, and to provide clear direction on how the Investee will achieve this through a process of avoidance, minimisation, and culturally appropriate engagement.

The IPPF ensures consistency with the core implementation elements indicated in Paragraph 39 of the GCF Indigenous Peoples Policy and Paragraph 23 of its operational guidelines. This includes, but is not limited to, detailed procedures for FPIC documentation, resource devolution, culturally appropriate benefit sharing, and the mandatory content requirements for the IPP where impacts are expected.

Scope and Standards

The IPPF applies to all subprojects (Category B and relevant Category C) that trigger GCF IP Policy/PS7. The development and implementation of an Indigenous Peoples Plan (IPP) is **mandatory** (not optional) where impacts on IPs are expected.

No project activities affecting Indigenous Peoples shall commence prior to the development and approval of the IPP.

Definition and Identification Criteria

For the purposes of this Framework, “Indigenous Peoples” are defined in accordance with the GCF Indigenous Peoples Policy (2018) and IFC Performance Standard 7. Accordingly, the term Indigenous Peoples is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees¹:

- Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation as well as to the natural resources in these areas;
- Customary cultural, economic, social, or political systems that are distinct or separate from those of the mainstream society or culture; and
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. This includes a language or dialect that has existed but does not exist now due to impacts that have made it difficult for a community or group to maintain a distinct language or dialect.

The identification of Indigenous Peoples will be undertaken through desk review, consultations with relevant authorities and representative organisations, and engagement with affected communities during project screening and due diligence.

The Fund and its investees will apply these criteria during the screening stage to determine the presence of Indigenous Peoples and ensure appropriate engagement and safeguard planning consistent with GCF ESS7.

¹ GCF. (2018). Indigenous Peoples Policy. Available at: <https://www.greenclimate.fund/sites/default/files/document/ip-policy.pdf>

Subproject Screening and Risk Assessment Methodology

The Investee, supported by the Fund’s E&S team or external specialists, shall undertake a rigorous, culturally appropriate screening and assessment process:

- a. Identification and Presence: Enquire about the presence, customary use, or collective attachment (including seasonal use or occupation) of Indigenous Peoples in the project area, applying the criteria used to identify them as per GCF IP Policy. This assessment must include a detailed overview of IPs potentially present in project areas.
- b. Risk and Impact Analysis: Conduct a social assessment to elaborate on potential impacts and risks (economic, social, cultural, environmental) on IPs. This analysis must use culturally sensitive and gender-inclusive assessments to consider women’s unique roles in resource management and the gender-differentiated impacts of land loss or cultural disruption.
- c. Documentation: Screening must document the collective attachment of IPs to the land and resources, regardless of formal legal title.

Meaningful Consultation and Documentation Standards

Engagement with IPs must be ongoing, culturally appropriate, non-discriminatory, and proportionate to risk. The IPPF requires rigorous documentation of all **meaningful consultations** to ascertain the following key information

Information Required	Detail to be Documented
When/Where:	Date, location, language(s) used, and format (e.g., focus group, public meeting, one-to-one interview).
Who Participated:	Participant lists, including who they represented (e.g., council of elders, women’s association, herder) and sex-disaggregated data on participation.
What was Discussed:	The specific project component or impact assessed, the disclosure of information (e.g., IPP draft), and any options/alternatives presented.
Results and Inputs:	Outcomes/agreements reached, and the specific inputs/feedback provided by IPs.
Informing the Project:	A clear articulation of how inputs were used to inform and result in changes to the project design, the IPP, the mitigation hierarchy, or the benefit-sharing mechanism (i.e., the feedback loop).

Free, Prior, and Informed Consent Procedures

The Investee must seek and document FPIC from Affected Communities of IPs in the following circumstances, in accordance with the GCF IP Policy (2018):

1. Impacts on lands and natural resources subject to traditional ownership or under customary use;
2. Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use;
3. Impacts on cultural heritage that are essential to the identity, cultural, ceremonial, or spiritual aspects of Indigenous Peoples’ lives, including practice of traditional livelihoods, natural areas with cultural or spiritual values such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks; or
4. Use of cultural heritage, including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes.

Step-by-Step FPIC Process

Preparation and Disclosure: The Investee identifies potentially affected IPs and discloses relevant project information (scope, impacts, benefits, and rights) in culturally appropriate formats and local languages.

Engagement Planning: Engagement is conducted through legitimate representative institutions of IPs, allowing adequate time for internal deliberation and decision-making according to customary processes.

Consultation and Negotiation: Structured dialogue sessions are held to discuss project risks, benefits, and mitigation options. These meetings are documented, and minutes are shared with participants for validation.

Decision and Documentation: Consent - or lack thereof - is expressed collectively by IP representatives. The process, agreements, conditions, and outcomes must be documented, signed by authorised representatives, and disclosed.

Iterative Nature of FPIC: FPIC is not a one-off event but an ongoing process. The Investee must maintain engagement throughout project preparation, implementation, and monitoring phases, ensuring that consent remains valid as project conditions evolve.

Record-Keeping and Verification: All FPIC documentation (meeting notes, attendance, agreements, photographic evidence, and correspondence) shall be stored by the Investee and verified by the Fund's Environmental and Social Management Unit (ESMU).

Critical Safeguard Requirement:

No project activities involving Indigenous Peoples, their lands, or cultural heritage shall commence prior to obtaining and documenting FPIC, in line with section 3.3 of the Operational Guidance to the GCF Indigenous Peoples Policy.

IPP Content, Resource Devolution, and Benefit Sharing

Where an impact is identified, an IPP must be developed and included in the ESAP. The IPP must include, but is not limited to:

- **Mitigation Measures:** A time-bound plan detailing avoidance, minimisation, restoration, and compensation actions.
- **Devolution of Resources and Governance:** Clear considerations and arrangements for the devolution of resources and governance to IPs, particularly related to the management of shared resources or project-created assets (e.g., conservation areas, water infrastructure).
- **Culturally Appropriate Access Benefit Sharing:** Mechanisms for the fair and equitable sharing of project benefits (e.g., livelihood support, employment, capacity building, revenue sharing) and confirmation of how these mechanisms respect Indigenous knowledge and customary practices.
- **IPP Budget and Resources:** Indicative budget, dedicated resources, and financial responsibilities for IPP implementation, including funds for external expertise needed for FPIC and monitoring.

Roles, Responsibilities, and Capacity

The IPPF clarifies the roles necessary for successful implementation

Role	Responsibility
Fund Manager (AE):	Overall accountability and strategic oversight, including reviewing and approving the IPP, providing technical guidance, and managing escalated grievances related to IPs.

Portfolio Company (EE/Investee):	Direct responsibility for IPP preparation, implementation, budgeting, and all field-level consultations and FPIC processes. Mandatory engagement of qualified external consultants is required where capacity is limited, or risks are complex.
IP Focal Point (Investee):	Designated officer leading engagement, liaison, and implementation of the IPP at the project level.

The Fund requires the Investee to include questions in its capacity assessment to confirm prior capacity/experience in engaging with IPs, managing IPPs, and implementing FPIC processes.

15.3. Subproject-level requirements (PS7/PS8)

All subprojects using GCF proceeds (Category B and C) will be screened for the GCF IP Policy and PS7/PS8 applicability. Where GCF IP policy and/or PS7 is triggered, the Investee will prepare and implement an IPP consistent with the IPPF; where PS8 is triggered, a Cultural Heritage Management Plan (including chance-finds procedures) will be prepared. Where rights, resources, or livelihoods may be affected, the Fund will ensure FPIC is sought and documented in accordance with the GCF Policy on Indigenous Peoples and the IPPF.

15.4. Disclosure and monitoring

The IPPF will be disclosed in accordance with Section 13.4. Where GCF IP Policy or PS7 is triggered at subproject level, the draft IPP will be disclosed in English and the relevant local language(s) at least 30 days prior to the Fund’s final investment approval meeting, and final versions will be publicly available; monitoring results will be reported in the Annual ESG Report (Section 13.3).

16. SEAH Safeguards

The Fund has adopted the Green Climate Fund's policy on preventing and responding to sexual exploitation, abuse, and harassment (SEAH). Safeguarding against SEAH risks is a mandatory component of the Environmental and Social Management System and applies to all subprojects and implementing partners.

The Fund requires that all investees:

- Conduct SEAH risk screening during project assessment;
- Integrate SEAH clauses in partnership contracts;
- Establish clear reporting protocols and confidential complaint channels for victims and witnesses;
- Deliver awareness training for staff, contractors, and communities on appropriate conduct and reporting mechanisms.

Portfolio companies are required to adopt policies including: provision of PPE suitable for women, separate sanitation, lactation rooms (where feasible), and safe transport (where needed).

Annex O provides a SEAH risk screening tool and guidance for monitoring and escalation procedures. All SEAH incidents must be reported to the Fund Manager and will trigger a formal review. The Fund maintains a zero-tolerance policy for sexual misconduct.

17. Monitoring, Evaluation and Reporting

The Fund's monitoring and reporting system ensures accountability and continuous improvement across the ESMS. Environmental and social performance is tracked through routine monitoring by investees, site visits by Fund staff, and independent evaluations.

The Fund's ESG KPI Methodology provides a structured framework for monitoring environmental, social and governance performance across all Portfolio Companies. It is aligned with the IFC Performance Standards (2023), GCF Investment Framework, UN SDG indicators, and CC GSH's corporate ESG policy.

The methodology establishes 1) standardised definitions and data-collection templates; 2) quantitative and qualitative Key Performance Indicators (KPIs) covering core ESG dimensions; 3) reporting frequency and responsibility matrix for Portfolio Companies and the Fund; and 4) procedures for independent verification and adaptive management.

Data are collected quarterly and consolidated annually. Results inform fund-level ESG performance reviews and annual disclosure to the GCF. Portfolio Companies are responsible for collecting and reporting project-level ESG data using standard templates; the Fund consolidates, validates, and submits annual ESG performance reports to the GCF and investors. Portfolio Companies must maintain primary records and supporting evidence for spot audits.

A detailed list of indicators and disaggregation requirements is provided in Annex R (Monitoring and Evaluation Indicator List), which lists the Fund's core ESG KPIs, definitions, and reporting frequency.

Key components include:

- Monitoring of ESAPs;
- Gender-disaggregated and resilience outcome reporting;
- Greenhouse gas emission tracking using GCF-approved methodologies;
- Annual implementation reports submitted by investees;
- Periodic external audits and mid-term and terminal reviews.

Monitoring data are consolidated into Fund-level reports and submitted to the GCF Secretariat. Lessons learned from implementation will inform revisions to the ESMS and guide capacity-building support for investees. Findings from stakeholder consultations and grievance redress data will also be used to strengthen fund operations.

18. Stakeholder Engagement and Disclosure

Stakeholder engagement is a core element of the CC-ACF approach to responsible investment. The Fund is committed to transparent, inclusive, and continuous stakeholder engagement throughout the investment cycle. This includes engagement with project-affected communities, government agencies, civil society organisations, and vulnerable or marginalised groups.

Fund-level SEP: The Fund will maintain a Fund-level SEP governing Fund-wide engagement, disclosure, and feedback channels, and will require all Portfolio Companies (Category B and C) to prepare and implement project-level SEPs proportionate to risk, using Annex H. The Fund will periodically review SEPs for adequacy and effectiveness.

Each subproject is required to develop a Stakeholder Engagement Plan (SEP) proportionate to the nature and scale of its impacts. The SEP must outline the strategy, frequency, language, and format of engagement, including disclosure of key E&S documentation in accessible formats and local languages.

Disclosure obligations are guided by the GCF Information Disclosure Policy. Key safeguards documents—such as ESMPs, IPPs, Gender Action Plans, and SEAH protocols—must be made publicly available before investment approval. Ongoing updates will be shared via project websites, public consultations, and community forums, with a focus on vulnerable populations and those without internet access.

19. Grievance Redress Mechanism

CC-ACF has established a project-level grievance redress mechanism (GRM) to enable individuals and communities to raise concerns related to project activities. The GRM is a transparent and accessible tool for resolving complaints in a timely and culturally appropriate manner. The GRM is consistent with the GCF Indigenous Peoples Policy (2018), including culturally appropriate and accessible grievance mechanisms for Indigenous Peoples.

Portfolio-level GRM (both Category B and C): All Portfolio Companies - ESS Category B and C - must establish and operate a project-level GRM that is accessible, survivor-centred for SEAH, and culturally appropriate, aligned with this Fund framework and Annex I/Annex J.

Fund-level GRM and access to GCF IRM: In addition to the project-level GRM, the Fund will maintain a Fund-level GRM (Annex J). Affected people will be informed of, and retain access to, the GCF Independent Redress Mechanism (IRM) for issues related to GCF-financed activities. Information on how to contact the IRM will be disclosed alongside safeguard documents and on the Fund website.

Stakeholders may submit grievances or inquiries directly to the Fund's ESG Unit through the following channels:

[dedicated email address to be established and included]

[postal address to be ascertained and included]

For grievances related to the Accredited Entity (PSAA Entity), stakeholders may contact:

Environmental and Social Safeguards Unit

grievance_cc_acf@citicapital.com

Web portal: <https://www.citiccapital.com/business/esg-investing/>

These details will also be published on the Fund's website and disclosed in community engagement materials at the project level.

The GRM includes:

- Multiple channels for lodging complaints (in person, online, written);
- Confidentiality and protection from retaliation;
- Step-by-step grievance processing and resolution timelines;
- Escalation protocols to the Fund Manager and independent reviewers if needed;
- Notice of external recourse: Clear information on how to contact the GCF IRM and national authorities, without prejudice to local legal remedies.

Investee companies are expected to establish local-level grievance mechanisms proportionate to their size, sector, and risk profile, and aligned with the Fund's framework. Where appropriate, investees may integrate these functions into existing community engagement processes or make use of the Fund-level mechanism. All grievances and resolution outcomes will be tracked and reported in annual ESMS performance reports. Summary data will be published to ensure transparency while protecting individual privacy.

Access to External Grievance Mechanisms

Green Climate Fund Independent Redress Mechanism (IRM)

Affected persons may submit complaints directly to the GCF Independent Redress Mechanism (IRM) at:

<https://irm.greenclimate.fund>

PSAA Applicant Grievance Mechanism

Stakeholders may also access the PSAA Applicant's institutional grievance mechanism via the Applicant's official website. The relevant weblink and contact details will be disclosed prior to first disbursement and included in stakeholder engagement materials and the Fund's website.

Fund-level GRM contact details (email, telephone, and postal address) will be operationalised and publicly disclosed prior to first disbursement and no later than Financial Close.

20. Roles, Responsibilities and Capacity

The implementation of this ESMS is overseen by designated ESG expertise engaged by CC-ACF which may be provided by internal staff and/or qualified external service providers. A named ESG lead will coordinate activities and be accountable to the Fund Manager/Investment Committee, while specialist due diligence and monitoring may be outsourced under appropriate agreements as needed.

ESMS Implementation Resources

Implementation of the ESMS will be supported through both technical and financial resources allocated by the Fund and the PSAA Entity. The Fund will oversee ESMS application, portfolio-level monitoring, and reporting to the GCF.

Financial resources for ESMS implementation will be embedded within the Fund's management budget and operating costs. These include provisions for:

- Engagement of independent E&S consultants for high-risk investments;
- Capacity building for Portfolio Companies and staff;
- Periodic E&S audits and monitoring visits;
- Maintenance of the Fund-level GRM and ESMS database;
- Preparation of annual E&S performance reports to the GCF.

The PSAA Entity (CC GSH) will provide overarching technical oversight, ensuring consistency with its corporate ESG framework and contributing expert support where necessary. The cost of implementing ESMS activities will be shared between the Fund's management fee allocation and project-specific budgets of Portfolio Companies, as detailed in the Fund's financial management plan.

Key responsibilities include:

- Conducting project screening and categorisation;
- Reviewing and approving ESMPs, GAPs, SEPs, and ESAPs;
- Providing guidance and tools to investees on safeguard requirements;
- Coordinating stakeholder consultations and training sessions;
- Preparing and submitting annual E&S compliance reports to the GCF;
- Monitoring on a proportionate, risk-based basis.

All investees must designate an E&S focal point to liaise with the Fund. The Fund also provides periodic training for its own staff and partners to maintain technical competency in applying the ESMS. A capacity assessment tool is included in Annex G.

ESG capacity will be periodically reviewed to ensure sufficiency, with a formal review at midterm or if project complexity increases significantly.

21. Documentation and Record-Keeping

The Fund ensures robust documentation and systematic record-keeping of all environmental and social safeguards processes and outcomes. Investee companies are required to maintain records of all relevant environmental and social assessments, mitigation plans, permits, stakeholder consultation reports, and monitoring results. These records must be retained for at least five years after project closure or as required by national law.

All E&S documentation is stored digitally within the Fund's internal data management system and may be requested by the GCF or external auditors. Regular audits and spot checks will be undertaken to verify that all E&S records are up to date, accurate, and appropriately archived.

22. Continuous Improvement and ESMS Review

The ESMS is a living framework and will be reviewed and updated regularly to reflect lessons learned, changes in the regulatory environment, and emerging best practices. Further, in line with its commitment to continuous improvement, the Fund will also review its ESG staffing model at midterm, or earlier if triggered by portfolio expansion or increased risk complexity. This will ensure the ESG function remains adequately resourced to implement the ESMS and uphold the GCF's Environmental and Social Safeguards.

Updates will be informed by:

- Annual and mid-term evaluations of ESMS implementation;
- Stakeholder feedback from grievance mechanisms and consultations;
- GCF policy changes and updated safeguard requirements;
- Internal and external audits.

The Fund Manager is responsible for leading the review process, engaging relevant partners and experts as needed. Any material revisions to the ESMS will be submitted to the GCF for approval and disclosed publicly.

23. Annexes (Supporting Tools and Templates)

The following annexes provide templates and guidance tools to support the consistent application of the ESMS. They are not all intended to be completed for every investment. Their use will be proportionate to the nature, scale, and risk category of each investment, and applied on an as-needed basis in line with GCF/IFC requirements.

For the purposes of GCF disclosure, the ESMS comprises this Annex 6 and its supporting tools and templates (Annexes A-R), as applicable, and this package will be the version referenced in the public disclosure 30 days prior to GCF Board approval.

The annexes accompany this ESMS and are available as standalone tools to support Fund implementation:

- Annex A: ESG Checklist;
- Annex B: Environmental and Social Screening and Categorisation Template;
- Annex C: Environmental and Social Due Diligence Report;
- Annex D: Exclusion List;
- Annex E: Sample Environmental and Social Action Plan (ESAP);
- Annex F: Guidance for Land and Resettlement;
- Annex G: Capacity Assessment Tool for Investees;
- Annex H: Stakeholder Engagement Plan Template;
- Annex I: Guidance on Grievance Mechanisms;
- Annex J: Complaint Policy of the Fund (Grievance Mechanism);
- Annex K: Guidance on Environmental and Social Impact Assessment (ESIA);
- Annex L: Environmental and Social Risk Categorisation Across Portfolio;
- Annex M: CC-ACF Approach for Sexual Exploitation, Abuse and Harassment (SEAH);
- Annex N: Guidance for CC-ACF Portfolio Companies on SEAH and Gender-based Activities;
- Annex O: SEAH Risk Screening Checklist and Response Protocol;
- Annex P: Gender Action Plan Template;
- Annex Q: Indigenous Peoples Screening and IPP Template;
- Annex R: Monitoring and Evaluation Indicator List.
- Annex S: Sector-specific Management Plan Frameworks.
- Annex T: Emergency Preparedness and Response Plan (EPRP) Template.
- Annex U: Supply Chain Due Diligence Framework.
- Annex W: Chance Find Procedure Template and Guidance.

Application at both levels: Annex H (SEP Template) and Annex I/Annex J (GRM guidance and Fund Complaint Policy) apply at both the Fund level and Portfolio Company level - for ESS Category B and C - with proportional tailoring to project risk and context.

Annex C (ESDD Report) includes a GCF Gap Analysis & Time-Bound Action Plan module for use where GCF proceeds will be equalised to or deployed to existing portfolio companies.

All annexes are reviewed on a periodic basis to ensure alignment with GCF guidance and national context. They are shared with investee companies during onboarding and made available through the Fund's secure document portal.

Annex A ESG Checklist

Objectives

- Provide relevant information for a preliminary assessment of potential ESG risks;
- Gather available documents and information on current ESG management;
- Identify to the extent possible any deal breaking issues at an early stage;
- Guide and inform the on-site due diligence process.

This list is not exhaustive, and further issues are considered as identified on a case-by-case basis.

General information on the potential Portfolio Company

Company Name

First year of activities

Location of project areas (with geographical coordinates)

Activities undertaken

Identification of 'No-Go' issues

- Exclusion List
- Non-compliance with environmental or other legal regulatory requirements

If there is robust evidence that the project involves any 'No-Go' issues, the project shall not be considered for investment.

Key ESG information and risks

Q&A for E&S assessment based on the GCF IP Policy and on all IFC performance standards

Assessment of key ESG information and risks shall be undertaken by completing the Q&A for E&S matters questionnaire. This is based on the GCF IP Policy and on each IFC performance standard. An additional assessment will be based on the below questions.

Organisation - IFC PS1

Aspect	Observation/Comment	Reference
Senior management aware of main ESG issues?		
Company ESG Policy endorsed by senior management?		
Is there a senior manager responsible for ESG?		
Are personnel assigned specific responsibility for different ESG aspects? Health and safety, community relations, etc. Are these staff suitably qualified to manage E&S risks?		

ESMS implemented according to IFC PS1 requirements?		
Company has conducted an ESIA? Is this publicly available?		
E&S impacts managed via ESAP?		
Application of the mitigation hierarchy?		

Governance

Aspect	Observation/Comment	Reference
Company commits to the Fund's ESG requirements?		
Company operations exclude all activities on the Fund's Exclusion List?		
Company complies with local and national laws and regulations?		
Company adheres to international conventions?		
Company adheres to good corporate governance and integrity standards. Business Integrity AP implemented?		
E&S impacts managed via ESAP?		
Application of the mitigation hierarchy?		

Impact

Aspect	Observation/Comment	Reference
Company activities will support climate adaptation in energy, water, or agriculture sectors (e.g. resilient infrastructure, efficient irrigation)	(provide estimate)	
Company operations will contribute to decarbonisation or energy transition (e.g. renewable energy, energy efficiency upgrades)	(provide estimate)	
Company demonstrates inclusive employment practices (gender balance, local hiring, youth engagement)		

Project includes area where Indigenous Peoples are present or have collective attachment (including seasonal use or occupation), applying the criteria used to identify them as per GCF IP Policy		
Project includes engagement with vulnerable groups and Indigenous Peoples where present		
Company demonstrates commitment to GHG mitigation or uses GCF-approved methodologies		
Company applies circular economy practices (e.g. resource efficiency, waste minimisation, recycling)		
Company will support improved access to essential services (e.g. transport, digital, energy)		
Project includes or enables stakeholder engagement and disclosure plans in local languages		
Project has risk of biodiversity impact, land use change, or ecosystem disruption (e.g. in steppe, desert or forested regions)		
Company has systems or policies to manage occupational health and safety (OHS) and prevent SEAH risks		

Land Acquisition and Involuntary Resettlement - IFC PS5

Aspect	Observation / Comment	Reference
Does the project involve any land acquisition (temporary or permanent)?		
Is there potential for physical or economic displacement of people, loss of income, or restricted access to resources?		
Are there formal or informal users of the project area (including squatters, tenants, or customary land users)?		
Has a Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP) been prepared or required?		
Are compensation measures and stakeholder consultations documented?		

Cultural Heritage - IFC PS8

Aspect	Observation / Comment	Reference
Is the project located near or within areas of known cultural, historical, or archaeological significance?		
Have local communities or cultural authorities identified any sacred sites, traditional land uses, or heritage features?		
Has a cultural heritage impact assessment been undertaken?		
Are chance find procedures established and communicated to contractors?		
Does the project include engagement and benefit-sharing measures with communities for cultural heritage management?		

Summary and Preliminary Risk Categorisation

The environmental and social screening of prospective investments under the Programme highlights a set of potential risk factors that may influence project classification and due diligence requirements. These risks are especially relevant across the Fund's countries of operation - Kazakhstan, Uzbekistan, and Mongolia - where institutional capacity, land use systems, and ecological sensitivities may vary significantly.

Based on early-stage screening, the project may involve the following risk characteristics:

- Novel project typology in the region, with limited precedent or regulatory familiarity in similar technological or sectoral domains (e.g., EV infrastructure, industrial decarbonisation);
- Ambiguous or contested land tenure arrangements, particularly in peri-urban Mongolia or rural Kazakhstan, with potential overlap between customary and formal land rights;
- Presence of Indigenous Peoples (as characterised in the GCF IP Policy) or nomadic pastoralist communities residing in or adjacent to the proposed project site, potentially requiring Free, Prior and Informed Consent (FPIC);
- Proximity to High Conservation Value (HCV) areas, protected landscapes, or critical habitats, particularly relevant for infrastructure located in ecologically sensitive zones such as the Mongolian steppe or Kazakh grasslands;
- Occurrence of endangered or endemic species within or near the project area, raising concerns around biodiversity conservation and habitat disruption;
- Contextual environmental risks stemming from fragile soil profiles, water scarcity (notably in Uzbekistan), or pollution risks related to pesticide use, industrial waste, or improper wastewater treatment;
- Significant reliance on subcontracted or informal labour, potentially undermining effective oversight of labour conditions, health and safety, or gender-based protections;
- Recorded history of accidents or incidents at the company or sector level, or a recent major event signalling elevated Occupational Health and Safety (OHS) risks;
- Weak enforcement of environmental and labour regulations, which may hinder compliance or escalate reputational and legal risks.

Considering the nature, scale, and likelihood of these risk factors, the project will be preliminarily classified in line with the IFC Performance Standards and GCF Environmental and Social Safeguards:

Category B: Moderate risk, site-specific, generally reversible, and manageable through mitigation measures (most common classification under CC-ACF).

Category C: Minimal or no adverse environmental or social impact.

The final classification will be determined following ESG due diligence, including stakeholder consultations, site visits, documentation reviews, and input from third-party experts where appropriate.

IFC risk category	Category description	Comparable GCF ESS risk category
A	Potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.	A
B	Potential limited adverse environmental or social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.	B
C	Minimal or no adverse environmental or social risks and/or impacts.	C

Justification/Main risks identified

Plan and budget for DD

- Need of specific experts;
- Foreseen date for DD and site visits;
- Estimated budget.

Documents received/Information used

General documents	Y/N	Specifications
Land titles / leasing contracts		
Business Plan and Feasibility Study		
E&S Policy / ESMS		
Environmental Management Plans (EMPs)		
Corporate Governance Policy / Integrity Plan		

Organisational Chart / ESG Officer CVs		
ESG Guidelines / Sector Policies		
ISO Certifications / Audit Reports		
HR Policy and Code of Conduct		
Health & Safety Plan and Procedures		
E&S Monitoring Procedures / Accident Registry		
Fire Safety and Emergency Response Plan		
Disaster Risk Management Plan		
EIA / ESIA / ESMP / Corrective Action Plan		
Stakeholder Engagement Plan		
IPP and documented FPIC documentation.		
Grievance Redress Mechanism (GRM)		
Environmental Permits and Licences		
ESG Monitoring and Review Plan		
Company or Project Website		
Media / Press Coverage		
Satellite Images / Maps		
Other Supporting Documentation		

Annex B Environmental and Social Screening and Categorisation Template

This screening template is used to categorise proposed subprojects by assessing their potential environmental and social risks and impacts. The categorisation process aligns with GCF Environmental and Social Safeguards, GCF IP Policy, and the IFC Performance Standards.

Project Information

Project Title:

Location:

Implementing Partner / Investee:

Sector / Technology:

Expected Start Date:

Screening Checklist

Does the project involve or potentially cause any of the following (tick all that apply):

- Significant land acquisition or physical displacement
- Impact on Indigenous Peoples or traditional lands
- Activities in or near protected areas or critical habitats
- Use of hazardous substances or generation of hazardous waste
- Significant occupational health and safety risks
- Involvement of informal labour or child/forced labour
- Disruption of ecosystem services or biodiversity
- Gender-based discrimination or exclusion risks
- Cultural heritage sites likely to be affected
- Potential SEAH (sexual exploitation, abuse or harassment) risks
- High risk of conflict with local communities

Preliminary Risk Categorisation

- Category B: Moderate risk (mitigable with ESMP/ESAP)
- Category C: Low or negligible risk

Rationale for Categorisation:

Screened by:

Date:

Next Steps Based on Categorisation

For Category B:

- Full ESIA and ESMP may be required
- Gender Assessment and GAP required
- Stakeholder Engagement Plan (SEP) mandatory
- Grievance Redress Mechanism (GRM) to be established.

For Category C:

- Simplified checklist and management plan
- Screening documentation retained and submitted
- SEP and basic GRM recommended.

Annex C: Environmental and Social Due Diligence Report

Introduction

- Short description of the ESG process: dates and visits, experts involved
- List of reviewed documents (attachment)
- List of interviewed persons (attachment)
- Mention any limitations to the DD process
- Relevant standards that were assessed or are applicable:

Standards/Requirements	Applicable	Assessed
GCF IP Policy		
IFC Performance Standards		
Exclusion List		
ILO Fundamental Conventions		
Other Lenders Criteria		

Risk categorisation

Short information on the ESG risk profile of the project at hand when considering project type, size, and location.

- Project categorisation: B, or C with short justification.

IFC risk category	Category description	Comparable GCF ESS risk category
B	Potential limited adverse environmental or social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.	B
C	Minimal or no adverse environmental or social risks and/or impacts.	C

Justification / Main risks identified

Compliance with applicable local and international law

Assessment of local laws and international treaties and their requirements, necessary approvals from environmental agencies that exist or will be issued in case approval has been issued which requirements have to be met.

Legislation	Issuing authority	Approval entitlement (content)	Issuing date	Expiring date	Comments

Compliance with environmental and social requirements

Assessment of environmental and social risks following the structure of the IFC Performance Standards, and compliance with additional ES requirements of the Fund.

PS1: Assessment and Management of Environmental and Social Risks and Impacts

Main aspects (existing or revised)	Assessment			Comments
	Weak	Medium	Strong	
ES Policy				
Identification of ES risks and impacts, including				
Baseline data collection				
Alternative analysis				
Evaluation methodology / significance criteria				
Mitigation measures				
Climate change				
Transboundary impacts				
Cumulative impacts				
Business and human rights				
Disadvantages or vulnerable groups				
Gender				
Third party impact				

Supply chains				
Regional, sectoral, or strategic assessment				
Management program / ESMS				
Organisational capacity and competencies				
Emergency preparedness and response				
Monitoring system				
Stakeholder engagement				
Stakeholder analysis and engagement planning				
Disclosure of information				
Consultation / Informed consultation and participation				
Indigenous peoples				
Applicability & screening for presence of IPs				
Identification of impacts on IPs (econ/social/cultural/env.)				
Avoidance/minimization/compensation (mitigation hierarchy) & time-bound plan (IPP or plan with IP component)				
Engagement process aligned to PS1 (ICP, culturally appropriate, representative bodies, sufficient time)				
FPIC sought and documented – when required (lands/customary resources; relocation; critical cultural heritage; use of IP knowledge) – aligned with GCF IP Policy definition and procedural requirements.				
Lands & natural resources under traditional ownership/customary use requiring FPIC documentation (in line with GCF IP Policy); assessment incl. documentation, gender-inclusive assessment, rights info, compensation/benefit sharing				
Relocation of IPs – avoidance prioritised; FPIC obtained and				

documented (in line with GCF IP Policy) if unavoidable; PS5 consistency				
Critical cultural heritage affecting IPs – avoidance priority; FPIC obtained and documented (in line with GCF IP Policy) if unavoidable				
Commercial use of IP knowledge/innovation/practice – FPIC obtained (in line with GCF IP Policy) + fair & equitable benefit sharing				
Development benefits & delivery (culturally appropriate; timely & equitable)				
Government-managed IP issues – client collaboration & gap-bridging measures				
Documentation of FPIC process & evidence of agreement				
Traditional knowledge, devolution of resources, and governance (Assessment of mechanisms in place for equitable sharing of benefits, protection of traditional knowledge, and decision-making authority over resources, in line with GCF IP Policy and IPPF).				
Assessment of gender-sensitive policies (non-discrimination, anti-harassment, equal pay)" and Availability of facilities (e.g., separate sanitation, lactation rooms) and safe transport				
Private sector responsibilities under government-led stakeholder engagement				
External communication				
Grievances mechanism for affected communities				
Reporting and disclosure				
Periodic reporting to affected communities				

ESMS

- Describe which mechanisms are already in place and which are in process to be implemented.
- Documentation available: ES Policy, ES risk and impact assessment, management programs and monitoring system.

- Endorsement by senior management and communication to staff.

Organisational capacity to implement the ESMS

- Senior and staff roles and responsibilities, with emphasis on the thematic areas of
- coordination, environmental management, health and safety and community relations.

Stakeholder engagement

- Describe the procedures for identification of and engagement with affected communities
- and Indigenous peoples.

External communication and grievance mechanisms

- Describe the system in place to communicate with relevant stakeholders, particularly with
- affected communities and Indigenous peoples.
- Describe and assess grievance mechanisms in place.

Reporting and disclosure

- Describe the reporting system, frequency and kind of information reported.

PS2: Labour and Working Conditions

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Human Resources Policies				
Working conditions and terms of employment				
Worker's accommodation				
Workers organisations				
Non-discrimination and equal opportunity				
Retrenchment				
Labour grievance mechanism				
Child labour				

Forced labour				
Occupational health & safety				
Management of contractors				
Control over primary supply chains				

Human resources policies and working relations

- Do workers have legal contracts and benefits according to the law: social security,
- minimum age, working hours, collective bargain?
- In case the law is silent about this, does the company prevent collective bargain or hire workers under the age of 18 in exploitative forms?
- In case of contracted personnel, is there a reasonable control over these aspects? Are
- environmental and social aspects introduced into the contract with service providers?
- Are equal opportunities granted to women and minorities?
- Do working conditions comply with the ILO Fundamental Conventions?

Occupational health and safety

- Characteristics of working conditions: harvest operations, use heavy machinery, use and management of pesticides.
- Which necessary precautions are in place: trainings, EPI, signalisation, emergency plans?
- Which are not considered?
- Is there a health and safety plan in place?
- What kind of accidents and incidents have been registered and given due follow up?

PS3: Resource Efficiency and Pollution Prevention

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Resource efficiency				
Water usage and treatment				
Pollution prevention				
Pollutant emissions				
Contaminated land				

Waste management				
Hazardous materials management				
Pesticide use and Management (if applicable)				
To be filled individually for each pesticide used (if applicable)				

Environmental impacts

- Which potential impacts have been identified and included in the ESMS? Have any potential impacts not been considered?
- Is there an appropriate management system in place for waste, water, and emissions?

Use of chemicals

- Is there a plan for the safe use of chemicals, including application, storage, and disposition?
- Are any chemicals being used that are subject to international ban?
- Are any pesticides being used that are included in the list of highly hazardous pesticides of WHO? (if applicable)

PS4: Community Health, Safety and Security

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Community health and safety general requirements				
Dust / air quality				
Noise				
Vibration				
Shadow / visual impacts				
Infrastructure and equipment design and safety				

Traffic and transportation				
Ecosystem services / natural resources issues				
Exposure to hazardous materials				
Exposure to disease (water)				
Emergency preparedness and response				
Site security and security personnel				

Community health and safety

- Which main health and safety aspects have been identified (noise, dust, accidents, hazardous materials, water pollution) that could affect communities? Are any aspects not been considered?
- Are adequate mitigation measures in place and included in the ESMS?
- Are adequate grievance mechanisms in place?

Security personnel

- In case the company hired security personnel, are safeguards in place to minimise potential risk towards people outside the project area?
- Are they trained in the Voluntary Principles on Security and Human Rights?

PS5: Land Acquisition and Involuntary Resettlement

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Project design				
Compensations and benefits for displaced persons				
Community engagement				
Grievance mechanism				

Resettlement / livelihood restoration planning and implementation				
Physical displacement				
Economic displacement				
Private sector responsibilities under government-managed resettlement				

- Are there any conflicts over land tenure?
- Is the project designed to avoid or minimise physical and/or economic displacement?
- If displacement is unavoidable, are resettlement or livelihood restoration plans in place? Is the process participative and does the company offer appropriate compensation?

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Habitat				
Natural habitat				
Critical habitat				
Legally protected and internationally recognised areas				
Invasive alien species				
Land use design and planning respecting biodiversity				
Identification of risks and impacts on biodiversity				

Application of the mitigation hierarchy				
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Land use plan, conversion of natural forests and HCV assessment

- Describe land use of the project.
- Is there evidence that the project did conversion of natural forests since 1994 or foresee project activities involve conversion of natural forests?
- Is there a target conservation area?
- Have HCV areas been identified in the project area? Has the assessment been approved by local stakeholders? Are there mitigation measures in place and are these monitored?

Risk assessment and mitigation hierarchy

- Are these risks included in the ESMS according to the scope and scale of the project and the biological value of the area in which it is located?
- Are mitigation measures in place according to the mitigation hierarchy principle, particularly regarding impacts on biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation and invasive species?
- Are differing values attached to biodiversity and ecosystem services by affected communities considered?

PS7: Indigenous peoples

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Applicability & screening for presence of IPs				
Identification of impacts on IPs (econ/social/cultural/env.)				
Avoidance/minimization/compensation (mitigation hierarchy) & time-bound plan (IPP or plan with IP component)				
Engagement process aligned to PS1 (ICP, culturally appropriate, representative bodies, sufficient time)				
FPIC sought and documented – when required (lands/customary resources; relocation; critical cultural heritage; use of IP knowledge) - aligned with GCF IP Policy definition and procedural requirements.				
Lands & natural resources under traditional ownership/customary use requiring FPIC documentation (in line with GCF IP Policy); assessment incl. gender-inclusive methodology, rights info, compensation/benefit sharing.				
Relocation of IPs – avoidance prioritised; FPIC obtained and documented (in line with GCF IP Policy) if unavoidable; consistency maintained with PS5 compensation principles.				
Critical cultural heritage affecting IPs – avoidance priority; FPIC obtained				

and documented (in line with GCF IP Policy) if unavoidable.				
Commercial use of IP knowledge/innovation/practice - FPIC obtained (in line with GCF IP Policy) + mechanisms for fair & equitable benefit sharing established.				
Development benefits & delivery (culturally appropriate; timely & equitable)				
Government-managed IP issues – client collaboration & gap-bridging measures				
Documentation of FPIC process & evidence of agreement				

PS8 - Cultural heritage

Main aspects	Assessment			Comments
	Weak	Medium	Strong	
Scope & definition of cultural heritage (tangible, unique natural features with cultural value, certain intangible when used commercially)				
Compliance with law + use of internationally recognized practices; manage via ESMS				
Screening & use of competent professionals				
Siting/design to avoid significant impacts; chance-find procedure in ESMS				
Consultation with Affected Communities & relevant authorities about heritage used for long-standing cultural purposes				
Community access to heritage on/near project site or alternative access				
Removal/impact on replicable tangible heritage — apply mitigation hierarchy (avoid → minimize/restore in situ → restore elsewhere → compensation)				
Removal of non-replicable heritage – only if all conditions met (no feasible alternative; project benefits outweigh loss; best available technique)				
Critical cultural heritage – do not remove/alter/damage; if unavoidable, use ICP with good-				

faith negotiation & documented outcome; retain external experts				
Projects in legally protected heritage areas/buffer zones – extra measures (comply with regs/management plans; consult sponsors/managers/communities; support conservation aims)				
Commercial use of intangible heritage – inform rights/scope/consequences; ICP with good-faith negotiation; fair & equitable benefit sharing				

Summary of main findings and gap analysis

- Summarise the most important and relevant aspects of the assessment, combining main risks with an assessment of the management set in place to respond to these risks. Then describe the main gaps and the current capacity and willingness of the company to address them.

Main risks identified	Management capacities in place	Gaps and weaknesses	Capacity to address gaps and weaknesses

Vote and suggested ESAP measures

- Statement of decision if this project can be supported from an environmental and social point of view. In case deficiencies have been detected, decision can be linked to actions to be taken.
- Define necessary actions to be taken by the company to address risks and gaps identified, including them in an Environmental and Social Action Plan (ESAP). To the extent possible, these should include clear timelines, responsibilities, completion indicators and, to the extent possible, estimated costs.

Guidance on Environmental and Social Compliance Audits (ESCA) and ESDD for Existing Assets

This guidance applies to investments involving existing facilities, brownfield projects, or companies with established operations. It complements IFC Performance Standard 1 and the Fund’s ESMS due-diligence procedures.

Purpose:

- Assess existing environmental and social performance against national regulations, IFC Performance Standards, and the Fund’s ESG requirements;
- Identify historical or ongoing non-compliances and legacy liabilities;
- Recommend corrective actions through an Environmental and Social Action Plan (ESAP).

Typical Outline of an ESCA / ESDD Report:

- Executive Summary and Objectives

-
- Project / Facility Overview
 - Legal and Institutional Framework Review
 - Historical Operations and Legacy Liabilities
 - Assessment of Compliance with National E&S Requirements
 - Assessment of Compliance with IFC Performance Standards (PS1-PS8)
 - Identification of Gaps and Risks (environmental, occupational, community, SEAH, etc.)
 - Corrective Action Plan (with responsibilities, timelines, budget)
 - Monitoring and Reporting Requirements
 - Conclusions and Recommendations

Output:

The ESCA / ESDD report must include a summary of findings, photographic evidence, and a prioritised ESAP matrix. Where significant non-compliance or legacy pollution is found, the Portfolio Company must engage an independent consultant to verify remedial actions prior to disbursement.

Annex D: Exclusion list

The Fund will not invest in companies in environmental and social risk category A. Potential investees may only be in environmental and social risk category B or C.

The Fund will not invest in companies involved in the production, trade, or use of the products, substances or activities listed below:

- Business models with E&S risk category A products and services, businesses that engage in E&S risk category A activities, or business with E&S category A track records
- Production, use of or trade in any product or activity deemed illegal under host country laws and France or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, products containing PCB's, wildlife or products regulated under CITES;
- Production or trade in alcoholic beverages (excluding beer and wine);
- Production or trade in tobacco;
- Production or trade in gambling, casinos, and equivalent enterprises;
- Production or use of or trade in asbestos fibers;
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length;
- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour;
- Commercial logging operations for use in primary tropical moist forest;
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products;
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples;
- Operations leading to deforestation and/or deliberate wastage or contamination of natural resources (like land and water);
- Genetically modified organisms;
- Activities that may lead to physical and economic displacement of people; or
- Violation of International Labour Standards as specified by ILO or FAO's Climate Smart Agriculture Framework;
- Destruction of Critical Habitat and any forest project under which no sustainable development and managing plan is carried out;
- Cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations;
- Any business relating to pornography or prostitution;
- Any activity involving significant altercation, damage, or removal of way critical
- cultural heritage;
- Production and distribution of racist, anti-democratic media or production and
- distribution of media with the intent to discriminate part of the population;

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- Exploitation of diamond mines, and commercialization of diamonds, when the host country has not adhered to the Kimberley, or other similar international agreements (actual or to be formed), on similar extractive resources;
 - All mining, mineral extraction, processing and transportation activities;
 - Any sector or service subject to United Nations, European Union, and/or French embargo without limitation;
 - Any activity involving the production, use, trade in, or distribution of GMO (Genetically Modified Organism) seeds or transgenic horticultural crops;
 - Any activity that has demonstrable and proven land resettlement and acquisition without recourse;
 - Investments with net greenhouse gas emissions of greater than one million tons per annum of CO₂ equivalent;
 - Coal, oil, and gas-fired power plants, exploration, production, and dedicated transport activities, or any infrastructure linked to a facility which uses fossil fuel assets;
 - Coal, oil, and gas (both conventional and unconventional) exploration and production activities or any operations exclusively dedicated to the transport of these materials;
 - Infrastructure linked to facilities for the exploration, production, storage, and generation of electricity from fossil-fuel sources if the facility concerned emits greenhouse gases of more than one million tons per annum of CO₂ equivalent;
 - Infrastructure is linked to a facility if it meets the following two conditions: the infrastructure would not have been constructed were it not for the presence of the fossil fuel facility; and the fossil fuel facility itself would not be economically viable without this infrastructure.

Annex E: Sample Environmental and Social Action Plan (ESAP)

This sample Environmental and Social Action Plan template outlines the structure and key elements required for managing environmental and social risks identified during subproject assessment. Each ESAP should be tailored to the specific context, sector, and risk level of the project.

Project Title:

Insert project title here

Implementing Partner / Investee:

Insert organisation name

Date of ESAP Preparation:

DD/MM/YYYY

Environmental and Social Risks and Mitigation Measures

Risk / Impact	Mitigation Measure	Responsible Party	Timeline (example)	Budget/Estimates cost
Noise from construction activities	Limit work hours; use low-noise equipment	Contractor	Q2-Q3 202X	
Disruption to local community	Community consultation and signage	Project Manager	Q2 202X	
Gender inclusion not considered	Include women in decision-making and workforce	HR Officer	Start of project	

Note: The ESAP should be a living document, updated regularly based on monitoring and evaluation results.

Annex F: Land Acquisition and Resettlement Framework (LARF) and Guidance for Preparing Resettlement Action Plans (RAPs)

Rationale of a LARF

This Annex serves not only as the overarching Land Acquisition and Resettlement Framework (LARF) but also provides detailed procedural guidance and a template outline for developing site-specific Resettlement Action Plans (RAPs) in line with IFC Performance Standard 5 and GCF Environmental and Social Safeguard requirements. The RAP template and guidance in this annex shall be applied by all Portfolio Companies whose activities trigger land acquisition or resettlement impacts.

A Land Acquisition and Resettlement Framework defines the process for screening, assessing, compensating, and managing potential risks and impacts from land acquisition and resettlement due to operations supported by a Portfolio Company. As soon as the specific sites and the beneficiary communities of the operations have been defined clearly and in detail, the LARF should be expanded into a specific Land Acquisition and Resettlement Plan (LARP) in line with applicable safeguard requirements.

A LARF provides the necessary background to ensure that any operations that might involve land acquisition and/or resettlement and loss of livelihoods of affected people will comply with the national laws and the Fund ESG requirements.

For each operation that would have activities likely to generate resettlement impacts, a LARP will be prepared. The LARF describes the design criteria for the resettlement of affected persons during implementation of the project, the legal context, the process for the preparation of a LARP, its contents and the process for its execution, and finally the required institutional organisation.

Purpose of a LARF

Land acquisition and involuntary resettlement involve the displacement of people arising from operations that encroach on their productive assets, cultural sites, and income sources such as land, grazing fields, other assets, etc. What distinguishes involuntary from voluntary resettlement is that the former involves people who may be displaced against their wishes, as they are often not the initiators of their movement.

The implementation of the various operations of a Portfolio Company may trigger the environmental and social safeguards on involuntary resettlement as the land may be acquired for operations purposes and affected persons will need to be compensated for loss of land, crops, dwellings and other structures, and livelihoods.

The purpose of a LARF is to appropriately deal with matters such as the necessity for land acquisition, compensation and resettlement of people affected by the implementation of the operations of the Portfolio Company.

Objectives of a LARF

The overall objective of a LARF is to provide guidance on how to deal with risks and impacts related to land acquisition, compensation, and resettlement during the implementation of the project. A LARF ensures that displacement is avoided, and if not avoided, the displaced and resettled persons are compensated for their loss at replacement cost, given opportunities to share in project created benefits, and assisted with the move and during the transition period at the resettlement site.

The specific objectives of a LARF are as follows:

1. To minimise, as much as possible, acquisition of land for implementation of project operations, where such acquisition or project related activities will result in adverse social impacts;
1. To ensure that where land acquisition is necessary, this is executed as sustainable programmes to enable people to share in the project benefits;
2. To ensure meaningful consultation with people to be affected or displaced;
3. To provide assistance that will mitigate or restore the negative impacts of the project implementation on the livelihoods of people affected to improve their livelihoods or at least restore to pre-project levels;
4. Outline roles and responsibilities by various stakeholders in the planning, implementation, monitoring, and evaluation of resettlement activities;
9. Allow redress among communities affected by project activities; and
10. Reduce stress on project-affected communities/households.

The operational objective of a LARF is to provide guidance to stakeholders participating in the mitigation of adverse social impacts of the project, including rehabilitation/resettlement operations, to ensure that project affected persons will not be impoverished by the adverse social impacts of the project. The target groups for a LARF are all the stakeholders relevant to the implementation of the project operations. This includes project affected persons, communities, and NGOs as applicable.

The legal and administrative framework relating to land acquisition and resettlement risks and issues consist of the various pieces of legislation of the countries where the project operations will be undertaken and the Fund ESG requirements (which include ESG standards of its investors). It is important that at the operation level and as part of the formulation of a LARP, a gap assessment is undertaken to determine the alignment of the various legal and policy requirements, with a view of adopting the most stringent requirements applicable to the activities and for addressing risks related to land acquisition and resettlement. Key areas of comparison of the legal and administrative framework include compensation of lost assets, eligibility, level of assistance to affected people for improving standards of living and livelihoods, consultation and grievance redress, census and asset inventory, cut-off dates, the timing of compensation, vulnerable communities, and monitoring and completion.

An important consideration in identifying legal and administrative framework at the country level is the specific context related to processes for acquisition and land take, processes for resettlement of affected peoples, land tenure system, customary rights, and traditional ownership of lands.

In addition to the national requirements, the subprojects will also need to align with the ESG requirements of the Fund. IFC Performance Standard 5 specific to land acquisition and involuntary resettlement recognises that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. The standard thus has the following objectives:

1. To avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs;
2. To avoid forced eviction;
3. To anticipate and avoid, or where avoidance is not possible, minimise 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;

-
4. To improve, or restore, the livelihoods and standards of living of displaced persons; and
 5. To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

Involuntary resettlement in IFC PS 5 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 means of livelihood) because of project-related land acquisition.

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition, which results in displacement. Where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities must be carefully planned and implemented.

Compensation framework

The LARP that will be prepared by and for the specific Portfolio Company operations assessed to likely generate land acquisition and resettlement risks and impacts will need to define a compensation framework that would provide the payment for loss of lands or assets including access to land and resources. In establishing the applicable compensation rates and developing livelihood restoration measures, an independent valuation expert and/or a qualified independent E&S resettlement specialist will be engaged to ensure fair replacement value and appropriate livelihood restoration planning, particularly for complex or significant impacts.

The compensation framework will be guided by the following principles:

1. Provide transparent, fair, and timely compensation (prior to land clearance or taking land) for displacement, including compensation for assets in accordance with national regulations and applicable standards;
2. Compensate for lost assets at full replacement value; and
3. Restore the livelihoods and welfare of project affected persons and local communities such that their well-being is at the least, equal to their pre-resettlement conditions, or that they are better off.

The LARP will present the types of affected persons (such as landowners, tenants, forest occupants without formal tenure, owners of permanent and non-permanent infrastructures, people potentially losing livelihood and access to resources, etc.) and their compensation entitlements. The LARP will also provide the eligibility of affected people for compensation, for example providing consideration to formal legal rights, with leased rights, without legal rights, those arriving after the cut-off dates, etc.

Entitlement Planning

The LARP will also present the entitlement planning process, and which would entail determining applicable compensation rates at replacement value and establishing measures to mitigate further impacts of land take including livelihoods restoration initiatives, and vulnerable person assistance measures. In establishing the applicable compensation rates, an independent valuation expert may be engaged to advise on the market values of affected land, crops, and other economic assets in the subproject area.

Method of Compensation

Individual and household compensation will be made in cash, in kind and/or through assistance in the knowledge and presence of both man and woman and adult children or other relevant stakeholders where applicable. The type of compensation will be an individual choice although every effort will be made to instill the importance and preference of accepting in-kind compensation, especially when the loss amounts to more than 20% of the total loss of productive assets. It should be noted that when land holdings necessary for the livelihood of affected persons are taken away or reduced in size by the project works, the preferred form of compensation is to offer an equivalent parcel of land elsewhere, i.e., land for land. Where such land is not available, cash payment can be an option even though cash compensation is not the

preferred form of compensation in such cases. It should be noted that cash compensation is only appropriate where there is a market for land or other lost assets around the impact. It is unacceptable to offer cash compensation to, say, a farmer, when he/she has no possibility of acquiring new land in the same area.

Other key elements of the LARP preparation are the process for notifying affected people, census and documentation of assets, agreements on compensation and integration in contracts, and the mechanism for delivering compensations to affected people.

Livelihood Restoration

The Portfolio Company operations may also affect access of local communities to resources resulting in losses of livelihoods. The LARF should also include a livelihood restoration strategy to prevent and mitigate the potential adverse impacts on the vulnerable project affected persons as a direct result of the resettlement process.

Key principles guiding livelihood restoration planning

The sustainable approach to livelihood restoration is based on the following principles:

1. Livelihoods are multi-faceted strategies, and a combination of approaches is therefore required to support the restoration of income and the reestablishment of community support networks;
2. Active participation of intended beneficiaries in planning and decision making to ensure proposed support reflects local realities and priorities;
3. Affected people should be provided with choices so that they can self-determine how their household will best benefit from the livelihood restoration options;
4. Transition allowances are necessary, but require clear eligibility and end points;
5. Capacity building should be incorporated into livelihood restoration activities to develop skills, including in agricultural practices. Capacity building acknowledges the different needs of women, men, youth, and vulnerable groups with respect to skills development.

Integration of livelihood restoration in plans

To recognise the potential and magnitude of adverse impacts and develop livelihood restoration options, the following approach may be considered:

1. Livelihood restoration for vulnerable affected peoples should refer to the ecological conditions, livelihoods and socio-cultural characteristics possessed by affected people;
2. Livelihood restoration should be able to support project affected people to gain a similar or even better livelihood, independently. It is important that the land acquisition and resettlement process will not cause dependency to the project which eventually would make more problems in the future;
3. The livelihood restoration should be focused on the characteristics of the vulnerability and potential sources of livelihood assets owned by each household;
4. Involving representatives of both communities, the project-affected people and host populations, in the consultation process to build familiarity and to resolve disputes that are expected to arise during and after the resettlement process.

Land Acquisition and Resettlement Action Plan

Should the Portfolio Company operations require a specific LARP, an outline of the contents that a comprehensive LARP should include, based on the IFC Performance Standards Guidance Notes, is provided in the following:

1. Description of the project: General description of the project and identification of the project area.
2. Potential impacts: Identification of
 - the project component or activities that give rise to resettlement;

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- the zone of impact of such component or activities;
 - the alternatives considered to avoid or minimise resettlement; and
 - the mechanisms established to minimise resettlement, to the extent possible, during project implementation.
3. Objectives and studies undertaken: The main objectives of the resettlement program and a summary of studies undertaken in support of resettlement planning / implementation, e.g., census surveys, socio-economic studies, meetings, site selection studies, etc.
 4. Regulatory framework: Relevant laws of the host country, other policies and procedures, performance standards.
 5. Institutional framework: Political structure, NGOs.
 6. Stakeholder engagement: Summary of public consultation and disclosure associated with resettlement planning, including engagement with affected households, local and/or national authorities, relevant CBOs and NGOs and other identified stakeholders, including host communities. This should include, at a minimum, a list of key stakeholders identified, the process followed (meetings, focus groups, etc.), issues raised, responses provided, significant grievances (if any) and plan for ongoing engagement throughout the resettlement implementation process.
 7. Socioeconomic characteristics: The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including results of household and census survey, information on vulnerable groups, information on livelihoods and standards of living, land tenure and transfer systems, use of natural resources, patterns of social interaction, social services and public infrastructure.
 8. Eligibility: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
 9. Valuation of and compensation for losses: The methodology used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.
 10. Magnitude of displacement: Summary of the numbers of persons, households, structures, public buildings, businesses, croplands, churches, etc. to be affected.
 11. Entitlement framework: Showing all categories of affected persons and what options they were/are being offered, preferably summarised in tabular form.
 12. Livelihood restoration measures: The various measures to be used to improve or restore livelihoods of displaced people.
 13. Resettlement sites: Including site selection, site preparation, and relocation, alternative relocation sites considered and explanation of those selected, impacts on host communities.
 14. Housing, infrastructure, and social services: Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g. water supply, feeder roads), and social services (e.g. schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering and architectural designs for these facilities.
 15. Grievance procedures: Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should consider the availability of judicial recourse and community and traditional dispute settlement mechanisms.
 16. Organizational responsibilities: The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.
 17. Implementation schedule: An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts, and implementing the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
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18. Costs and budget: Tables showing itemised cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
 19. Monitoring, evaluation and reporting: Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.
 20. Voluntary land donation: Where land is donated by the community or registered landowner, arrangements are required to ensure that the donation is indeed voluntarily given, the donor is the legitimate owner of such lands, and that the donor is fully informed of the nature of the Project and the consequences or terms of donating the land. Demonstrate the appropriateness of the donated land for the project; complete due diligence on the ownership of the land and any assets that will potentially be affected; ensure that the affected persons understand the alternatives to land donation, the conditions under which the donation will be made, and assess and quantify the potential loss to be suffered as a result of the donation; obtain informed consent through written confirmation of the donation; complete the compensation assessment and delivery for any assets to be removed from the land. Full and proper documentation of all consultations, meetings, grievances, and actions taken to address grievances has been reviewed and made available

Capacity, resourcing and institutional responsibilities

The Fund's dedicated E&S personnel will primarily focus on oversight, review, and quality assurance of LARPs developed by Portfolio Companies, and will provide technical guidance and capacity building support where needed. They will also be responsible for aggravated monitoring of LARP implementation for higher-risk projects.

In particular, the Fund's dedicated E&S personnel/ESG officer will focus on:

- Overall ESMS implementation, due diligence, and risk management
- Review and approval of Portfolio Companies' LARPs and related E&S documentation
- Providing strategic technical guidance and capacity building support to Portfolio Companies on complex E&S issues, including land acquisition and resettlement
- Conducting periodic oversight and monitoring visits to ensure adherence to LARP commitments, especially for higher-risk projects
- Managing the Fund's overall grievance redress mechanism for escalated issues related to land acquisition and resettlement
- Coordinating with relevant GCF stakeholders on E&S safeguard compliance.

The Fund's E&S personnel will not typically be involved in the day-to-day, hands-on preparation or implementation of individual Portfolio Company LARPs, as this is the direct responsibility of the Investee/Portfolio Company.

Where a Portfolio Company's internal E&S capacity is deemed insufficient for the robust development or implementation of a LARP, the engagement of qualified independent third-party consultants or firms specialising in land acquisition and involuntary resettlement will be a mandatory requirement, with costs integrated into the project budget.

Each Portfolio Company whose subproject triggers the need for a LARP shall be required to demonstrate adequate internal E&S capacity to implement its LARP. This typically includes, but is not limited to, designated E&S personnel with relevant expertise in land acquisition and resettlement, and/or the engagement of qualified external E&S consultants.

For projects with significant land acquisition and resettlement impacts (e.g., those involving physical displacement of more than X households or economic displacement affecting a significant percentage of livelihoods), the Portfolio Company must engage an independent E&S consultant specialising in involuntary resettlement to support LARP preparation and/or external monitoring.²

² Significant to be defined based on IFC PS5 guidance, e.g., 200 people physically displaced, or economic displacement affecting 10% or more of assets for 200 or more people

Annex G: Capacity Assessment Tool for Investees

This tool is designed to assess the environmental and social (E&S) management capacity of potential investees, particularly for Category B subprojects.

Organisation Information

Name of Organisation:

Sector / Industry:

Location:

Assessment Checklist

- Does the organisation have an environmental and social management system (ESMS)?
- Are there designated E&S staff or focal points?
- Has the organisation implemented similar projects with E&S requirements?
- Does the organisation provide E&S training to staff or contractors?
- Does the organisation have staff with specific training or experience in land acquisition and involuntary resettlement planning and implementation?
- Has the organisation successfully managed projects involving physical or economic displacement of communities in the past?
- Does the organisation have existing relationships with qualified external E&S consultants specializing in resettlement?"
- Does the organisation have a clear budget line for E&S consultants or third-party monitoring for high-risk E&S issues like resettlement?
- Does the organisation have mechanisms for stakeholder engagement?
- Is there an internal grievance redress process in place?
- Does the organisation have experience with gender mainstreaming?
- Has the organisation ever been subject to E&S compliance violations?
- Does the organisation have staff with specific training or experience in engaging with Indigenous Peoples, managing IPPs, or implementing FPIC processes?
- Does the organisation have specific policies, trained staff, or experience in implementing SEAH prevention measures and survivor-centred grievance protocols?

Assessment Summary

Capacity Level: High Moderate Low

Summary of findings and recommendations:

If capacity for LARF/LARP management is assessed as “Low” for projects requiring a LARP, specific conditions precedent to disbursement will include the engagement of qualified external E&S consultants and/or the hiring of additional dedicated E&S staff with relevant expertise by the Portfolio Company.

Guidance on Preparing an ESMS for Portfolio Companies

Each Portfolio Company must develop an Environmental and Social Management System (ESMS) proportionate to its size, sector, and risk profile, consistent with IFC Performance Standard 1 and the Fund’s ESMS.

Typical Outline of a Portfolio Company ESMS

1. **Policy Statement** - Management commitment to environmental and social sustainability and compliance with host-country laws and the Fund’s requirements.
2. **Risk and Impact Identification Process** - Procedures for screening and categorising activities, identifying material E&S risks, and applying the mitigation hierarchy.
3. **Organisational Structure and Responsibilities** - Roles of E&S focal points, reporting lines, and decision-making authority.
4. **Management Programmes** - Plans, procedures, and budgets to manage identified risks and implement mitigation actions (e.g. OHS, biodiversity, labour, community engagement).
5. **Monitoring and Reporting** - Indicators, frequency, and formats for reporting to the Fund and regulators.
6. **Stakeholder Engagement and Grievance Mechanism** - Procedures for disclosure, consultation, and handling complaints, aligned with the Fund’s GRM framework.
7. **Training and Capacity Building** - Programme for continuous staff awareness and competence.
8. **Continuous Improvement** - Internal audit, management review, and corrective action process.

ESMS Component	Evidence / Documentation	Responsible Person	Status
Policy statement	Signed ESG policy	CEO / ESG Manager	In place / Pending
Risk assessment	Screening records	ESG Officer	
Monitoring & reporting	Quarterly ESG report	Compliance Team	

Annex H: Summary of Consultations and Stakeholder Engagement Plan (SEP) Template

This template guides the preparation of a Stakeholder Engagement Plan (SEP) to ensure inclusive, meaningful, and ongoing engagement throughout the project lifecycle.

1. Project Overview

Provide a short description of the project, including location, scope, and key objectives.

2. Stakeholder Identification and Analysis

List key stakeholders, including affected communities, government agencies, civil society, and vulnerable groups.

Include a table of stakeholders, their interest in the project, and preferred method of engagement.

3. Engagement Objectives and Strategy

Describe the purpose of stakeholder engagement and outline the strategy for communication and participation.

4. Methods and Tools of Engagement

Specify tools and approaches such as community meetings, workshops, surveys, or digital platforms.

5. Engagement Activities and Timeline

Provide a timeline of planned engagement activities and their expected outcomes.

6. Resources and Responsibilities

Identify responsible persons or teams, and resources allocated to engagement activities.

7. Grievance Redress Mechanism (GRM)

Summarise the GRM procedures, including access points and response timelines.

8. Monitoring and Reporting

Outline how engagement activities will be monitored, and how feedback will be incorporated and reported.

Annex I: Guidance on Grievance Mechanisms

Objectives

- To establish a trusted, inclusive, and accessible grievance mechanism aligned with CC GSH's environmental and social (E&S) policies and the requirements of the Green Climate Fund (GCF), IFC Performance Standards (2023), and other applicable standards;
- To provide a structured and effective platform for project-affected people (PAPs), communities, employees, contractors, and other stakeholders to raise concerns and seek timely redress;
- To build accountability, support meaningful stakeholder engagement, and enhance project quality by integrating community feedback into Fund and subproject operations;
- To ensure compliance with the GCF SEAH (Sexual Exploitation, Abuse and Harassment) Policy, Gender Policy, Indigenous Peoples Policy, and Information Disclosure Policy through a survivor-centred approach.

Assessment and Rationale

CC-ACF recognises the need for proactive engagement with local communities and stakeholders across Kazakhstan, Uzbekistan, and Mongolia, where context-specific environmental, social, and governance risks may emerge due to renewable energy development, water infrastructure, agriculture interventions, and industrial decarbonisation. These risks include land-use disputes, inadequate benefit-sharing, labour conditions, cultural heritage impacts, and gender-based violence. Each subproject will be required to develop a project-level grievance redress mechanism (GRM) consistent with this Fund-wide framework.

A grievance mechanism is essential in:

- Identifying emerging E&S risks and improving operational performance;
- Strengthening trust between CC GSH, Portfolio Companies, and communities;
- Preventing project delays, reputational harm, and escalation of conflicts;
- Ensuring human rights protections and upholding the principle of Free, Prior and Informed Consent (FPIC).

Guiding Principles

All grievance mechanisms under CC-ACF must follow these principles:

- **Legitimacy and transparency:** Operated independently and overseen by trained E&S staff;
- **Accessibility:** Publicised in local languages, adapted to literacy levels, free of charge, and available through multiple channels;
- **Predictability:** Defined process, clear timelines, and accessible reporting;
- **Confidentiality:** Secure, survivor-centred protection for SEAH and whistleblower reports;
- **Non-retaliation:** Complainants shall not face reprisal, intimidation, or retaliation;
- **Participation and continuous learning:** Stakeholder feedback used to inform management response and project design improvements.

GRM is inclusive and accessible using multiple intake channels (e.g., anonymous hotline/SMS/web form) and applying a non-retaliation policy for complainants.

Grievance Mechanism Structure

Each Portfolio Company is required to establish a project-specific grievance mechanism proportional to the scale, location, and risks of the subproject. These should include:

- A clear organisational structure with assigned Grievance Officers;
- Multiple intake channels (e.g., telephone hotline, email, physical boxes, community meetings, online form);
- Complaint registers accessible to CC GSH's ESG unit;
- Regular updates and engagement with complainants on case status.

Operational Process

1. Submission: Complaints can be submitted verbally, in writing, or electronically;
2. Acknowledgement: Complaints are acknowledged within 5-10 business days;
3. Screening: Reviewed for admissibility and relevance. Non-relevant cases referred to appropriate institutions;
4. Investigation: Led by trained personnel using interviews, site visits, and documentation review;
5. Response: Corrective actions or decisions communicated within 30 working days;
6. Monitoring: Cases tracked until closure, with outcomes reviewed by the CC-ACF Environmental and Social Management Unit (ESMU).

Special Considerations for SEAH and Vulnerable Groups

Special protocols will be adopted for complaints involving:

- Sexual exploitation, abuse, or harassment (SEAH);
- Indigenous Peoples and traditional land users;
- Women, children, people with disabilities, and other marginalised groups.

Protocols include: survivor-centred case handling, confidential data storage, optional anonymity, access to support services (legal, psychosocial, health), and referral to national protection institutions where available.

Access to support services (medical, psychosocial, and legal) does not require the survivor to file a police report.

Community Awareness and Communication

Portfolio Companies must ensure communities are informed about the GRM through:

- Community meetings during stakeholder engagement;
- Distribution of materials (flyers, posters, brochures) in appropriate languages;
- Integration of GRM training into public consultations;
- Radio or SMS messaging in rural areas where relevant.

Escalation and Referral Pathways

Unresolved or sensitive complaints may be escalated to:

- CC-ACF Fund Manager (Environmental and Social Management Unit);
- CITIC Capital ESG Group senior leadership;
- The GCF Independent Redress Mechanism (<https://irm.greenclimate.fund>).

Escalated cases will be logged in a Fund-wide complaints register and reviewed quarterly.

Monitoring, Reporting, and Learning

- Each Portfolio Company shall submit quarterly grievance logs to the ESMU, including number and type of complaints, processing time, and outcomes;

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- Serious or systemic cases must be reported within 5 working days;
 - Annual grievance reports will be published in anonymised format and shared with the GCF and other investors.
 - Grievance trend data will be used for adaptive management and policy refinement.

Oversight and Responsibilities

- Portfolio Companies are responsible for implementing and maintaining their GRM in line with Fund guidance;
- The ESMU will provide templates, training, and oversight;
- External audits of grievance handling will be conducted for higher-risk investments.

Stakeholder Engagement and Feedback Integration

CC-ACF places stakeholder engagement at the heart of its grievance mechanism strategy. Given the Fund's commitment to social inclusion, climate justice, and sustainable development, stakeholder consultations are not one-off events, but a continuous dialogue that extends from pre-investment screening to project closure.

Throughout the lifecycle of CC-ACF investments in Kazakhstan, Uzbekistan, and Mongolia, the Fund will maintain regular interactions with local communities, Indigenous groups, women's organisations, civil society organisations (CSOs), government agencies, and sector-specific associations. These engagements are critical to understanding the local context, identifying vulnerable populations, and adapting grievance mechanisms to reflect cultural norms and linguistic preferences.

Engagement tools include:

- Periodic stakeholder workshops hosted by Portfolio Companies and Fund staff;
- Community perception surveys assessing accessibility and trust in the GRM;
- Targeted focus group discussions (FGDs) with women, youth, disabled persons, and nomadic groups in rural and peri-urban areas;
- Use of SMS-based feedback mechanisms and digital hotlines to support remote and underserved communities.

Outcomes from these interactions will be used to refine the grievance mechanism's design and functionality, particularly in improving access and response timelines.

Examples of Project-Affected Stakeholders and Grievance Scenarios

The Fund anticipates a range of environmental and social impacts through its investments, which may give rise to grievances from different stakeholder groups. Below are illustrative examples based on sectoral interventions:

- Renewable energy development (Kazakhstan, Mongolia): Nomadic herders raise complaints over restricted grazing land due to wind farm construction or access roads. Grievance resolution may involve spatial planning reviews and negotiated compensation.
- Agriculture and irrigation projects (Uzbekistan): Women farmers express concern over exclusion from climate-smart agricultural extension programmes. The GRM ensures gender-inclusive outreach and corrective training efforts.
- Urban infrastructure (Mongolia): Residents in peri-urban Ulaanbaatar file complaints about temporary air pollution or construction noise from EV charging infrastructure. Resolution includes environmental monitoring disclosures and community meetings.
- Industrial retrofits (Kazakhstan): Workers allege unsafe labour conditions during energy efficiency upgrades. The Fund requires Portfolio Companies to investigate and adopt remedial occupational health measures.

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- SEAH incidents (cross-cutting): Female factory workers report harassment by subcontracted supervisors. These are addressed under survivor-centred SEAH protocols with immediate protective measures, investigation, and legal recourse.

Capacity Building and Public Disclosure

To ensure the effectiveness of the grievance mechanism, the Fund and its Portfolio Companies will invest in capacity-building and transparent disclosure. This includes:

- Training Portfolio Company staff on E&S risk screening, grievance handling, and survivor-centred approaches;
- Providing accessible copies of the GRM protocol in Kazakh, Uzbek, Mongolian, and Russian in physical and digital formats;
- Hosting information sessions in partnership with Nationally Designated Authorities (NDAs) and local CSOs to raise awareness among communities;
- Publishing quarterly grievance summaries and annual impact reports that include analysis of resolved and escalated complaints.

The Fund will also provide targeted support to companies through its Technical Assistance Facility to enhance grievance management systems in line with international standards.

Oversight, Review and Continuous Learning

The Fund's Environmental and Social Management Unit (ESMU) is responsible for overall oversight of grievance mechanisms across the portfolio. The ESMU will:

- Audit the functionality and responsiveness of grievance mechanisms annually;
- Incorporate lessons learned into ESG policy updates and training modules;
- Coordinate with external experts and peer funds for benchmarking and peer learning;
- Review and refine GRM protocols during mid-term evaluations or in response to significant incidents.

In addition, the Fund will collaborate with NDAs and the GCF Independent Redress Mechanism to ensure systemic issues are addressed. Where systemic barriers are identified (e.g., lack of trust, gender-based exclusion, digital illiteracy), adaptive approaches such as decentralised grievance focal points and peer-led facilitation will be tested and scaled.

Reporting, Learning, and Future-Proofing

All GRM-related data will be disaggregated by gender, location, complaint type, and resolution time to identify patterns and inform future investments. The Fund is exploring the integration of AI-driven data analytics and blockchain-based audit trails to enhance transparency and traceability of grievance resolution processes. These innovations will be piloted in selected projects and, if successful, incorporated into the Fund's digital ESMS infrastructure.

CC-ACF is committed to building a grievance mechanism that is not just reactive, but a strategic asset for community trust, social license to operate, and long-term project success.

Annex J: Complaint Policy of the Fund (Grievance Mechanism)

Rationale

A complaint means any expression of dissatisfaction raised by investees, investors, coinvestors or any other directly affected stakeholders (all jointly “Stakeholders”) of the Fund (“the Fund”).

Effective complaint handling offers many practical benefits to the Fund and helps to improve the quality of services. Complaints provide evidence of faulty decisions, poor service delivery or potentially poor communication. Considering this, the Fund makes all the possible efforts to conduct its operations in a manner that avoids such complaints.

Stakeholders should be ensured that their complaints are easy to report, acknowledged and dealt with quickly, fairly, and sensitively. To preserve and enhance its reputation, the Fund should identify dissatisfied Stakeholders and work out methods of resolving their complaints.

To ensure that complaints are managed properly and resolved promptly while always meeting Stakeholders’ interests, the Fund has set up a Complaints Management Policy whereby:

1. Stakeholders are given the opportunity to raise their complaints;
2. Complaints must be answered within three months of their reception.
3. All complaints must be documented and reported.
4. The Complaint Policy must work in conjunction with other ESMS related policies and
 - 1. procedures including SEAH guidance, the guidance on Indigenous Peoples, and Guidance
 - 2. for land and resettlement

The Complaints Management Policy shall not impede access to other judicial or administrative remedies that might be available under local law, or substitute for complaints mechanisms provided through specific agreements.

No complainant who, in good faith, reports any dissatisfaction shall suffer any harassment, retaliation or adverse consequence. The Fund commits to a non-retaliation policy for complainants. Any director, officer, service provider, who retaliates against any complainant shall be subject to discipline, potentially including termination of office or contract. This protection from retaliation is not intended to prohibit governance bodies of the Fund from taking disciplinary actions within their usual scope of duties based on valid performance-related factors.

Procedure

All complaints should be notified to the Fund in written form, following one of the following channels:

a) Communication sent by postal mail at the address:

CC Global Services Holdings
CC Asia Climate Fund
Grievance Redress Mechanism
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

b) Communication sent via email at the address:

grievance_cc_acf@citiccapital.com

Subject: Complaints -Fund

With a maximum delay of 10 business days after receipt of the complaint, the designated person of contact in the Fund (the “Contact Person”) sends an acknowledgement and informs the complainant of the review action taken. The Contact Person is responsible for the good management of the complaints procedure and is the main contact with complainants throughout the entire process.

All complaints are dealt within a reasonable timeline. At all times, one designated staff member (the “Complaints Officer”), will always ensure that complaints are treated within the herein described procedure, and escalated without undue delay in accordance with the regulatory and contractual obligations of the Fund as the case may be. The Complaints Officer shall ensure that systemic or recurring complaints are being identified, and that the cause of those complaints is being identified and remedied. The Complaints Officer will also present the lessons learnt on a regular basis to the Board of Managers as well as the actions put in place to avoid/limit complaints in the future.

Complaints received and related reports shall be kept confidential to the extent possible. Confidentiality interests will be balanced with the need to conduct an adequate investigation. Sharing of information in relation to complaints with people not involved in the investigation or management of the complaints procedure is forbidden.

The investigation intends to analyse the reasons behind each complaint through a fair and independent view of the complaint raised by the complainant. The investigation should aim at reaching an objective assessment of the issue with an account of all the known facts and an assessment of how the matter should be followed up, including whether criminal prosecution or other sanctions are considered appropriate. If determined by the Board of Managers, the Fund shall initiate prosecution and/or apply other sanctions against persons or entities suspected of financial irregularities.

The Complaints Officer remains responsible for managing the investigation process, determining the knowledge and skills required to undertake the investigation, and hiring external advisors if needed.

The key considerations the Complaints Officer considers when hiring external experts for investigations are expertise, independence, and impartiality. Those experts will have specific confidentiality requirements. If the complaint involves the Complaints Officer or a Member of the Board, such individual(s) will not be permitted to participate in the consideration and investigation or determination of the redress of such a complaint.

The Contact Person shall respond to the complainant in writing no later than two months from the receipt of the complaint, by post or e-mail. The answer shall contain any required information or opinion judged useful to address the complaint in accordance with the general principle of information transparency.

If the complainant does not receive an answer or receives an unsatisfactory answer from the Contact Person within two months from first addressing the complaint, the complainant is entitled to contact the Complaints Officer, at the same addresses provided in this document. If within a delay of one month from the day on which the complaint was addressed to the Complaints Officer the complainant does not receive an answer or receives an unsatisfactory answer, the complainant may refer the request to the Board of Managers. In this case, the Contact Person will be responsible for ensuring that the complaint is received by the Board of Managers.

Reporting and record keeping (after resolution of the complaint)

The Complaints Officer oversees maintaining the Complaints Report whose objective is to keep a record of all useful information to achieve good tracking of complaints. Before 1 March of each year and each pre-scheduled meeting of the Board of Directors, the Complaints Officer shall present a Complaints Report to the Board of Directors with an analysis of the complaint's activity of the previous year or period.

All records of complaints shall be maintained by the Complaints Officer, as anonymised to the extent necessary, and will be kept for a minimum period of 5 years. Complainants have the right to remain anonymous throughout the investigation process. In this case complainants should be aware that they will not receive any notice regarding the status and outcome of investigations and will not be contacted by the Contact Person. Complainants who have disclosed their identities when lodging their complaints have given their express consent to receive notifications regarding the status of investigations, to be contacted by the Contact Person, the Complaints Officer, or any or several members of the Board of Managers, in case further information is required, and to receive an answer to the complaint. SEAH Procedures The Complaint Policy has specific protections to ensure that it is survivor-centered and gender-responsive. Complaints/grievances can be shared with strict confidentiality and/or anonymity. CC-ACF will encourage complainants with concerns about their safety, if directly working with the Fund or a portfolio company, to have flexible workspaces. SEAH and all grievance data will be ethically and securely stored to ensure privacy. The Fund intends to also seek resolution with the complainant and other parties potentially including:

- Medical care
- Psychological care
- Legal support
- Community-driven protection measures
- Reintegration

SEAH grievances will be tracked safely, ethically, and securely. The CC-ACF team intends to analyse SEAH trend data with root cause analysis and other interdisciplinary measures.

People Engagement Strategy

The Fund intends to make the Complaint Policy (Grievance Mechanism) available to all relevant stakeholders. The Fund expects to have a physical copy of the Complaints Policy at the Fund's office location.

The Fund will provide portfolio companies with copies of the Complaint Policy and the guidance on grievance mechanisms.

The Fund will also provide physical copies of the CC-ACF Complaint Policy to Nationally Designated Authorities. Additionally, CC-ACF intends to host virtual stakeholder engagement sessions with CSOs, NGOs, Indigenous organizations, organizations representing women, and other relevant stakeholders. These groups will be informed of the Complaint Policy and will be sent a copy of the policy.

Brief on Potential Project Affected People

CC-ACF intends to create strong climate resilient impacts on the communities we seek to serve with our investments. The Fund acknowledges that even with strong environmental and social protections, some people may be impacted by the Fund's investments. To that end, CC-ACF has developed a robust Complaint Policy to ensure that grievances are appropriately investigated, recorded, and resolved. Here is a list of potential project affected people:

- Beneficiaries of sub-projects;
- Portfolio Company Staff: Portfolio Company staff may face poor working conditions, retrenchment, SEAH, inappropriate workspace behavior, no pay, hostile work environment, and a number of other issues;

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- Community stakeholders: Community members may complain about engagement with portfolio company staff, SEAH, violence in the community, impacts to the local environment.
 - Rejected Company: Some companies who did not receive investment may reach out to learn more about the investment process.

Complainants also can use the Green Climate Fund Independent Redress Mechanism. More information can be found at:

<https://irm.greenclimate.fund/case-register/file-complaint>

Annex K: Guidance on Environmental and Social Impact Assessment (ESIAs)

In addition to standard ESIA sections, the Fund requires context-specific thematic analysis:

- For Mongolia: Focus on land fragmentation, permafrost sensitivity, and Indigenous land-use rights.
- For Uzbekistan: Include irrigation footprint modelling and water rights of informal farmers.
- For Kazakhstan: Assess impacts of industrial decarbonisation on local employment and biodiversity corridors.

Independent peer review of ESIA methodology by national universities or international experts is strongly encouraged. All ESIAs must include a section detailing community-level adaptation co-benefits.

This guidance provides a framework for Environmental and Social Impact Assessments (ESIAs) required for Category B investments by CC-ACF. The ESIA ensures risks are identified early, and mitigation measures are embedded into project design.

1. Applicability:

- Required for all subprojects identified as Category B under the Fund's ESMS.

2. Scope of Assessment:

- Identification of environmental and social risks/impacts
- Stakeholder engagement during assessment phase
- Analysis of land use, biodiversity, water, emissions, and waste
- Impact on Indigenous Peoples, vulnerable groups, gender, and livelihoods
- Legal compliance with host country E&S regulations

3. Methodology:

- Use of primary and secondary data
- Participatory methods with local communities
- Baseline study and alternatives analysis
- Inclusion of Environmental and Social Management Plan (ESMP)
- Clear documentation of mitigation hierarchy

4. Disclosure:

- Draft ESIA reports must be disclosed at least 30 days prior to investment approval. Reports should be available in English and local languages, and through accessible platforms.

5. Review:

- All ESIAs are reviewed by the Fund's ESG Unit. Independent consultants may be engaged for technical validation in sensitive sectors or locations.

Typical Outline of an ESIA

- Executive Summary
- Introduction and Project Background
- Legal and Institutional Framework (national E&S regulations, IFC PSs, GCF requirements)

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- Project Description (location, design, technology, activities, alternatives considered)
 - Baseline Environmental and Social Conditions
 - Stakeholder Engagement and Consultation Process
 - Identification and Evaluation of Environmental and Social Risks and Impacts
 - Mitigation Measures and Application of the Mitigation Hierarchy
 - Analysis of Alternatives (site, technology, design, “no project” scenario)
 - Cumulative Impact Assessment
 - Environmental and Social Management Plan (ESMP) - summary and key actions
 - Institutional Responsibilities and Capacity Building
 - Monitoring and Reporting Framework
 - Emergency Preparedness and Response Measures
 - Conclusions and Recommendations

Typical Outline of an ESMP

- Introduction and Link to ESIA
- Mitigation Plan (summary table of impacts, measures, responsible party, and cost)
- Monitoring Plan (parameters, frequency, methods, and reporting lines)
- Institutional Roles and Responsibilities
- Capacity Development and Training Plan
- Grievance Redress Mechanism Linkages
- Budget for ESMP Implementation
- Reporting and Disclosure Requirements

Annex L: Environmental and Social Risk Categorisation Across Portfolio

CC-ACF applies a harmonised risk categorisation framework based on GCF ESS and IFC Performance Standards. The risk rating guides the level of due diligence and safeguards required.

1. Risk Categories:

- Category B: Moderate risks. Requires ESIA and ESMP, which necessitates adequate E&S technical capacity at the Portfolio Company level, potentially supplemented by external experts, and robust oversight from the Fund's E&S unit.
- Category C: Minimal risks. Requires screening checklist only.

2. Portfolio-Level Risk Distribution:

Each subproject is classified individually. If a portfolio company has multiple activities, the highest risk category applies overall, with differentiated safeguards at subproject level.

3. Sector-Based Risk Examples:

- Renewable Energy (Kazakhstan, Mongolia): Typically Category B. Risks include biodiversity, land use, noise.
- Water/Irrigation (Uzbekistan): Category B. Water abstraction and community access risks.
- Energy Efficiency/EV (Mongolia): Category C. Mostly infrastructure retrofits with minor risks.
- Waste Management (Urban Mongolia): Category B. Social impacts near landfill sites, waste handler safety.

4. Tools:

- Screening Checklist (Annex A)
- Categorisation Tracker by sector, geography, and investment stage

Annex M: CC-ACF Approach to Sexual Exploitation, Abuse, and Harassment (SEAH)

Background and Rationale

Sexual Exploitation, Abuse, and Harassment (SEAH) remain significant risks across climate finance operations globally. As a leading investor in climate-resilient infrastructure and services across Mongolia, Kazakhstan, and Uzbekistan, the CITIC Capital Asia Climate Fund (CC-ACF) recognises the specific vulnerabilities of women, children, informal workers, and Indigenous communities to SEAH-related risks. Given the nature of infrastructure development and interaction with communities, SEAH is treated as a material risk under the Fund's Environmental and Social Management System (ESMS).

Policy Framework

The CC-ACF SEAH approach is based on a rights-based and survivor-centred model that aligns with international best practice, including:

- The IFC Performance Standards, particularly PS2 and PS4;
- The Green Climate Fund's SEAH Policy;
- The Ruggie Principles on Business and Human Rights;
- The ILO Convention on Violence and Harassment (No. 190).

The Fund's SEAH policy includes zero tolerance for any form of sexual misconduct, mandates clear reporting and accountability pathways, and requires all partners to integrate SEAH safeguards in project design and delivery.

SEAH Risk Assessment and Prevention

All Category B subprojects must undergo SEAH risk screening (see Annex C). During due diligence, the ESG Officer will evaluate:

- Workforce structure and gender composition;
- Contractor hiring practices and housing arrangements;
- Community engagement approaches;
- Access to grievance redress mechanisms (GRMs);
- Social norms, cultural sensitivities, and known GBV risks in the project area.

Subprojects that involve construction, migrant or subcontracted labour, or operations near schools, clinics, or markets are flagged for enhanced mitigation. Preventive measures must be integrated into Environmental and Social Action Plans (ESAPs). These may include:

- Conduct codes for contractors and subcontractors;
- Gender-sensitised training for all field staff;
- Dedicated gender focal points within the implementing partner's structure;
- Collaboration with local CSOs specialising in GBV response.

Response Measures

CC-ACF mandates that all SEAH allegations be treated with urgency, confidentiality, and due process. All Portfolio Companies must establish:

- Anonymous and survivor-friendly grievance channels (with multiple entry points);
- SEAH-specific reporting pathways separated from standard complaints;

-
- A crisis response protocol including links to legal, medical, and psychosocial services;
 - Quarterly reporting on SEAH-related grievances and resolutions (anonymised).

The Fund maintains a SEAH response protocol which includes:

- Notification of serious incidents to the ESG Unit and Investment Committee within 5 working days;
- Deployment of a qualified external investigator where required;
- Documentation and root cause analysis of SEAH cases;
- Application of disciplinary measures, including termination of contracts and legal action.

Stakeholder Engagement and Community Safeguards

In Mongolia, where nomadic communities may have distinct gender dynamics, all community engagement will include women-only focus groups facilitated by female staff or CSO partners. In Uzbekistan, where informal rural labour may be dominated by women, SEAH risk will be assessed through participatory rural appraisals and consultations. In Kazakhstan, attention will be paid to workplace harassment risks within industrial decarbonisation projects.

Monitoring, Reporting and Accountability

SEAH metrics will be integrated into the ESG Key Performance Indicators (Annex H) and Portfolio Company performance scorecards. These include:

- Number of SEAH awareness trainings conducted;
- Number of grievance mechanisms established with SEAH coverage;
- Number of SEAH-related grievances received and resolved;
- Proportion of complaints resolved within 30 days.

Progress will be reported annually to the Green Climate Fund and disclosed in line with the Fund's Information Disclosure Policy.

Technical Assistance and Learning

Portfolio Companies can request support from the Fund's Technical Assistance Facility for SEAH training, policy development, or CSO partnerships. Annual workshops on SEAH prevention will be organised by the ESG Unit, and lessons learned will be synthesised into annual ESG learning briefs.

Institutional Responsibilities

Portfolio Companies are responsible for implementing SEAH prevention and response measures, and for having dedicated focal points/resources (internal or external) for this, with the Fund's ESG person providing oversight and strategic guidance. Each Portfolio Company must designate a SEAH focal point. Where relevant, joint implementation teams will include representatives from community-based organisations.

Consequences for Non-Compliance

Failure to implement SEAH safeguards or respond appropriately to incidents will trigger sanctions, including withholding of disbursements, termination of investment agreements, and notification to relevant authorities or GCF.

The Fund is committed to upholding dignity, respect, and safety for all individuals affected by its operations.

Annex N: Guidance for CC-ACF Portfolio Companies on SEAH and Gender-Based Activities

Purpose and Scope

This Annex provides guidance to Portfolio Companies financed by CC-ACF on integrating SEAH prevention and gender-based activities into operations. It supports compliance with GCF, IFC, and Fund-specific policies and aims to build capacity for safe, equitable, and inclusive project delivery.

SEAH Risk Screening at Company Level

Portfolio Companies must complete SEAH risk assessments during onboarding and investment due diligence. This includes evaluating:

- Gender balance and power dynamics within the workforce;
- Contractor oversight and supervision;
- Frequency of public-facing operations (e.g. community outreach, service delivery);
- Proximity to vulnerable populations;
- Past grievances or reputational risks.

A risk profile will be developed and updated annually as part of the Environmental and Social Management Plan (ESMP).

Development of SEAH Prevention Measures

The following steps must be taken:

- Appoint a Gender and SEAH Focal Point;
- Draft and disseminate a code of conduct covering SEAH, signed by all employees and contractors;
- Conduct quarterly SEAH and ethics training;
- Incorporate SEAH safeguards into contractor agreements and procurement processes.

Community Safeguards and Participation

Portfolio Companies must ensure inclusive, culturally appropriate consultations. Where projects are implemented in areas with language or cultural barriers, interpretation and adapted communication materials must be provided. Gender-disaggregated consultations and local women's CSO partnerships are encouraged.

Companies must establish:

- Gender-responsive grievance mechanisms;
- Community scorecards to track perception of safety and respect;
- Feedback loops to incorporate SEAH-related suggestions into project design.

SEAH Reporting and Incident Management

Companies must develop internal protocols for handling SEAH complaints, aligned with the Fund's Complaint Policy. These include:

- Clear reporting structures;
- Survivor support services (medical, legal, psychosocial);
- Confidential record-keeping and whistleblower protections;
- Timely reporting of serious incidents to the Fund ESG Unit.

Gender-Based Programming

CC-ACF encourages Portfolio Companies to actively contribute to gender equality and inclusion, aligned with the Fund’s Gender Policy. Actions may include:

- Promoting women in leadership and technical roles;
- Supporting childcare access for employees and community members;
- Designing financial products for women-led businesses;
- Collaborating with NGOs on gender-transformative climate adaptation projects.

Monitoring and Learning

Each Portfolio Company is required to report SEAH indicators bi-annually, including:

- Number of SEAH grievances and resolution rates;
- Number of staff trained on gender and SEAH;
- Gender-disaggregated participation in stakeholder engagement.

The Fund will aggregate this data, identify patterns, and adapt support accordingly. Technical assistance and learning events are available to all investees.

Integration with ESMS

All SEAH and gender-related safeguards must be embedded within each Portfolio Company’s Environmental and Social Management System and aligned with the ESAP. Evidence of implementation will be required prior to disbursement of tranches.

This guidance is part of the Fund’s broader commitment to climate justice and gender equality in Central Asia and Mongolia.

Enhanced Company Requirements

All Portfolio Companies are required to adopt survivor-centered case management procedures including:

- Confidential intake systems, with multilingual access points;
- Referral networks for health, psychosocial, and legal services in each project area;
- Annual anonymous staff surveys on workplace conduct and perceived safety;
- Participation in regional SEAH prevention coalitions coordinated by CITIC’s ESG Officer.

Template:

Date	Site	Type of Incident	Actions Taken	Follow-up Support	SEAH Incident Response Log

Annex O: SEAH Risk Screening Checklist and Response Protocol

This annex provides a screening checklist and guidance for identifying and addressing risks of Sexual Exploitation, Abuse, and Harassment (SEAH) in Fund-financed subprojects. All subprojects must undergo SEAH screening as part of the E&S due diligence process.
SEAH Risk Screening Checklist

Tick the applicable risks below:

- Project involves significant engagement with vulnerable groups (e.g. displaced populations, informal workers, women and girls)
- Project includes infrastructure development with temporary construction workforce
- Project location is remote or isolated, limiting oversight and access to grievance redress mechanisms
- Weak or absent HR policies on harassment and misconduct within implementing partners
- History of SEAH incidents in similar projects or geographic area

Risk Level Assessment

- Low
- Moderate
- High

Rationale:

Response Measures (if SEAH risk is moderate or high)

- Include SEAH prevention provisions in all contracts and codes of conduct
- Conduct SEAH awareness training for staff, contractors, and community members
- Establish and publicise confidential SEAH reporting channels
- Appoint a SEAH focal point within the implementing agency

Screened by:

Date:

Annex P: Gender Action Plan (GAP) Template

Project Title:

Country/Region:

Implementing Entity:

Project Duration:

1. Gender Analysis Summary
 - Key gender issues in the project context
 - Barriers to equal participation
 - Opportunities for promoting gender equality
2. Gender Action Plan Table

Objective	Activity	Target Group	Responsibility	Timeline	Indicator	Budget
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3. Gender-Responsive Indicators
 - % of women in leadership roles within project governance
 - Number of women benefiting from project interventions
 - Gender-disaggregated data on training and employment
4. Monitoring and Reporting
 - Gender focal point responsible
 - Frequency of gender audits
 - Stakeholder feedback mechanisms

Note: Gender focal point responsible will be within the Portfolio Company which will be responsible for the implementation of the GAP, with the Fund's ESG person providing oversight and potentially technical assistance.

Annex Q: Indigenous Peoples Screening and IPP Template

Section A: Indigenous Peoples Screening Checklist

Screening Criteria Yes/No Description / Justification

If “Yes” to any of the above, an Indigenous Peoples Plan (IPP) must be developed.

Section B: Indigenous Peoples Plan (IPP) Template

Project Title:

Location:

Date of IPP Preparation:

1. Summary of Social Assessment
 - Demographics and location of IPs
 - Cultural, spiritual, and economic links to land
 - Potential positive and negative impacts

2. Meaningful Consultation & FPIC Process
 - Consultation activities undertaken
 - Results of engagement and agreement points
 - Evidence of FPIC (meeting minutes, signed statements, etc.)

3. Mitigation and Benefit Sharing Measures

Impact	Mitigation/Enhancement Measure including Arrangements for the protection of traditional knowledge, devolution of resources, and mechanisms for equitable benefit sharing (consistent with GCF IP Policy requirements)	Responsible Party (Portfolio Company)	Timeline
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4. Monitoring, Grievance Redress & Reporting
 - IP-specific grievance channels
 - Participation in project M&E
 - Indicators disaggregated for IPs³

³ Portfolio Company must have adequate capacity or engage external experts for meaningful consultation, FPIC, and IPP implementation, given the specialised nature of engaging with Indigenous Peoples.

Annex R: Monitoring and Evaluation (M&E) Indicator List

Thematic Area	Indicator	Type	Data Disaggregation	Frequency	Source (PC reports, PC M&E systems)
Environmental	GHG emissions avoided or reduced	Quantitative	Sector, country	Annual	Portfolio Company ESG report
	Installed renewable energy capacity	Quantitative	Country	Annual	Technical report
	Water use efficiency improvement	Quantitative	Project type	Annual	Utility data
	Land area under sustainable management / restoration	Quantitative	Gender of beneficiaries (if applicable)	Annual	ESMS monitoring
Social	Direct jobs created (permanent / temporary)	Quantitative	Gender, age, country	Annual	HR records
	Beneficiaries reached by community programmes	Quantitative	Gender, vulnerable groups	Semi-annual	CSR reports
	Number of grievances received / resolved	Quantitative	Category, severity	Quarterly	GRM logs
	Workers trained on OHS and SEAH prevention	Quantitative	Gender, location	Annual	Training records
Governance	Portfolio companies with functioning ESMS	Quantitative	Sector	Annual	ESG audit
	ESG Action Plans	Quantitative	Portfolio company	Quarterly	ESMU tracking

	implemented on schedule				
	Board-level ESG oversight meetings held	Quantitative	–	Annual	Board minutes
	Compliance incidents reported and resolved	Quantitative	Severity	Annual	Compliance register

Annex S: Sector-Specific Management Plan Frameworks

This Annex provides outlines and sample templates for key ESMPs that may be required for subprojects financed by the Fund. The templates align with the Fund's ESMS, the IFC Performance Standards, and GCF's interim ESS standards. Each subproject shall adopt or adapt these templates to its scale, sector, and risk profile.

1. Biodiversity Action Plan (BAP)

Purpose: To ensure that project activities avoid, minimise, and offset adverse impacts on biodiversity and ecosystem services.

Typical contents:

- Project description and biodiversity context (baseline survey results)
- Identification of critical habitats and species
- Impact assessment and mitigation hierarchy
- Biodiversity conservation and restoration measures
- Monitoring indicators and frequency
- Roles and responsibilities
- Budget and schedule
- Reporting and adaptive-management procedure

2. Resettlement Action Plan (RAP)

Purpose: To manage physical and/or economic displacement caused by land acquisition or restrictions on land use.

Typical contents:

- Project-induced displacement description
- Socio-economic baseline and census of affected persons
- Eligibility criteria and entitlements matrix
- Compensation and livelihood-restoration measures
- Institutional arrangements and grievance redress
- Implementation schedule and budget
- Monitoring and evaluation framework

3. Livelihood Restoration Plan (LRP)

Purpose: To restore or improve livelihoods of persons affected economically but not physically displaced.

Typical contents:

- Profile of affected livelihoods
- Assessment of livelihood risks
- Restoration and diversification measures
- Capacity-building and support services
- Monitoring indicators and reporting

4. Occupational Health and Safety (OHS) Plan

Purpose: To protect workers and contractors from health and safety risks during construction and operation.

Typical contents:

- Hazard identification and risk assessment
- Preventive and protective measures
- Emergency preparedness and response
- Training and competency requirements
- Incident reporting and investigation
- Performance monitoring

5. Community Health and Safety Plan (CHSP)

Purpose: To safeguard surrounding communities from project-related health, safety, and security risks.

Typical contents:

- Baseline of community health and safety conditions
- Assessment of construction/operational impacts
- Traffic, dust, noise, and security management measures
- Public consultation and communication plan
- Emergency response and community awareness procedures
- Monitoring and reporting
- **Waste and Pollution Prevention Plan (WPPP)**
 - Purpose: To minimise and manage solid, liquid, and gaseous waste and prevent pollution.
 - Typical contents:
- Inventory of expected waste streams and emissions

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- Waste minimisation hierarchy and recycling/reuse plan
 - Storage, transport, and disposal methods
 - Pollution-prevention technologies and controls
 - Monitoring parameters and corrective-action process
 - Implementation

Each subproject will determine which plans apply based on its E&S screening and categorisation results. Plans must be prepared and approved before financial close and integrated into the subproject's ESMP. Templates in this annex serve as minimum guidance and may be expanded to meet host-country legal requirements or lender standards.

6. Integrated Pest Management Plan (IPMP)

Purpose:

To minimise health, environmental, and biodiversity risks associated with pesticide use in agriculture and land-restoration activities (IFC PS3, PS6).

Minimum Contents:

- Project description and agricultural context
- Baseline pest pressures and existing practices
- Applicable national regulations and international standards
- Integrated pest management strategy:
- Prevention and cultural practices
- Biological controls
- Mechanical controls
- Chemical controls (as last resort)
- List of approved and prohibited pesticides (WHO Class Ia/Ib excluded)
- Pesticide handling, storage, transport, and disposal procedures
- Worker training and PPE requirements
- Community health and safety considerations
- Monitoring indicators (e.g. pesticide use, incidents, residue levels)
- Roles and responsibilities
- Reporting and corrective actions

7. Sustainable Water Use Plan

Purpose:

To ensure efficient, equitable, and sustainable abstraction and use of water resources (IFC PS3, PS4).

Minimum Contents:

- Project water demand and sources
- Baseline water availability and competing uses
- Water abstraction permits and legal compliance
- Water-use efficiency measures and technologies
- Measures to protect downstream users and ecosystems
- Water quality protection and pollution prevention
- Drought and climate-risk considerations
- Stakeholder engagement on water use (where relevant)
- Monitoring indicators (volumes abstracted, efficiency ratios)
- Roles, responsibilities, and reporting

8. Construction Environmental and Social Management Plan (CESMP)

Purpose:

To manage construction-phase environmental and social risks (IFC PS1, PS2, PS3, PS4).

Minimum Contents:

- Scope of construction activities
- Construction schedule and contractors
- Environmental management measures:
 - Dust, noise, vibration
 - Soil erosion and runoff
 - Waste and hazardous materials
- Occupational Health and Safety measures
- Traffic and community safety management
- Labour and working conditions (including SEAH risk mitigation)
- Emergency preparedness and response (cross-reference Annex T)
- Stakeholder communication during construction
- Monitoring, supervision, and incident reporting
- Roles and responsibilities (contractor vs Portfolio Company)

9. Waste Management Plan

Purpose:

To prevent pollution and ensure safe handling, storage, transport, and disposal of waste (IFC PS3).

Minimum Contents:

- Types and quantities of waste generated
- Waste minimisation and segregation measures
- Hazardous vs non-hazardous waste handling
- Storage, labelling, and transport procedures
- Licensed disposal or recycling facilities
- Spill prevention and response measures
- Worker training and PPE
- Monitoring indicators (waste volumes, disposal records)
- Roles, responsibilities, and reporting

Annex T: Emergency Preparedness and Response Plan (EPRP) Template

The Emergency Preparedness and Response Plan (EPRP) establishes procedures to prevent, prepare for, respond to, and recover from potential emergency events that could adversely affect workers, communities, and the environment. Each Portfolio Company must develop a site-specific EPRP proportionate to its risk profile and consistent with IFC Performance Standard 2, national regulations, and the Fund's ESMS.

Purpose:

- To protect the health and safety of workers and nearby communities.
- To minimise environmental damage during emergency events.
- To coordinate effective response and recovery measures.

Key Preparation Steps:

- Risk Identification and Assessment - Identify potential emergencies (fire, explosion, spill, natural disaster, SEAH-related incident, etc.) and assess their likelihood and consequences.
- Roles and Responsibilities - Assign clear responsibilities to emergency coordinators, first-aiders, communication officers, and external responders.
- Communication Protocols - Establish internal and external communication channels, including contact information for local authorities, medical services, and community focal points.
- Emergency Resources and Equipment - List emergency equipment, evacuation routes, and assembly points.
- Training and Drills - Provide regular emergency response training and conduct at least one full drill per year, documenting outcomes and corrective actions.
- Community Coordination - Coordinate with local authorities and affected communities to ensure awareness and integration with local emergency systems.
- Monitoring and Review - Review and update the EPRP at least annually or after any significant event; incorporate lessons learned from incidents or drills.

Typical contents:

- Project Overview and Context - Description of project site, activities, and key risks.
- Potential Emergency Scenarios - Identification of credible emergencies (e.g., fire, explosion, hazardous spill, natural disaster, security incident).
- Roles and Responsibilities - Emergency response chain of command, roles of site personnel, contractors, and local authorities.
- Notification and Communication Procedures - Internal and external communication protocols, contact lists (including emergency services and community representatives).

-
- Response Procedures - Immediate containment, evacuation, medical, and firefighting procedures.
 - Resource Requirements - Equipment, personnel, and facilities required for effective response.
 - Training and Drills - Frequency of emergency drills and staff training requirements.
 - Coordination with Local Authorities and Communities - Engagement with local emergency services, hospitals, and community leaders for alignment and mutual support.
 - Plan Review and Update - Procedures for periodic review (at least annually), post-incident debriefs, and continuous improvement.
 - Record Keeping and Reporting - Documentation and reporting requirements for incidents and drills.

Annex U: Supply Chain Due Diligence Framework

Purpose:

To guide Portfolio Companies in identifying, preventing, and mitigating risks of child and/or forced labour in their supply chains.

Scope:

Applies to all suppliers and contractors providing goods, raw materials, or services under the Fund's investments.

Key Components:

Risk Identification:

- Map key supply chains and identify areas with elevated labour risks.

Supplier Screening and Onboarding:

- Require suppliers to complete a self-assessment questionnaire on labour practices.
- Conduct enhanced due diligence for high-risk suppliers (e.g., site visits, document verification).

Contractual Requirements:

- Include clauses prohibiting child and forced labour, mandating compliance with ILO Conventions 138, 182, and 29, and allowing for contract termination in case of breach.
- Require suppliers to cascade the same obligations to their subcontractors.

Monitoring and Verification:

- Conduct regular audits (internal or third-party) and random checks.
- Review grievance mechanisms for workers in the supply chain.

Corrective Actions and Remediation:

- Outline steps for remediation if cases are identified (e.g., supplier suspension, corrective action plans, restitution for affected workers).

Reporting and Continuous Improvement:

Require annual reporting on supply-chain labour due diligence as part of ESG monitoring.

Annex V: Chance Find Procedure Template and Guidance

Purpose: To ensure protection and proper management of physical cultural resources unexpectedly discovered during project activities.

Procedure Steps:

Stop Work: Suspend all activities within a 30-metre radius of the find.

Notify Authorities: Inform site supervisor, E&S Officer, and relevant cultural-heritage authority immediately.

Secure Site: Prevent access or damage until experts arrive.

Assessment: Qualified archaeologist or authority assesses significance.

Decision: Authorities decide on conservation, relocation, or documentation.

Record Keeping: Document the find (date, GPS, description, photos).

Resumption of Work: Resume only after written clearance from the authority.

Chance Find Record Form

Item	Details / Notes
Project name / location	
Date and time of discovery	
GPS coordinates	
Name and contact of discoverer	
Description of the find (artefact, structure, bones, etc.)	
Photographs attached (Y/N)	
Immediate actions taken (stop work, cordon area, etc.)	
Date/time authority notified	
Name of authority / expert consulted	
Preliminary assessment outcome	
Recommended next steps	
Date of clearance to resume work	
Signature of site supervisor	
Signature of E&S Officer	