

A.3.4. ESMP mandatorily annexed to the Financing Agreement (FA)

General considerations

1. The Development Bank of Nigeria Plc (DBN) is planning to implement the proposed \$60 Million Finance Package (the *Project*). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. DBN will implement measures and actions of this Environmental and Social Management Plan¹ (*ESMP*) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (*OS*) and the National policy and legal requirements.
3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.
4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. DBN is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the DBN.
5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by DBN as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.
6. As agreed by the Bank and DBN, this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, DBN will propose and agree changes with the Bank, and then update the ESMP to reflect such changes.

¹ The ESMP refers to all the E&S risks/impacts and measures, as approved in all the disclosed E&S documents and agreed between the Bank and Borrower. For projects involving multiple subprojects, that are identified, prepared and implemented during the course of the project, the Borrower will need to demonstrate to the Bank, before the project appraisal, through the preparation of E&S documentation of a sample of subprojects, that it has the capacity to carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects in accordance with the national laws and the OSs. (*Section III.2.3 of Bank's ESP and section D of OSI*)

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
Periodic E&S implementation report to the Bank		Bank's ESP and OS1	Reports submitted in time, in good standard	DBN would provide quarterly implementation reports by project effectiveness.
1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Seasoned E&S specialists in the PIU	By Project effectiveness date
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Functional GRM established and accessible to the public	Throughout Project Implementation
3	Payment of compensation and reinstallation of affected people	SO10	Maintenance of Resettlement Action Plan, as it affected project funded directly.	As required
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Evidence of PFIs report with site specific E&S measures	Throughout the project
5	Submission of high-risk activity's Contractor ESMP (C-ESMP) to Bank clearance	Bank's ESP and OS1	Not Applicable	Not Applicable
6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	Not Applicable	Not Applicable
7	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	All required national permits and licenses obtained and validated prior to commencement of regulated activities, for directly funded projects. PFIs to do same for onlending projects	As required
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Not Applicable	Not Applicable

² Please add any relevant key actions and/or indicate "Not applicable" in the third column ("Basis for requirement") for actions that are not applicable to the project.

9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Records of stakeholder engagement meetings and disclosure supported by a Stakeholder Engagement Plan.	Continuous, prior to and during implementation
10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	Maintenance of operational OHS system. Maintenance of Emergency Response Plan by directly funded projects.	Throughout project cycle
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Operational policy, activities and report rendered. Operational GRM in place for directly funded projects.	Throughout project cycle
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	Not Applicable	Not Applicable
13	Capacity building of key project implementers	OS1	Number of Project implementers trained and training reports available	Annually, and as needed
14	Implementation of ESMS/ESAP ³	OS1 and OS9, national requirements	A functional Environmental and Social Management System (ESMS) in place and reviewed periodically	Throughout project implementation
14.1	<i>Approval of any required E&S management procedure</i>	Ditto	Presence of operational ESMS approved by the Board.	Before adoption and implementation
14.2	<i>Establishment of the E&S unit</i>	Ditto	Budget, Number & Capacity of Staff.	Throughout project implementation
14.3	<i>Capacity Building of the E&S Unit</i>	Ditto	Budget and training report	As required
14.4	<i>Processing the Value Chain E&S due diligence</i>	Ditto	Due diligence reports prepared and disclosed	Prior to financing along the value chain
15	Suspending works in the event of EOHS risk or incident, immediately notify the Bank, and resume works only upon no-objection of the Bank.	Bank's ESP	Notification to Bank within 72 hours	Immediately and no later than 72 hours after the occurrence

³ Applies to non-sovereign operations and public sector projects implemented by permanent autonomous Agencies/Institutions.

16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	90 days or earlier depending on the severity/scale/scope incident	As required.
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	E&S reports disclosed on website and in accessible formats	Annually