Environmental & Social Management Framework

## Environmental and Social Management Framework

A. Statement of Policy and Purpose

The Sint Maarten Enterprise Support Project (SMESP) will take steps to address and mitigate environmental or social effects before implementing the subproject. Projects receiving the SMESP assistance must abide by all local environmental and relocation policies and laws as well as meet project specific requirements such as avoiding the use of any banned chemicals. Special attention is required for COVID 19 prevention, notably by establishing a COVID 19 prevention and safety plan (as described in “*Bijlage 2 bij landsbesluit van 10 mei 2020, nummer 2020/0324*” ) In addition, all enterprises seeking financial support must ensure that the finances are not utilized to purchase land and any person or business affected during the upgrade, rehabilitation, or expansion of enterprises is adequately relocated and/or compensated to meet the World Bank Policy on *Involuntary Resettlement OP/BP 4.12.*

The environmental and social questionnaire as integrated in supplemental form 1 of the application process must be completed. The questionnaire is designed to automatically ask follow-up questions as necessary. A full discussion of the environmental and social requirements and the questions for the questionnaire are included in the following paragraphs.

The SMESP aims to ensure that the program proceeds will not be used for any activity that could harm the environment or people. To that end, the SMESP is committed to:

* Providing environmental support in all areas of its operations;
* Ensuring environmentally and socially responsible financial investment and development;
* Ensuring compliance with relevant laws, regulations, and standards within Sint Maarten;
* Preventing the sale of land as a use of proceeds for the SMESP;
* Supporting transactions that do not adversely affect vulnerable people and underserved groups (for example, elderly poor pensioners, the physically challenged, women, particularly heads of households or widows, and so on) living in the area; and
* Ensuring that people are not displaced or lose access or assets because of project activities.

The SMESP, as well as the PFIs, must follow the micro, small, and medium sized enterprise (MSME) application processing procedures; credit documentation; and the administration, evaluation, and reporting procedures listed in this section. As part of their risk management activities, the PFIs will actively engage with the MSMEs through the due diligence and liaison process.

B. Introduction and Background

The World Bank Group Strategy sets out the corporate goals of ending extreme poverty and promoting shared prosperity in all its partner countries. Securing the long-term future of the planet, its people, and its resources; ensuring social inclusion; and limiting the economic burdens on future generations will underpin these efforts. The two goals emphasize the importance of economic growth, inclusion, and sustainability—including strong concerns for equity.

The World Bank is globally committed to environmental sustainability, including stronger collective action to support climate change mitigation and adaptation, recognizing this as essential in a world of finite natural resources. Equally, social development and inclusion are critical for all of the World Bank’s development interventions and for achieving sustainable development. For the World Bank, inclusion means empowering all people to participate in, and benefit from, the development process. Inclusion encompasses policies to promote equality and nondiscrimination by improving the access of all people, including the poor and disadvantaged, to services and benefits such as education, health, social protection, infrastructure, affordable energy, employment, financial services, and productive assets.

The Environmental and Social Management Framework (ESMF) is an instrument that helps PFIs and MSMEs identify appropriate methods and tools to assess and manage the potential environmental and social risks and impacts of the project.

The National Recovery Program Bureau will be responsible for ensuring that the PFIs and MSMEs carry out the project with due diligence and efficiency in compliance with all requirements pertaining to environmental and social protection applicable under national laws and regulations and the ESMF.

C. Project Description

The objective is to support the recovery of micro, small, and medium sized enterprises through direct and immediate financial assistance to contribute to the restoration of economic activity in Sint Maarten. The main project beneficiaries will be MSMEs. The definition of MSMEs for this project is the Sint Maarten definition of MSMEs based on monthly firm turnover. Eligible lenders include any regulated lender in Sint Maarten. This includes credit unions, development banks, and commercial banks. The PDO-level indicators are (a) Cumulative number of MSME receiving packages for assets, repairs or working capital (Number), and (b) Volume of grants and loans supported through the project over its lifetime (Amount (USD)).

The project proposes three main components: (1) direct financial support to MSMEs for investment and working capital; (2) a study of financial solutions for disaster resilience; and (3) lender training, project implementation, audit, and monitoring and evaluation.

*Component 1: Direct financial support to MSMEs for investment and working capital (US$32.50 million)*

This component will provide tailored packages to eligible MSMEs of grants and loans for Asset or Repair (AR) investments, and loans for Working Capital (WC). This component relies on the underwriting and repayment collection capabilities of the qualifying PFIs to disburse tailored packages to eligible MSMEs that combine grants and loans for AR, and loans for working capital. Because the Sint Maarten economy is based on tourism, the project will mostly invest in MSMEs that are engaged in the tourism industry (for example, restaurants, shops, tour operators). The specific MSME activities and location are not yet defined but the grants will be used only for basic nonstructural repairs inside the buildings and on the façade of buildings. Such activities may include painting and caulking, tiling, roof repairs, fencing, and so on. Funding for assets shall also exclude construction. Non-tourism businesses in need of rehabilitation may include agroprocessing, equipment supply, retail, business or health services, light industry, or other enterprises. All Category A (Very high) risk profiled activities will be screened out. The ESMF includes a process to exclude such subprojects from becoming eligible for finance andincorporates an exclusion list.

*Component 2: Study of financial solutions for disaster resilience (US$0.4 million)*

This component will be a longer-term study to explore financial instruments, markets, tools, and solutions for improving disaster resilience in Sint Maarten. Such markets or instruments may include private insurance, public asset insurance, sovereign insurance markets, regulation, and supervision of insurance and reinsurance. Some of the tools that may be explored include catastrophe modelling and valuations and appraisal standards.

*Component 3: Lender training, project implementation, audit, and monitoring and evaluation (US$2.1 million)*

This component will provide training to FIs to improve their MSME lending skills and training in BC planning for MSMEs. This component will also fund the implementation support to ensure that the governance of the project is well managed. Although the PFIs will be the MSME-facing entity, it will be important to ensure that these are regularly audited and that there is monitoring and evaluation (M&E) reporting for the project.

D. Project Location

The specific locations of the individual MSMEs for which the SMESP will provide assistance are not known at this time, but they could be located anywhere in Sint Maarten (the Dutch side of the island). The SMESP is sector-neutral, but the MSMEs to be supported will likely include hospitality, tourism, business services, and related businesses.

E. Environmental and Social Risks and Impacts

*Potential Environmental and Social Risks and Impacts and Mitigation Measures*

There are several potential positive and negative impacts that can occur because of providing funding for a small business loan. The chart below provides a short list of potential negative impacts from a hypothetical loan to rebuild a damaged restaurant:

Table 1 Example of Potential negative Impacts

|  |  |
| --- | --- |
| **Activity** | **Potential Negative Impacts** |
| Creation of jobs for residents | Creates a new source of waste for the neighborhood, including organic and inorganic waste |
| Demolition of building materials from the damaged restaurant | May create increased solid waste disposal problems or require handling of mold, asbestos, or other materials |
| Traffic from construction crews and materials delivery | Inconvenience and risk to road safety for drivers and pedestrians; increase in particulate emissions from service and delivery vehicles |

The degree or magnitude of potential environmental, social, health and safety (ESHS) risk is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence. Specific ESHS risks may be present from a variety of factors such as the issues associated with an MSME’s operations, the industry sector, the regulatory climate, and the geographic context. ESHS impacts refer to any change, potential or actual, to (a) the physical (manmade), natural, or cultural environment and (b) impacts on surrounding community and workers, resulting from the project activity to be supported, all of which can negatively affect the performance of the MSME as well as the reputation of the lender. ESHS impacts typically include environmental pollution; hazards to human health, safety, and security; impacts to communities, including temporary and/or permanent dislocation of people and businesses; and threats to a region’s biodiversity and cultural heritage. ESHS mitigation measures refer to the suite of actions that can be undertaken to minimize exposure to risk and manage negative impacts before they become significant or result in an adverse outcome.[[1]](#footnote-1)

The degree of potential risk, specific ESHS risks and impacts, and mitigation measures are summarized in the following table in the context of the SMESP.

Table 2. Potential ESHS Risks, Impacts, and Mitigation Measures of the SMESP

|  |  |
| --- | --- |
| Risks | Failure to comply with the permitting system in Sint Maarten, which exposes MSMEs and their lenders to regulatory sanctions; poor MSME practice in the control of emissions and waste; poor MSME planning for effects on historical or cultural assets, traffic patterns, community safety, potential dislocation of people and small businesses, labor health and welfare; gender exclusion and differentiated access to funds for differently empowered groups; failure to provide full access to information about the SMESP to all persons; and credit risks for lenders, associated liability, and reputation of lenders |
| Impacts | Closure of MSMEs; fines or delays; escalation of costs for production; increased insurance cost; environmental pollution; loss of livelihood and/or shelter; loss of biodiversity or cultural resources; damage to cultural resources; reduced community safety; accidents and injuries to workers; liability of MSMEs and lender; damaged reputation of MSMEs and lender from media coverage, citizen campaigns, and government investigations |
| Mitigation Measures | The Operations Officer together with the E&S specialist screens MSMEs for ESHS compliance and performance to verify eligibility. They also provide liaison and guidance for regulatory and technical issues to PFIs and MSMes, ensure lender agreements include ESHS requirements, and periodically supervise and report. The MSMEs to certify accurate information in applications, commit to compliance and good performance, and report periodically on ESHS matters.  |

F. Requirements for PFIs and MSMEs

MSMEs will be required to conform to requirements for ESHS performance. The PFIs will need to verify MSME eligibility for the SMESP and the NRPB will ensure that the ESHS requirements are agreed with prior to the loan agreements. The SMESP Operations Officer, together with an E&S specialist where needed, effectively screens the MSMEs on EHS requirements.

The MSMEs are responsible for ESHS compliance. They need to provide evidence that they have acquired and keep in force the relevant license or permit, if required, as well as take all appropriate steps to protect worker health and safety. The SMESP and the PFIs may also provide technical guidance to MSMEs, such as World Bank Group Environment, Health, and Safety (EHS) Guidelines or good practice documents. The objective is to help the MSMEs move beyond compliance and on to cleaner production and improved environmental sustainability that would help reduce costs (for example, due to use of less water and energy, generation of less wastes, and higher efficiencies) and also help prevent any future potential environmental problems. These will be made available to the MSMEs and may also create MSME financing opportunities should an MSME desire financing to move to cleaner, environmentally friendly, and more sustainable production, for example, to attract international investors or enter new markets.

G. Stakeholder Engagement and Grievance Redress

The SMESP Operations Officer (OO) will act as first line on ESHS Safeguards will be available to provide outreach and assistance to the PFIs and MSMEs in reviewing specific situations.

The OO, together with the PM will also address any grievances that are submitted with respect to the project. A Grievance Redress Mechanism to register, track, address, and resolve complaints or related issues has been developed and is included in this Operations Manual.

H. Screening and Environmental Management Procedures

The NRPB will use the exclusionary list included in the supplemental application form in annex 1 when reviewing applications. The procedures are applicable to all the MSMEs. The MSME screening and processing procedure involves the following seven general steps:

1. Review answers to supplemental form
2. Assign ESHS risk category
3. Additional investigation (optional)
4. Prepare loan documentation
5. Administration, evaluation, and reporting

The application procedures will follow a set of steps which are designed to ensure that environmental and social considerations are considered, for which the applicable steps must be completed and approved as part of the application process. The forms and procedures can be made available online to facilitate the application process. Additional details and guidelines on the screening and management procedures can be found in the following paragraphs.

Training will take place as needed and will be the responsibility of the SMESP.

I. Environmental and Social Requirements

The environmental and social requirements applicable to the project include the following:

* EHS laws and regulations in Sint Maarten
* World Bank Safeguards Policies
* World Bank Group EHS Guidelines for general and sector-specific activities

J. Sint Maarten Specific Environmental Regulatory Requirements

Loans made using funds from the SMESP will be subject to national ESHS (environmental, social, health and safety) regulatory requirements in Sint Maarten. In most cases, such as minor repairs, it is expected that no permit would be required, although building codes, the building ordinances, the waste ordinance and any other relevant ordinances would need to be adhered to. In cases where environmental damage could occur, then a Hindrance Permit may be required. Part of the screening and verification process is to ensure that any permits, if required, are in place, or at least requested by the applicant MSME.

 K. World Bank Safeguards

There are 10 World Bank Safeguards Policies:[[2]](#footnote-2)

1. Environmental Assessment - OP/BP 4.01
2. Natural Habitats - OP/BP 4.04
3. Forests - OP/BP 4.36
4. Pest Management - OP 4.09
5. Physical Cultural Resources - OP/BP 4.11
6. Indigenous Peoples - OP/BP 4.10
7. Involuntary Resettlement - OP/BP 4.12
8. Safety of Dams - OP/BP 4.37
9. Projects on International Waterways - OP/BP 7.50
10. Projects in Disputed Areas - OP/BP 7.60

The SMESP triggers some of the safeguard policies, as detailed in the following paragraphs.

L. Environmental Assessment (OP/BP 4.01)

The project triggers Safeguards Policy OP/BP 4.01 (Environmental Assessment) given the potential for negative environmental and social impacts. The project is classified as Category FI according to OP/BP4.01.

The specific individual MSME subprojects to be financed under the project will not be known until after subproject approval; however, it is expected that most of the projects will involve hospitality, tourism, retail, and business services. Very high-risk (Category A) MSMEs as well as those on the WBG Exclusion List will be screened out, so that the potential environmental impacts associated with the likely (presently anticipated) type of MSMEs to be engaged should be relatively minor to moderate and should not involve significant environmental impacts, and with appropriate standard mitigation measures, the potential negative impacts should be managed appropriately. This ESMF has been developed to manage the potential associated environmental and social impacts and risks, to establish requirements both at the SMESP level and at the PFI and MSME levels. Additional screening/exclusion criteria are included in the ESMF to exclude any project that would trigger an additional Safeguards Policy or result in an unacceptably high level of ESHS risk.

The ESMF outlines measures to protect workers and promote safe and healthy working conditions in line with this policy related to MSMEs financed and the PFIs. In addition, the types of MSME activities that presently are anticipated to receive a package are not expected to have significant community safety issues; however, the ESMF will include appropriate mechanisms for screening and impact management (for example, related to transport/road safety, emergency response). As needed, the ESMF excludes certain project types (for example, those involving use of armed security personnel, transport of significant quantities of hazardous materials) given that the SMESP staff or individual banks would likely not be in a position to perform the necessary due diligence for the risks involved. Finally, pollution prevention and response to accidents involving pollutant releases are addressed as part of the ESMF. The expected projects associated with the MSMEs are not anticipated to generate significant impacts on air quality, water quality, solid waste, and noise level, and so on, but if such situations are identified, then the MSME must adequately address them using World Bank EHS Guidelines or in-country laws, whichever is more stringent.

M. Pest Management (OP4.09)

The Safeguards Policy on Pest Management (OP4.09) is also triggered, given the importance of pest control in retail buildings and restaurants and the associated need for the use and purchase of pesticides (which include herbicides, fungicides, mildewcides, algaecides, and other chemicals used for control of organic processes). To ensure that harmful pesticides are not used, the policy requires that any pesticide it finances be manufactured, packaged, labeled, handled, stored, disposed of, and applied according to standards acceptable to the World Bank and excludes certain formulated products, as well as requiring training, equipment, and facilities to handle, store, and apply these products properly.

Pesticides for routine use must be applied by licensed, registered contractors. In addition, a list of excluded pesticides is provided in section3 of this Annex.

N. Natural Habitats (OP/BP 4.04)

This policy strictly limits the circumstances under which any World Bank-supported project can affect or alter natural habitats (land and water areas where most of the native plant and animal species are still present) as well as parks, natural areas, or other declared protected areas. Projects must avoid, minimize, restore, or offset any activities that cause degradation of natural habitat. Projects that would cause significant conversion or degradation of critical natural habitat (legally protected areas, or those with high conservation value) are not eligible for funding.

It is unlikely that this policy will be needed as the SMESP package may only be used for nonstructural repairs to buildings. It has been triggered as a precaution.

Screening criteria will identify any projects that could potentially significantly affect natural habitats, protected or sensitive areas, or forest resources or their management. If identified as a concern, the MSME must provide evidence that the appropriate mechanisms for impact management are in place, through expanded due diligence by NRPB team and PFIs and the completion of any additional safeguards studies indicated by the policy guidance.

O. Physical Cultural Resources (OP/BP 4.11)

This policy seeks to avoid or mitigate adverse impacts on cultural resources (movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance) from development projects that the World Bank finances. If a project may affect physical cultural resources, measures to minimize or mitigate effects must be included in an Environmental Impact Assessment (EIA) or other assessment process. In the context of the SMESP, this may include historic buildings, facades, or other physical cultural resources valued by the community or as defined in local regulations. Further, if any artifacts or resources are uncovered during earth-moving activities, work must stop, and the relevant government agency must be notified to determine whether the activity may proceed or if rescue/relocation is required under Sint Maarten regulations, laws, and protocols.

P. Involuntary Resettlement (OP/BP 4.12)

The project is designed to exclude land purchase. Therefore, no funds will be used in a manner that could result in the displacement of persons due to land purchase. In the event the subprojects lead to loss of peoples’ livelihood permanently or temporarily due to the refurbishments of buildings or other improvements planned under Component 1, the client will prepare a Livelihood Restoration Plan. No subprojects will result in permanent or temporary physical displacement of persons due to the exclusiory restriction.

Q. Other Safeguard Policies

Screening and exclusion criteria are provided to ensure that any MSMEs or activities that would trigger any other World Bank Safeguard Policies (other than those described above) would not be eligible for funding under the project.

These additional screening and exclusion criteria would exclude any projects related to), Forests (which would trigger OP/BP 4.36), or Indigenous Peoples (OP/BP 4.10). There are no projects affecting international waterways (OP/BP 7.50) nor would there be any in disputed areas (OP/BP 7.60).

R. World Bank Group EHS Guidelines

The World Bank Group has developed guidelines for EHS that serve as useful references for general issues as well as sector-specific activities.[[3]](#footnote-3) The MSMEs can utilize these guidelines as referenced compliance standards for emissions, waste management, and good industry practice. Sint Maarten may have developed standards for many specific industrial activities, which would also apply. In the case of duplication of compliance standards, the more stringent shall apply. In general, the World Bank Group EHS Guidelines are applied to more complex projects with potentially significant emissions, discharges, or other environmental issues.

S. Environmental Management Plan for Construction/Rehabilitation Works

Most of the physical footprint of the project’s Component 1 will involve the rehabilitation of buildings for tourism-related businesses such as hotels, restaurants, office buildings, and so on. Non-tourism businesses in need of rehabilitation may include agroprocessing, equipment supply, retail, business or health services, light industry, or other MSME. Section 4 provides a standard Environmental Management Plan (EMP) for these low risk types of activities and will form part of the grant/loan agreement for the MSMEs that are engaging in these sorts of construction/rehabilitation works.

If a project requires additional studies (e.g. an EIA, a PMP, or other additional assessment) due to affecting physical cultural resources, natural habitat, or has significant pest management issues, then the associated studies will specify any additional requirements to the EMP in Section 4.

T. Institutional Arrangements

The SMESP PIU will use the questionnaire provided by the SMESP to determine if an MSME client meets project requirements regarding environmental and social responsibilities.

It is important that the operations of businesses assisted by the SMESP do not harm the environment or affect communities negatively. The restrictions on the types of businesses that are eligible address most environmental issues. The SMESP should be contacted before submission of an application if the lender has any questions regarding whether a particular loan meets the environmental criteria. The SMESP PIU staff will include an Operations Officer with basic ESHS capacity. The Operations Officer will be responsible for reviewing the supplemental forms and will work together with an Environmental and Safeguards Specialist who will lead on reviewing medium and high-risk assessment reviews.

The SMESP PIU Operations Officer will also be responsible for the training and outreach for the PFIs and will be available to aid the PFIs and MSMEs in reviewing specific situations. Additional resources for training and outreach may be contracted based on need.

## Environmental Management Procedures

The PIU will use screening and management protocols to reduce ESHS risk. The procedures are applicable to the MSMEs from a variety of sectors, including tourism and hospitality, as well as non-tourism businesses in need of rehabilitation such as agroprocessing, equipment supply, retail, business or health services, light industry, or other enterprises. The MSME screening and processing procedure is described below. The application procedures will follow a set of steps which are designed to ensure that environmental considerations are taken into account. The steps are summarized in Figure 4, for which the applicable steps must be completed and approved as part of the application process. The forms and procedures can be made available online to facilitate the application process.

Table 3. Steps in the MSME Application Process

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Step** | **Activity** | **Performed by** | **Timeline** | **Verified by** |
| 1 | Review Supplemental form | In loan application | 1 day | SMESPa |
| 2 | Assign ESHS risk category | OO | 2 days | PM |
| 3 | Additional investigation (optional) | NRPB | Varies by risk category | PM |
| 4 | Prepare package documentation | OO | 3 days | SMESP |
| 5 | Administration, evaluation, and reporting | OO/PFI | Quarterly/annually | SMESP and World Bank Group |

*Note:* a. Verification will be completed by the SMESP Operations Officer during random audits of loans.

**Figure 4. Steps in the MSME Application Process**



#### **Step 1 – Review Supplemental application form**

The project activities that are not eligible for financing because they would either trigger additional safeguards policies or contravene the safeguards parameters of the program with the World Bank by triggering additional policies or because they are listed on the World Bank Group Exclusion List can be found in the Supplemental application form in annex 1 .

**Step 2 - Check Local Permit Status**

The Country of Sint Maarten has requirements for local permitting that must be met if certain alternations are made to a building or its surrounding area. The Building Ordinance AB1993-13 governs the application for and requirements related to these permits.

Sint Maarten has specific rules that protect certain identified monuments, and there are requirements to maintain the local or landscape. These regulations allow the Government of Sint Maarten to specify the types of building materials that may be used, the limitations on changing the façade, the shape of the roof, and other appearance items. They also govern the demolition of a building. If a loan involves nonstructural repairs that affect the appearance of a monument, meeting these requirements must be one of the requirements of the loan.

A Hindrance Permit may be needed if the loan finances specific types of activities that can cause danger, damage, and/or nuisance to the environment or the surroundings. The regulations generally pertain to regulating, preventing, and/or limiting soil pollution, water pollution, noise pollution, air pollution, odor pollution, or have a negative impact on the safety of an area.

Permits maybe required for earth displacement. Any of the following activities must be permitted before the commencement of the activity:

1. Digging, raising, or leveling of the ground
2. Placing roads and other hardening of terrain
3. Works that can influence the water management and groundwater level
4. Uprooting of trees or pruning that leads to uprooting of other shrubbery
5. Demolishing of structures

**Step 3 – Check Availability of Land for Business Expansion**

If land is required for business expansion this needs to be determined. No SMESP proceeds can be used for the acquisition of land. Therefore, if land is required for business expansion it must already be available and financed before any proceeds are granted.

**Step 4 - Assign ESHS Risk Category**

The supplemental form 1 is required to be completed to determine the ESHS Risk category of an MSME. The supplemental application form 1 identifies Low-Risk. Medium- and High-Risk MSMEs.

With assistance and information from the MSME, the OO will fill out the supplemental application form in annex 1. The Supplemental application form must be completed for every application. The MSME must review, accept, and certify the information on the form as ‘True’, ‘Complete’, and ‘Correct’.

If the response to the E&S screening questions 1 through 17 is negative or not applicable, then the MSME is automatically considered as Low Risk, and no further investigation is needed. In these cases, the application moves forward for processing and loan/grant documentation.

If any of the responses to any of the queries in items 1 through 14 are in the affirmative, then the MSME is either Medium Risk or High Risk, and the MSME must be further investigated. If any of the responses are ‘Not Known’, then the E & S Specialist must further investigate the MSME.

If the response to any of the questions 15 through 17 is in the affirmative, then the MSME is at least considered High Risk and the E&S Specialist must further investigate the MSME.

The MSMEs deemed Medium Risk may be subject to additional assessment or investigation as appropriate, based on supplementary form, advice of E&S specialist and in the judgment of the SMESP Operational Officer. All the MSMEs deemed High Risk must be subject to an additional assessment, as described in Step 5 below.

Note that the assignment of ESHS risk categories using the supplementary forms is subjective and will require the use of professional judgment by the SMESP Operations Officer (low risk ) and the E&S specialist (medium and high risk), who may elect to seek supporting or expert opinion as is deemed necessary or appropriate on a case-by-case basis. The SMESP may adjust the questions and logic for risk assignment from time to time based on experience and judgment, taking into account such factors as scale of the enterprise, location in or near protected areas or other sensitive areas, complaints or violations noted, or other information in the screening forms.

**Step 5 – Additional Investigation (Optional)**

If an application should involve any factors that may represent potential significant or material ESHS risks, as determined earlier, then additional investigation is warranted by the SMESP. This may apply to a Medium Risk MSMEs and will always apply to High Risk MSMEs. Additional investigation may be limited to the review of additional information, plans, studies, permits, or assessments and may also include site visit, an audit, facility inspection, or other physical review. Regardless of the mechanism chosen, the investigation must determine if there are any unaddressed significant negative ESHS risks or impacts.

Additional assessment studies (ESIA, audits, permits. approvals, PMPs, Livelihood Restoration Plan, land titles, or other documents) may also be provided by the MSME as evidence of good practice, compliance, or satisfactory resolution of any ESHS issues identified in Tier 2 screening.

A site visit, audit, or inspection will help assess the state of the company operations, in particular issues of encroachment or informal and illegal settlement on the business premises and other social issues such as housekeeping, worker health and safety, environmental health and safety, and human resources management issues. Any such site visit, audit, or inspection must take into context the cultural heritage of the population. Site visits must be made to all companies where the ESHS risk status has been deemed as High Risk. A site visit checklist should be used in conjunction with the relevant and applicable World Bank Group EHS Guidelines (general and sectors) with equivalent or supporting information from other sources (for example, ESAT (Environmental and Social Assessment Tool), European Bank for Reconstruction and Development (EBRD), or Entrepreneurial Development Bank[[4]](#footnote-4) checklists or fact sheets, available from the previously referenced websites) to ensure that any negative impact is either eliminated or reduced to the maximum extent possible.

The results of the additional investigation can then be used to inform and revise the final determination of ESHS risk status. The SMESP Project Officer together with the E&S specialist will assign a final category of Medium Risk or High Risk based on experience and judgment, as well as expert advice where needed. It may be necessary to engage the services of a professional engineer if there are questions about drainage, structural integrity, building code, or ordinance issues.

Because of the additional investigations, there may be recommendations for ESHS actions, special conditions such as updating a monitoring plan, or other requirements to improve MSME performance, update compliance status, or otherwise reduce ESHS risk. In these cases, the PFIs will include recommendations in the loan documentation that address any social issues or other negative impacts that were identified and require periodic reporting on these recommendations or special conditions. This will normally be the case for High Risk MSMEs which have complex or sensitive ESHS situations.

**Step 6–Prepare Loan Documentation**

Following the evaluation and documentation of ESHS risk, the PFIs are in a position to approve the application, subject to conditions that will describe measures being taken to control the ESHS risk or reject the MSME’s participation due to unacceptably high ESHS risk.

The outcome of the environmental and social risk evaluation is summarized and included in the documentation submitted in the approval package, as follows:

* The MSMEs deemed Low Risk will only require the use of standard, general conditions, including the standard EMP for construction/rehabilitation works (see section 4).
* The MSMEs deemed Medium Risk will require the standard, general conditions and any special requirements if deemed necessary by the SMESP staff and/or PFI.
* The MSMEs deemed High Risk will require the standard, general conditions, as well as all of the actions, RAP, monitoring plans, permit updates, periodic audits, and other necessary information from the additional investigation conducted after the supplemental form appraisal.

The standard language related to environmental and social matters appears in the following paragraphs and will be included in the Beneficiary Agreement between MSME and NRPB, as general conditions for approval of the loan. The NRPB may adjust the language of the conditions as deemed necessary or appropriate, using subjective judgment and professional experience, calling upon the advice of peers or third parties as deemed prudent. Additional conditions will be written by the PFI Loan Officer on a case-by-case basis, taking into account the regulatory requirements, findings of the site visit, or other information. Reporting by the MSMEs shall also include updates and status reports on any of the relevant or special conditions described herein.

*Representations and Warranties*

1. The MSMEs operations and activities are in compliance with all applicable environmental, health, safety and labour regulatory requirements.
2. The MSMEs operations and activities do not involve any activity included in the List of Excluded Activities.
3. With respect to the MSMEs operations and activities, to the best of its knowledge and belief after due inquiry, there are no substantial or material liabilities, claims, or unmitigated risks to the MSMEs employees, buildings or offices, or assets due to environmental, occupational health and safety, or labour-related issues.

*Covenants*

The MSME shall:

1. Maintain all operations and activities in compliance with all applicable environmental, health, safety and labour regulatory requirements, including laws, regulations, and applicable land titles, permits/authorizations;
2. Ensure that all required permits are obtained and in force through the life of the agreement;
3. Not undertake any operation or activity included in the List of Excluded Activities;
4. Ensure that potentially adverse project-related environmental effects, from wastewater effluent, surface drainage, air emissions, and any other potential damage to the natural environmental, are adequately mitigated;
5. With respect to the MSME’s employees, buildings and offices, and assets, take all reasonable and prudent actions to avoid substantial or material liabilities, claims, or unmitigated risks due to environmental, occupational health and safety, or labour-related issues, and if such event does occur, take the appropriate and reasonable actions to adequately resolve and mitigate such liability, claim, or risk;
6. Ensure that appropriate health and safety and environmental protection measures are being used in connection with the implementation and operation of the facilities.
7. Promptly notify the NRPB of any incident or accident relating to its operations which could have a significant or material adverse effect on the environment, community or worker health and safety, such as worker health and safety accident resulting in death, hospitalization or more than 5 days of loss of worker time, material environmental health and safety regulatory noncompliance. The notification should include actions to resolve the issue/incident; and
8. *Environmental, Health and Safety Permits, Laws, and Regulations*
9. The MSME shall ensure that all required permits are obtained and in force through the life of the agreement. Where applicable, the MSME shall ensure that potentially adverse environmental effects, from wastewater effluent, surface drainage, and air emissions and any other potential damage to the natural environment are adequately permitted and mitigated in the operation and maintenance of project facilities.
10. The MSME shall ensure that appropriate health and safety and environmental protection measures are being used in connection with the implementation and operation of the facilities.
11. Additional recommendations from the site visit or by the environmental expert audit may include, as applicable, the following optional conditions or restrictions:
12. As applicable, any project-specific environment clause which should be added to the MSME finance agreement
13. As applicable, any project-specific administrative measures (that is, if supervision by the PFI or reporting by the MSME is required)

*Reporting*

The MSME shall furnish to the NRPB immediate notice (within 3 days) of any incident or accident relating to its operations which had an adverse effect on the environment or worker health and safety. In particular, such adverse effect is deemed to have occurred

1. Where the applicable law requires notification of the accident/incident to the authorities; and
2. Where the accident/incident involves fatality of worker(s) or multiple serious injury requiring hospitalization.

The MSME shall submit to the NRPB, as soon as available, but in any event within 45 days after the end of the calendar year, an annual report on environmental and worker health and safety matters relating to the project and its operations, in a form satisfactory to the World Bank, which shall include copies of any information on environmental matters that the Company may have to make available to the authorities and, in any event

1. The current status of environmental and worker health and safety permits, licenses, or other approvals required for operations (including copies of renewals or modifications of any such approvals);
2. A summary of incidents of noncompliance with the application of the environmental law, (including legal or administrative action or proceedings involving the MSME or fines, penalties, or increased charges imposed on the MSME);
3. Progress made on the implementation of any improvements recommended for environmental management or performance;
4. Worker health protection and safety initiatives (including training programs) taken by the MSME; and
5. Public complaints/representation, if any.

The report shall state the steps taken or proposed by the MSME to address any problems in the above areas and shall identify the person at the company with overall responsibility for environmental health and safety matters.

*Special Conditions*

In addition to the standard conditions stated earlier, the following requirements are included to take into account the regulatory requirements, findings of the site visit, or other information as appropriate and prudent to ensure that the MSME is fulfilling the intent to achieve full compliance status (such as a RAP) with laws, regulations, permit conditions, or compliance plans, as applicable. Reporting by the MSMEs shall also include updates and status reports on any of the relevant or special conditions described herein.

Step 7 - Administration, Evaluation, and Reporting

As part of administration, the SMESP will maintain information on the MSME E&S performance in its portfolio. The SMESP will require the following information of the MSMEs annually and will provide a summary report annually for the MSME portfolio funded by the project.

Requested from MSME:

* 1. Give details of any material environmental issues associated with their activities during the reporting period, in particular
1. Any accidents/litigation/complaints.
2. Any incidents of noncompliance with applicable environmental, health, and safety regulations and standards, such as fines, penalties, or excess fees for noncompliance; and
3. Any incidents of noncompliance by them with environmental covenants/conditionality imposed by the World Bank.
	1. Give details of any loans used to finance environmental improvements, such as energy efficiency, waste minimization, switch to cleaner technology, and reduction of permit fees or fines due to environmental improvements.
	2. Give details of any MSME failures due to environmental problems.
	3. State any difficulties and/or constraints related to the implementation of the environmental procedures.

In the annual report the NPRB will:

1. Provide breakdown of portfolio by type of transaction, industry sector, and environmental risk classification (low, medium, and high environmental risk MSMEs).
2. Describe how environmental procedures have been integrated into the transaction approval process.
3. Give details of any transaction rejected on environmental grounds, in particular, for actual or perceived noncompliance.
4. Give details of any other transaction rejected on health, and safety grounds.
5. Give details of any material environmental issues associated with Participants during the reporting period, in particular
	* 1. Any accidents/litigation/complaints.
		2. Any incidents of noncompliance with applicable environmental, health, and safety regulations and standards, such as fines, penalties, or excess fees for noncompliance; and
		3. Any incidents of noncompliance by Participants with environmental covenants/conditionality imposed by the World Bank.
6. Give details of any loans used to finance environmental improvements, such as energy efficiency, waste minimization, switch to cleaner technology, and reduction of permit fees or fines due to environmental improvements.
7. Give details of any MSME failures due to environmental problems.
8. Describe how the MSME’s environmental performance is monitored (for example, site visit by the World Bank or NRPB staff, inspection by environmental/health authorities, copies of updated permits, reports from the MSME). Include information on monitoring of special conditions from permits or other compliance-related items that were included in the loan agreement.
9. State any difficulties and/or constraints related to the implementation of the environmental procedures.

The SMESP Operations Officer will perform a yearly review of the portfolio and review a sample of the activity of the participating lenders to see what additional plans may be undertaken. The review will determine if the current ESMF is still valid or if they need to be updated. Based on the results of the annual reporting, the SMESP staff will utilize and evaluate this information to determine if any new ESHS plans are required. The annual portfolio review will allow the process to be guided by how the market is changing. Follow-ups on individual MSMEs will be performed if deemed necessary.

## Pest Management Plan Guidelines

If an MSME purchases or uses chemicals to manage pests (including herbicides, fungicides, insecticides, mildewcides, or other pesticides), then at a minimum, the MSME must not purchase or use chemicals which are currently or are soon to be prohibited by law or international agreement. A list of these pesticides appears in this document. In addition, the MSME must adhere to good practice and follow the laws and guidelines that are available in the host country.

When there are significant pest management issues identified, a Pest Management Plan (PMP) will need to be prepared. Significant pest management issues are described as (a) new land-use development or changed cultivation practices in an area, (b) significant expansion into new areas, (c) diversification into new crops in agriculture, (d) intensification of existing low-technology systems, (e) proposed procurement of relatively hazardous pest control products or methods, or (f) specific environmental or health concerns (for example, proximity of protected areas or important aquatic resources or worker safety issues). A PMP is also prepared when pest control products represent a large component of the project. The World Bank Group Pest Management Policy refers to ‘pesticides’ to include all chemicals used for the control of target pests (that is, herbicides, fungicides, insecticides, mildewcide, biocide, algaecide, and so on).

The PMP is a comprehensive framework through which pest management is defined and accomplished. The plan should identify elements of the program to include health and environmental safety, pest identification, and pest management, as well as pesticide storage, transportation, use, and disposal. The PMP is to be used as a tool to reduce reliance on pesticides, enhance environmental protection, and maximize the use of integrated pest management techniques. The PMP should apply to all the activities and individuals working on the project or activity. The PMP should be consistent with IPM and emphasize that nonchemical control efforts will be used to the maximum extent possible before pesticides are used.

The PMP must contain pest management requirements; outline the resources necessary for surveillance and control; and describe the administrative, safety, and environmental requirements. The plan should provide guidance for operating and maintaining an effective pest management program/activity. Pests included in the plan may be weeds and other unwanted vegetation, crawling insects, and other vertebrate pests. Without control, these pests provoke plants’ diseases. Adherence to the plan will ensure effective, economical, and environmentally acceptable pest management and will maintain compliance with pertinent laws and regulations.

The recommended structure of a PMP is presented in the following paragraphs:

1. **Background** which would outline (a) the *purpose* of the plan, (b) identify indicate *pest management authorities*, and (c) pest management program *objective*
2. **Responsibilities of individuals** (MSME manager, SMESP Operations Officer, and so on)
3. **General information** which should provide data on land use and soil, in the area where the pesticides are applied, climate, geomorphology, settlements in the area of concern, population, surface water, and so on, as well as inventory of land use and layout of facilities
4. **Priority of pest management** (for example, undesirable vegetation, vertebrate pests, and so on)
5. **Integrated pest management**
	1. *Principles of the integrated pest management* are the following:
		1. *Mechanical and physical control.* This type of control alters the environment in which a pest lives, traps and removes pests where they are not wanted, or excludes pests. Examples of this type of control include harborage elimination through caulking or filling voids, screening, and so on.
		2. *Cultural control.* Strategies in this method involve manipulating environmental conditions to suppress or eliminate pests. For example, spreading manure from stables onto fields to dry prevents fly breeding. Elimination of food and water for pests through good sanitary practices may prevent pest populations from becoming established or from increasing beyond a certain size.
		3. *Biological control*. In this control strategy, predators, parasites, or disease organisms are used to control pest populations. Sterile flies may be released to lower reproductivity. Viruses and bacteria which control growth or otherwise kill insects may be used. Parasitic wasps may be introduced to kill eggs, larvae, or other life stages. Biological control may be effective in and of itself but is often used in conjunction with other types of control.
		4. *Chemical control.* Pesticides kill living organisms, whether they will be plants or animals. At one time, chemicals were considered to be the most effective control available, but pest resistance rendered many pesticides ineffective. The trend is to use pesticides which have limited residual action. While this has reduced human exposure and lessened environmental impact, the cost of chemical control has risen due to requirements for more frequent application. Since personal protection and special handling and storage requirements are necessary with the use of chemicals, the overall cost of using chemicals as a sole means of control can be quite costly when compared with nonchemical control methods.
	2. *Integrated pest management outlines.* This subchapter addresses each major pest or category of similar pests, by site, in separate outlines.
	3. *Annual workload for surveillance, prevention, and control.* In this subchapter should indicate the number of man-hours expended for surveillance, prevention, and control of pests.
6. **Health and safety.** This section contains health and safety requirements as follows:
	1. *Medical surveillance of pest management personnel*. All personnel who apply pesticides have to be included in a medical surveillance program.
	2. *Hazard communication*. Pest management personnel are given hazard communication training, to include hazardous materials in their workplace. Additional training is to be given to new employees or when new hazardous materials are introduced into the workplace.
	3. *Personal protective equipment*. This chapter has to describe approved masks, respirators, chemical resistant gloves and boots, and protective clothing (as specified by applicable laws, regulations, and/or the pesticide label) that are provided to pesticide applicators. These items are used, as required, during the mixing and application of pesticides. Pesticide-contaminated protective clothing is not to be laundered at home but commercially. Severely contaminated clothing is not laundered but is considered a pesticide-related waste and disposed, as applicable for hazardous waste.
	4. *Fire protection*. The fire safety protection requirements have to be established; the Pest Management Coordinator has to control implementation of measures to prevent fire.
7. **Environmental Considerations**
	1. *Protection of the public*. Precautions are taken during pesticide application to protect the public, on and off the installation. Pesticides should not be applied outdoors when the wind speed exceeds 155 m per min. Whenever pesticides are applied outdoors, care is taken to make sure that any spray drift is kept away from individuals, including the applicator. Pesticide application indoors is accomplished by individuals wearing the proper personal protective clothing and equipment. At no time are personnel permitted in a treatment area during pesticide application unless they have met the medical monitoring standards and are appropriately protected.
	2. *Sensitive areas.* No pesticides are applied directly to wetlands or water areas (lakes, rivers, and so on) unless use in such sites is specifically approved.
	3. *Endangered/protected species and critical habitats.* Protected migratory birds which periodically appear on the installation cannot be controlled without a permit. The Pest Management Coordinator periodically evaluates ongoing pest control operations and evaluates all new pest control operations to ensure compliance with the list of endangered species. No pest management operations are conducted that are likely to have a negative impact on endangered or protected species or their habitats without prior approval from environmental authorities.
	4. *Environmental documentation.* An environmental assessment which specifically addresses the pesticide use program on the installation has been prepared. This plan is referenced in the assessment as documentation of pesticide use.
8. **List of Prohibited Pesticides**.

Prohibited pesticides are listed below and include the World Health Organization’s dirty dozen’ which are prohibited as well:

|  |
| --- |
| * 2, 4, 5, -T aldicarb
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| * Aldrin
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| * Binapacryl
 |
| * Captafol
 |
| * Chlordane
 |
| * Chlordecone
 |
| * Chlordimeform
 |
| * Chlorobenzilate
 |
| * DDT
 |
| * Dieldrin
 |
| * Dinoseb and dinoseb salts
 |
| * 1, 2-dibromoethane (EDB)
 |
| * Endrin
 |
| * Fluoracetamide
 |
| * HCH (mixed isomers)
 |
| * Heptachlor
 |
| * Hexachlorobenzene
 |
| * Lindane
 |
| * Mercury compounds
 |
| * Mirex
 |
| * Paraquat
 |
| * Pentachlorophenol
 |
| * Toxaphene
 |
| * Monocrotophos
 |
| * Methamidophos
 |
| * Phosphamidon
 |
| * Methyl parathion
 |
| * Parathion
 |
| * Alpha hexachlorocyclohexane
 |
| * Beta-HCH
 |
| * Pentachlorobenzene
 |

## Environmental Management Plan (EMP) for small construction/rehabilitation works

The following are standard mitigation measures for the small civil works which have been determined to be of Low ESHS Risk or minimal environmental impact. These mitigation measures are the core of a generic, standardized EMP for these types of small works and the typical associated minor impacts which can be routinely addressed with good ESHS practice. These measures are general and may be modified to conform with applicable laws and regulations of Sint Maarten and contract procedures for such works. These mitigative measures are intended for relatively simple environmental management issues and are based on good ESHS practice and industry standards. These are the mitigation measures which are expected of all who engage in small construction/rehabilitation works and represent the minimum standard for ESHS for the beneficiaries of the project.

**1. Permits and Approvals**

The beneficiary shall be responsible for ensuring that he or she has all relevant legal approvals and permits required to commence works.

**2. Site Security**

The beneficiary or his/her contractor shall be responsible for maintaining security over the construction site, including the protection of stored materials and equipment. In the event of severe weather, the site shall be secured and associated equipment in such a manner as to protect the site and adjacent areas from consequential damages. This includes the management of on-site construction materials, construction and sanitary wastes, additional strengthening of erosion control and soil stabilization systems, and other conditions resulting from on-site activities which may increase the potential for damages.

**3. Discovery of Antiquities**

If, during execution, earth-moving, or other activities, any material is discovered on-site which may be considered of historical or cultural interest, such as evidence of prior settlements or burial grounds, native or historical activities, evidence of any existence on a site which may be of cultural significance, all work shall stop and the area in which the material was discovered shall be secured, cordoned off, and marked and the evidence preserved for examination by the local archaeological or cultural authority. No item believed to be an artifact must be removed or disturbed by any of the workers. Work may resume upon permission from the appropriate authorities with any restrictions offered to protect the site.

**4. Worker Occupational Health and Safety**

The beneficiary or his/her contractor shall ensure that all workers operate within a safe environment. Sanitation facilities shall be provided for all site workers. All sanitary wastes generated because of project activities shall be managed in a manner approved by the local authority responsible for public health. There shall be first aid available on site. Workers must be provided with the necessary protective gear as per their specific tasks, such as hard hats, overalls, gloves, goggles, and boots, as appropriate. All workers must operate within a safe environment. All relevant Labor and Occupational Health and Safety regulations must be adhered to ensure worker safety. Appropriate posting of information within the site must be done to inform workers of key rules and regulations to follow.

**5. Noise Control**

The beneficiary or his/her contractor shall control noise emissions generated because of on-site activities to the extent possible. In the case of site locations where noise disturbance will be a concern, it shall be ensured that the equipment is in good working order with manufacturer-supplied noise suppression (mufflers and so on) systems functioning and in good repair. Where noise management is a concern, schedule activities during normal working hours (between 8 a.m. and 5 p.m.). Where noise is likely to pose a risk to the surrounding community either by normal works or working outside of normal working hours or on weekends, develop a public notification and noise management plan. Specific elements of the noise control activities shall include the following: construction/work activities will occur within specified daylight hours, for example, 8:00 a.m. to 4:00p.m.; community/public should be informed in advance of any work activities to occur outside of normal working hours or on weekends; sites should be fenced wherever possible; during operations, the engine covers of generators, air compressors, and other powered mechanical equipment shall be closed, and equipment should be placed as far away from residential areas as possible; there will be no excessive idling of construction vehicles at sites; noise suppression equipment or systems supplied by the manufacturer will be utilized; and, it should be ensured that all vehicles and equipment are properly serviced.

**6. Use and Management of Hazardous Materials, Fuels, Solvents, and Petroleum Products**

The use of any hazardous materials, including oils, fuels, and petroleum products, shall conform to the proper use recommendations of the product. Waste hazardous materials and their containers shall be disposed of in a manner approved by the local authorities. A site management plan will be developed if the operation involves the use of these materials to include estimated quantities to be consumed in the process, storage plans, spill control plans, and waste disposal practices to be followed. This plan and the manner of management are subject to the approval of local authority responsible for safety and waste management. Elements of the hazardous materials management shall include the following: contractor must provide temporary storage on site of all hazardous or toxic substances in safe containers labeled with details of composition, properties, and handling information; the containers of hazardous substances shall be placed in a leak-proof container to prevent spillage and leaching; the wastes shall be transported by specially licensed carriers and disposed of in a licensed facility; paints with toxic ingredients or solvents or lead-based paints will not be used; and banned chemicals will not be used on any project.

**7. Use and Management of Pesticides**

The project will not fund activities that involve the purchase or use of significant quantities of pesticides, unless a Pest Management Plan has been prepared and approved by the PIU. For incidental, minor use of pesticides, the use of pesticides shall be in accordance with this EMP and shall conform to the manufacturers’ recommendations for use and application. Persons using pesticides shall demonstrate that they have read and understood these requirements and are capable of complying with the usage recommendations to the satisfaction of the contracting officer. All pesticides to be used shall conform to the list of acceptable pesticides that are not banned by the relevant local authority. If termite treatment or vector control is to be utilized, exclude the list of prohibited pesticides in Step 2 of the ESMF process and ensure appropriate chemical management measures are implemented to prevent contamination of surrounding areas, and use only licensed and registered pest control professionals with training and knowledge of proper application methods and techniques.

**8. Use of Preservatives and Paint Substances**

All paints and preservatives shall only be used in accordance with the manufacturers’ recommendations for use and application. Information shall be provided to workers which describes the essential components of the materials to be used so that an informed determination can be made as to the potential for environmental effects and suitability can be made. Storage, use, and disposal of excess paints and preservatives shall be managed in conformance with the manufacturers’ recommendations and in accordance with local authorities’ requirements. If appropriate a Plan should be prepared with a list of materials and estimated quantities to be used and storage, spill control, and waste disposal plans to be observed during the execution of the works.

**9. Site Stabilization and Erosion Control**

The beneficiary or his/her contractor shall implement measures to manage soil erosion through minimization of excavated area and time of exposure of excavated areas, preservation of existing ground cover to the extent possible, and provision of approved ground cover. Where excavations are made, implement appropriate stabilizing techniques to prevent cave-in or landslide, and ensure that appropriate erosion control measures such as silt fences are installed. Proper site drainage must be implemented. Any drain clogged by construction material or sediment must be unclogged as soon as possible to prevent overflow and flooding. The use of retaining structures and planting with deep-rooted grasses to retain soil during and after works must be considered. The use of bioengineering methods must be considered as a measure to reduce erosion and land slippage. Keep angle of slopes within limits of soil type. Balance cut and fill to limit steepness of slopes. All slopes and excavated areas must be monitored for movement.

All construction materials must be properly stored. Establish appropriate erosion and sediment control measures such as, sedimentation basins, and/or silt fences and traps to prevent sediment from moving off site and causing excessive turbidity in nearby streams, ponds, lagoons, and coastal waters. An erosion management plan must be required where the potential exists for significant sediment quantities to accumulate in, streams, ponds, lagoons and nearshore marine systems. This plan shall include a description of the potential threat, mitigation measures to be applied, and consideration for the effects of severe weather and an emergency response plan. If works are along coastal marine areas or near major streams, ponds, lagoons, water quality monitoring must be done before construction and at regular intervals to determine turbidity levels and other quality parameters. Construction vehicles and machinery will be washed only in designated areas where runoff will not pollute groundwater or natural surface water bodies.

**10. Air Quality**

The following conditions apply to work sites for the control of air quality including dust control:

* Construction materials such as sand, cement, or other fines should be kept properly covered.
* Cement should be kept stored within a shed or container.
* The sand and fine particles can be moistened with sprays of water.
* Unpaved, dusty construction roads should be compacted and then wet periodically.
* During interior demolition, debris-chutes shall be used above the first floor.
* Demolition debris shall be kept in controlled area and sprayed with water mist to reduce debris dust.
* During pneumatic drilling/wall destruction, dust shall be suppressed by ongoing water spraying and/or installing dust screen enclosures at the site.
* The surrounding environment (sidewalks, roads) shall be kept free of debris to minimize dust.
* There will be no burning of construction/waste material at the site.
* There will be no excessive idling of construction vehicles at sites.
* The bins of all haulage vehicles transporting aggregate or building materials must be covered on all public roads.

**11. Traffic Management**

In the event that the rehabilitation/construction activities will result in the disruption of area transportation services, including temporary loss of roadways, blockages due to deliveries and site-related activities, the beneficiary or his/her contractor shall prepare a traffic management plan, including a description of the anticipated service disruptions, community information plan, and traffic control strategy to be implemented so as to minimize the impact to the surrounding community. This plan shall consider time of day for planned disruptions and shall include consideration for alternative access routes, access to essential services such as medical, disaster evacuation, and other critical services. The plan shall be approved by the relevant local authority and shall include the following: alternative routes are to be identified in the instance of extended road works or road blockages; the public should be notified of all disturbance to their normal routes; signposting, warning signs, barriers, and traffic diversions must be clearly visible and the public warned of all potential hazards; provision must be made for the safe passages and crossings for all pedestrians where construction traffic interferes with their normal route; there must be active traffic management by trained and visible staff at the site or along roadways, as required, to ensure safe and convenient passage for the vehicular and pedestrian public; and there should be adjustment of working hours to local traffic patterns, for example, avoiding major transport activities during rush hours or times of livestock movement.

**12. Management of Standing Water**

Under no circumstances shall the beneficiary or his/her contractor permit the collection of standing water as a consequence of contractor activities without the approval of the relevant local environmental health authority. Recommendations from that local authority on how to manage and treat the standing water must be implemented. The condition of the standing water must be monitored by the contractor to ensure that it does not present itself as a breeding ground for any pests such as mosquitoes.

**13. Management of Solid Wastes - Trash and Construction Debris**

The beneficiary or his/her contractor shall ensure that waste management conforms to the solid waste management policies and regulations of the relevant authority. Under no circumstances shall construction wastes accumulate, to cause a nuisance or health risk due to the propagation of pests and disease vectors. The site waste management plan shall include a description of how wastes will be stored, collected, and disposed of in accordance with policy and legislation. Additionally, provide for the regular removal and disposal of all site wastes and provide a schedule for such removal.

**14. Management of Liquid Sanitary Wastes**

Provisions must be made for liquid sanitary waste management that conforms to the waste management policies and regulations of the relevant authority. Under no circumstances shall construction-related liquid wastes accumulate on or off the site or to flow over or from the site in an uncontrolled manner or to cause a nuisance or health risk due to its contents. The site waste management plan shall include a description of how these wastes will be stored, collected, and disposed of in accordance with policy and legislation. Additionally, provide for the regular removal and disposal of all site wastes and provide a schedule for such removal.

Specific elements of liquid waste management shall include the following: abide by all pertinent waste management and public health policy and legislation; waste collection and disposal pathways and sites will be identified for all major waste types expected from demolition and construction activities; construction and demolition wastes will be stored in appropriate bins; liquid and chemical wastes will be stored in appropriate containers separated from the general refuse; all waste will be collected and disposed of properly in approved landfills by licensed collectors; the records of waste disposal will be maintained as proof for proper management as designed; whenever feasible reuse and recycle appropriate and viable materials (except asbestos).

**15. Special Condition - Management of Asbestos**

In the event that during the course of work activities the contractor discovers asbestos as part of the existing site and is required to stabilize and remove it, the beneficiary must ensure that a qualified contractor is engaged and contact the relevant local authorities immediately. If work has already commenced, all work in the area must stop immediately. An asbestos management plan must be prepared by the contractor and approved by the relevant local health and waste management authorities and the contracting officer describing how this material will be stored, collected, and disposed of in accordance with current law and identifying the approved experienced professional who will undertake this work. The plan must include the following:

* Description of the issue and extent of contamination
* Site safety measures
* Stabilization techniques to be employed
* Storage and transport plan
* Approved disposal procedure
* Worker awareness and training

In preparing the plan, the contractor should liaise with the relevant local health and waste management agencies to ensure the adequacy of the measurements being proposed.

Site management shall consist at a minimum of enclosing relevant sections of the site with appropriate material by the contractor. Where possible, the asbestos and its location must be appropriately contained and sealed to minimize exposure, and any asbestos shall be marked clearly as a hazardous material. Stabilizing friable asbestos will be done before removal (if removal is necessary), and it will be treated with a wetting agent to minimize asbestos dust. Asbestos will be handled and disposed by skilled and experienced professionals using appropriate personal protective equipment such as respirators and tyvek suits which will be provisioned to workers to protect them and prevent contamination with asbestos fibers. Respiratory protection, together with measures to prevent the contamination of clothing and inadvertent transport of asbestos fiber offsite, shall be provided to all exposed workers. If asbestos material is to be stored temporarily, the wastes should be securely enclosed inside closed containments and marked appropriately. Security measures must be implemented against unauthorized removal of asbestos from the site. No removed asbestos will be reused.

1. [https://firstforsustainability.org/risk-management/understanding-environmental-and-social-risk/](https://firstforsustainability.org/risk-management/understanding-environmental-and-social-risk) [↑](#footnote-ref-1)
2. <https://www.worldbank.org/en/projects-operations/environmental-and-social-policies> [↑](#footnote-ref-2)
3. <http://www.ifc.org/ehsguidelines>. [↑](#footnote-ref-3)
4. *Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden)* [↑](#footnote-ref-4)