

UGANDA ENERGY CREDIT CAPITALISATION COMPANY



ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM MANUAL
FOR
ELECTRICITY ACCESS SCALE UP PROJECT – COMPONENT 2,3&4 FOR
UECCC

FINAL VERSION - JUNE 2023

ENVIRONMENT AND SOCIAL MANAGEMENT
SYSTEM MANUAL
(ESMS-01)

June 2023

The Environmental and Social Management System hereinafter referred to as the ESMS builds on the various policies and management instruments already developed and applied by UECCC and are to be implemented to ensure that the organisation can effectively manage environmental and social risks and impacts that are likely to be associated with Components 2, 3 and 4 of the Electricity Access Scale-up Project to be implemented by UECCC.




Approved by Board of Directors



Ramathan Ggoobi

Chairman, Board of Directors

DOCUMENT CONTROL

Document Title: Environmental and Social Management System Procedures Manual for the Electricity Access Scale-up Project Components 2, 3, and 4 under Uganda Energy Credit Capitalisation Company.				
	Name	Title	Signature	Document Revision Number
Author	Edgar Mugisha	Environmental Consultant		V00
Reviewer(s)	UECCC	Transaction Execution Team and Managing Director		V01
		Risk Manager		
	Caroline Aguti, Dr. Paul Okiror	MEMD E&S Team		
Approver	Board of Directors	Chair		V02

Effective Date:

TABLE OF CONTENTS

LIST OF ACRONYMS AND ABBREVIATIONS	i
DEFINITION OF TERMS	iii
1 INTRODUCTION	1
1.1 Background	1
1.2 Fund Flow for the EASP Components 2,3 and 4	4
1.3 The UECCC EASP Financing Instruments and the expected E&S Risks and Impacts 5	5
1.4 Purpose of this Environmental and Social Management System (ESMS).....	7
1.5 Scope and Limitation of the ESMS.....	7
1.6 Implementation Requirements for the ESMS.....	8
2 THE ESMS COMPONENTS	11
3 THE ESMS POLICY.....	16
3.1 Policy Approach	16
3.2 Policy Statement	16
3.3 Policy Objectives and Targets	18
4 THE ESMS PROCEDURES MANUAL.....	19
4.1 Purpose of the ESMS Procedures	19
5 THE ESMS PROCEDURES	20
5.1 Procedure for Environmental and Social Screening.....	20
5.2 Procedure for Environmental and Social Risk Categorisation and Impact Identification.....	22
5.3 Procedure for Environmental and Social Due Diligence	23
5.4 Procedure for Conditions of Financing/Legal Provisions	25
5.5 Procedure for Environmental and Social Monitoring	27
5.6 Procedure for Reporting on Environmental and Social Performance	29
6 UECCC E&S CAPACITY REQUIREMENTS	30
6.1 Roles and Responsibilities of UECCC staff Implementing the ESMS.....	30
6.2 Training, Capacity Building and Technical Assistance	31
6.3 Procedure for Organisational Capacity Competence and Training	32
6.4 Procedure for Stakeholder Engagement and Information Disclosure.....	33
6.5 Procedure for Planning for Environmental and Occupational Health & Safety	35
6.6 Procedure for Grievance Management.....	37
6.6.1 Grievance Redress Mechanism.....	38
6.7 Procurement of Goods and Services.....	41
6.8 Procedure for Internal Audit	42
6.9 Procedure for Management Review	44

6.10	Procedure for Incident, Non-Conformity Reporting and Investigation and Determining Corrective and Preventive Actions.....	45
7	BUDGET	47
	ANNEXURES.....	48
	General ESMS Procedures	48
	Annexure 1: Model ESMS Manual for a PFI	48
	Annexure 2: Labour Declaration Form	51
	Annexure 3: ESMS Format for the Private Energy Companies	52
	Annexure 4: Procedure for Update of the UECCC Environmental and Social Management System (ESMS).....	55
	Annexure 5: Procedure for Updating E&S Objectives, Targets on the EASP and Planning to Achieve Them.....	57
	Annexure 6: An Indicative Outline of the Environmental and Social Management Plan (ESMP) for Private Energy Companies.....	58
	Annexure 7: Eligibility Criteria for Private Energy Companies	59
	APPENDICES.....	61
	Appendix 1: List of Excluded Activities	61
	Appendix 2: Risk Rating Criteria.....	62
	Appendix 3: Indicative Risks and Impacts of the subprojects to be financed	63
	Appendix 4: Environmental & Social Transaction Screening Form	67
	Appendix 5: Environmental and Social Commitment Plan (ESCP).....	70
	Appendix 6: E&S Due Diligence Checklist.....	71
	Appendix 7: Outline of an Environmental and Social Due Diligence Report.....	73
	Appendix 8: UECCC E&S Performance Report to World Bank	74
	Appendix 9: Annual E&S Performance Reporting Template to World Bank	75
	Appendix 10: Quarterly E&S Performance Reporting Template	76
	Appendix 11: Grievance Form.....	77
	Appendix 12: Grievance Management Structure.....	78
	Appendix 13: Internal Audit Checklist.....	79
	Appendix 14: Incident, Non-Conformity, and Corrective Action Log	86
	Appendix 15: Flow Chart indicating the E&S Reporting Hierarchy	89
	Additional Support Documents.....	90
	Appendix 16: A Model ESMS Policy for PFIs.....	90
	Appendix 17: Model ESMS Policy for Private Energy Companies.....	92

LIST OF ACRONYMS AND ABBREVIATIONS

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
EASP	Electricity Access Scale-up Project
EHS	Environment, Health and Safety
E&S	Environment and Social
ERP	Emergency Response and Preparedness
ESCP	Environmental and Social Commitment Plan
ESDD	Environmental and Social Due Diligences
ESF	Environmental and Social Framework
ESHS	Environmental, Safety, Health and Social
ESMS	Environmental and Social Management System
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Safeguards
GBV	Gender Based Violence
GoU	Government of Uganda
IFC	International Finance Corporation
ILO	International Labour Organisation
ISO	International Organisation for Standardisation
KPIs	Key Performance Indicators
LC	Local Council
LPG	Liquefied Petroleum Gas
MEMD	Ministry of Energy and Mineral Development
MFI	Micro Finance Institutions
MOES	Ministry of Education and Sports
MOH	Ministry of Health
MOWE	Ministry of Water and Environment
MTEF	Medium-Term Expenditure Framework
NEMA	National Environment Management Authority
OHS	Occupational Health and Safety
PA	Participating Agreement
PCB	Poly Chloro Biphenyls
PCU	Project Coordination Unit
PDCA	Plan-Do-Check-Act
PFI	Participating Financial Institution
PIU	Project Implementation Unit
POM	Project Operations Manual
PPDA	Public Procurement and Disposal of Public Assets
PPE	Personal Protective Equipment

PUE	Protective Unit Equipment
PTW	Permit to Work
RBF	Result Based Financing
RHD	Refugees and Host Community District
SACCO	Savings and Credit Cooperative Organisations
SEP	Stakeholder Engagement Plan
SMART	Smart, Measurable, Achievable, Realistic & Timebound
SP	Service Providers
TA	Technical Assistance
TNA	Training Needs Assessment
UECCC	Uganda Energy Credit Capitalisation Company

DEFINITION OF TERMS

The following definitions are relevant to this ESMS.

Term	Definition
Audit	Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled. An audit can be an internal audit (internal and responsibility of UECCC) or an external audit (external to UECCC and a responsibility of the Auditor General of Government).
Applicant	A Participating Financial Institution or private energy company expressing interest in obtaining financing from UECCC using EASP funds.
Client	A Participating Financial Institution or private energy company that has successfully obtained funding from UECCC using EASP funds.
Conformity	Fulfilment of a requirement.
Continual Improvement	Recurring activity to enhance E&S performance. Enhancing performance relates to the use of the E&S management system in order to achieve improvement in overall E&S performance consistent with the E&S Policy and the E&S objectives.
Contractor	External organisation providing services to the organisation in accordance with agreed specifications, terms and conditions.
Corrective Action	Action to eliminate the cause of nonconformity.
Documented Information	Information required to be controlled and maintained by an organisation and the medium on which it is contained. Documented information can be in any format and media and from any source.
Environment	Surroundings in which an organisation operates, including; air, water, land, natural resources, flora, fauna, humans and their interrelationships. Surroundings can extend from within an organisation to the local, regional and global system.
Environment Aspect	Element of the organisation's activities, products, services that interact or can interact with the environment and can cause environmental impacts.
Environment Impact	Change to the environment (positive or negative).
Hazard	Source with a potential to cause harm, injury or ill health. Hazards can include sources with the potential to cause harm or hazardous situations or circumstances with the potential for exposure leading to injury, ill health, reputational damage equipment damage and/or harm or damage to Environment.
Incident	An unintended event that disturbs normal operations. An unplanned, undesired event that adversely affects the completion of a task.
Injury and ill-health	Adverse effect on the physical, mental, or cognitive condition of a person.
Inspection	Inspections use observation, measurement, testing, and judgment to evaluate conformity. Inspection results are compared with specified requirements in order to establish whether conformity has been achieved.
Interested Party (stakeholder)	Person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity. Interested parties may be directly affected by the organisation or actively concerned about its performance. Interested parties can come from inside or outside of the organisation. Interested parties are also referred to as stakeholders.
Legal requirements and other requirements	Legal requirements refer to all applicable national laws, regulations, directives, which relate to E&S matters, whereas other requirements are the applicable international E&S standards including the World Bank

	ESS and contractual requirements between UECCC and project implementing partners under the EASP.
Management System	Set of interrelated or interacting elements of an organisation to establish policies and objectives and processes to achieve those objectives.
Monitoring	Determining the status of a system, a process or an activity. To determine the status, there may be a need to check, supervise or critically observe.
Nonconformity	Non-fulfilment of a requirement.
Objective	Result to be achieved. An objective can be strategic, tactical, or operational. An objective can be expressed in other ways, e.g., as an intended outcome, a purpose, an operational criterion, as a management system objective, or by the use of other words with similar meaning (e.g., aim, goal, or target).
Organisation	Person or group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.
Participating Financial Institution (PFI)	Commercial institutions in form of banks and microfinance institutions that enter into agreements with UECCC to receive and disburse its funds to the private energy companies.
Performance	Measurable result. Performance can relate either to quantitative or qualitative findings and the management of activities, processes, products (including services), systems or organisations.
Policy	Intentions and direction of an organisation as formally expressed by its Top Management.
Private Energy Company	Private companies engaged in renewable energy activities and interested in obtaining funding from UECCC either directly or from the PFIs.
Project	These are renewable energy activities directly implemented by UECCC.
Procedure	Specified way to carry out an activity or a process. Procedures may be documented or not.
Requirement	Need or expectation that is stated, generally implied or obligatory. A specified requirement is one that is stated, for example, in documented information.
Risk	Effect of uncertainty. Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.
Sub-project	Renewable energy projects financed by UECCC through the Participating Financial Institutions or directly funded through the private energy companies.
Top / Senior Management	Person or group of people who directs and controls an organisation at the highest level. Note: Top Management has the power to delegate authority and provide resources within the organisation.

1 INTRODUCTION

1.1 Background

The Government of Uganda (GoU) has received funding from the World Bank for the implementation of the Electricity Access Scale-up Project (EASP), which aims at increasing access to energy for households, commercial enterprises, industrial parks, and public institutions nationwide, including Refugees and Host Community Districts (RHDs). The EASP is designed as a scale-up intervention targeting more than one (1) million electricity connections, as well as supporting grid extension and intensification, and financial intermediation for energy access (i.e., solar home systems, clean cooking solutions, productive uses, and electrification of public institutions). The EASP will be implemented over a period of five (5) years.

Project implementation will be carried out by the Ministry of Energy and Mineral Development (MEMD) and the Uganda Energy Credit Capitalisation Company (UECCC) through dedicated Project Implementation Units (PIUs). A Project Coordination Unit (PCU) has been established at the MEMD to provide overall project coordination.

The EASP comprises of the following 5 components:

- Component 1: Grid Expansion and Connectivity, to be implemented by the Project Implementation Unit (PIU) at MEMD
- Component 2: Financial Intermediation for Energy Access Scale-up to be implemented by the Project Implementation Unit (PIU) at UECCC.
- Component 3: Energy Access in Refugee Host Communities. The PIU at MEMD will implement sub-component 3.1 on Grid Expansion and connectivity in Refugee Host Districts (RHDs), while the PIU at UECCC will implement sub-component 3.2 on the financial intermediation for energy access in the RHDs.
- Component 4: Project Implementation Support and Affordable Modern Energy Solutions. This is intended for the recruitment of adequate staff and consulting firms, capacity building, technical assistance programs and other implementation support activities at both UECCC and MEMD.
- Component 5: Contingent Emergency Response to address situations of Urgent Need of Assistance and Capacity Constraints during project implementation as and when they arise.

Uganda Energy Credit Capitalisation Company (UECCC) is a Government of Uganda owned Company in place to facilitate investments in Uganda's Renewable Energy Sector. UECCC is the administrator of the Uganda Energy Capitalisation Trust ("The Trust") which is a framework for pooling resources from Government and Development Partners and channelling the same to renewable energy projects. UECCC's main objective is to provide financial, technical and other support for renewable energy development in Uganda with particular focus on enabling private sector participation.

In this project, UECCC will provide financial, technical, and other support for off-grid and clean cooking energy access under Components 2,3 and 4 of the EASP as described in Annexure 1.

- a) Component 2: Financial intermediation for energy access scale up is comprised of two sub-components.
 - i. Sub component 2.1 entails provision of Partial Risk Guarantees and lines of Credit to Participating Financial Institutions (PFIs) for on lending to households and enterprises, for acquisition of efficient/quality renewable energy/clean energy technologies. The types of technologies, sizes and quality standards include the following:

Types, sizes and quality standards of eligible clean energy technologies

Technology	Indicative Size (Range)	Average Price (USD)	Quality standards
Solar technology			
Solar lanterns	3-5 watts	10-35	Uganda National Bureau of Standards (UNBS)
Solar home systems	6-100 watts	97-400	UNBS
Solar systems for enterprises	100-2000 watts	400-16,000	UNBS
Small Solar Productive Uses (PUEs)	500 watts -4000 watts	480-2500	International standards verified by UNBS at point of entry into the country
Clean Cooking Solutions			
Domestic improved biomass cookstoves Class 3-1	Size 1, 2 and 3	17.6	UNBS
LPG Size	6kg and 12kgs	70.7	International standards verified by UNBS at point of entry into the country
Domestic Biogas systems	6, 9 &12 (cubic meter)	586.7	UNBS
Ethanol Cookstoves	One burner	53.3	International standards verified by UNBS at point of entry into the country
Electric Cooking devices			
Induction/Infrared Cookers	One burner cookstoves	74.7	International standards verified by UNBS at point of entry into the country
Electric Pressure Cookers	3 &5 liter	70.7	International standards verified by UNBS at point of entry into the country
solar cooker with PV and battery	Panel size 275 watts, 2 saucepans (6L) 1 pot cooker.	533.3	International standards verified by UNBS at point of entry into the country

Productive use Equipment typologies*

Technology	Indicative Size (Range)	Average Price (USD)	Quality standards
Solar Powered Water Pump, including the components required to power the pump and including the irrigation equipment required to make best use of the pump such as piping and water storage.	0.5kW	1300-2100	International standards verified by the EASP RBF technical committee
Solar Powered Refrigerators, including the components required to power the refrigerator	0.5kW / 300L	900-1800	International standards verified by the EASP RBF technical committee

Solar-Powered Milling Machines	Grain	4kW	800-1600	International standards verified by the EASP RBF technical committee
Solar Water Heaters		300L	800-1600	International standards verified by the EASP RBF technical committee
On-grid Refrigerators and Freezers		1kW	600-1300	International standards verified by the EASP RBF technical committee
On-Grid Grain Milling Machines		5kW	600-1300	International standards verified by the EASP RBF technical committee

*The list of eligible productive uses technologies will be expanded as necessary during ESAP implementation.

Under the same sub-component, UECCC will provide direct lending and grants to private energy companies as working capital loans for purchase or import financing for stock, expenses relating to acquisition of the stock including taxes, import dues, transport costs and clearing other expenses relating to stock, and as grants for removal of market. The Participating Financial Institutions (PFIs) include commercial banks, microfinance institutions, Savings and Credit Cooperative Organisations (SACCOs), leasing companies and funds.

- ii. Sub-component 2.2 entails provision of grants to ministries (i.e., Ministry of Health (MoH), Ministry of Education and Sports (MoES), and Ministry of Water and Environment (MoWE) for electrification of public institutions such as health centres, schools and water supply schemes using solar. The ministries will procure private energy companies to supply, install, operate and maintain the solar systems.
- b) Component 3: Energy Access in Refugee Host Communities using the same instruments for the financial intermediation for energy access described in subcomponent 2.2 above. UECCC will implement sub-component 3.2 in the RHDs. The funding instruments will address the energy access needs of refugees and host communities.
- c) UECCC will facilitate off-grid energy access through financial instruments which include lines of credit, grants and guarantees. UECCC will implement its financial intermediation component through Participating Financial Institutions (PFIs) which may include commercial banks, microfinance institutions, Savings and Credit Cooperative Organisations (SACCOs), leasing companies and investment funds. The funding instruments will address the needs of refugees and host communities, under component 3 of EASP, whereas Component 4 supports the formation and operation of a PIU within UECCC to implement UECCC's scope within EASP and Technical Assistance (TA) support to implementing partners namely the PFIs and Private energy companies.

UECCC and PFIs have an important role to play in ensuring that financing resources are invested in a way that supports preservation of a clean environment and the earth's natural resources, as well as ensuring that such financing does no harm workers and communities and that they (workers and communities) are treated fairly and equitably.

As a pre-condition of EASP project effectiveness, UECCC, therefore, seeks to put in place an Environmental and Social Management System (ESMS) to govern the management of Environmental and Social (E&S) aspects from the components 2 and 3 of the EASP that UECCC is meant to implement. UECCC will provide technical support to PFIs and Private energy companies to ensure they establish their ESMS commensurate to the nature and magnitude of E&S risks and impacts of the PFIs subprojects/activities (supported through EASP).

The ESMS provides Policy and Procedures that will strengthen management of impacts and risks that are environmental and social in nature including health and safety accruing from the EASP.

The ESMS has been developed in line with the World Bank Environmental and Social Framework (ESF), including Standard 9 (WB ESS9) on Financial Intermediaries.

In addition to the above, for the ESMS to be more comprehensive and meet the relevant national legislation and international good industry practice requirements, the following legislation or standards have also served as a key reference point:

- a) The International Finance Corporation (IFC) requirements for an Environmental and Social Management System;
- b) IFC E&S Performance Standard for Sustainability;
- c) IFC ESMS Implementation Handbook 2015;
- d) Uganda Occupational Health and Safety Act, 2006;
- e) The Uganda National Environment Act, 2019;
- f) ISO 14001:2015 (Environmental Management System);
- g) ISO 45001:2018 (Occupational Health & Safety Management System) - all the elements are further elaborated in Section 4 of this ESMS Manual;
- h) The International Labour Organisation (ILO) Labour Standards (that are applicable and have been ratified in Uganda; and
- i) The World Bank Group General Environmental Health and Safety Guidelines.

Implementation of the ESMS is an iterative process requiring continual review¹ and refinement with due consideration of changes in internal and external processes, funding strategies, perceived E&S risks and impacts to which the organisation is exposed under EASP, and also to changes in relevant national and international regulatory regimes.

The ESMS will therefore have to be updated annually, and if the need arises, in order to manage any changes in the aforementioned scenarios.

1.2 Fund Flow for the EASP Components 2,3 and 4

UECCC shall receive funding from the World Bank through the Government of Uganda (Ministry of Finance Planning and Economic Development) and shall extend this fund as described below:

- a) As lines of credit, grants and guarantees to PFIs including Tier 1-4 financial institutions, leasing companies, and funds for on lending to private energy companies and end users for increased access to clean energy technologies in line with the EASP Project objectives. Final beneficiaries will benefit from loans from the lines of credit and grants to address affordability constraints. Specific terms and conditions and implementation arrangements of the lines of credit, grants and guarantees are provided in Annexure 1 and the UECCC EASP POM.
- b) To private energy companies as working capital loans for purchase or import financing for stock, expenses relating to acquisition of the stock including taxes, import dues, transport costs and clearing other expenses relating to stock, and as grants for removal of market barriers.
- c) As grants to ministries (i.e., Ministry of Health (MoH), Ministry of Education and Sports (MoES), and Ministry of Water and Environment (MoWE) for electrification of public institutions such as health centres, schools and water supply schemes using solar. The ministries will procure private energy companies to supply, install, operate and maintain the solar systems.

The nature and interrelationships in regards to disbursement of the funds by UECCC under the EASP is further illustrated in Figure 1.1. below.

¹ In keeping with the continuous improvement ethos of Environmental and Social Management Systems.

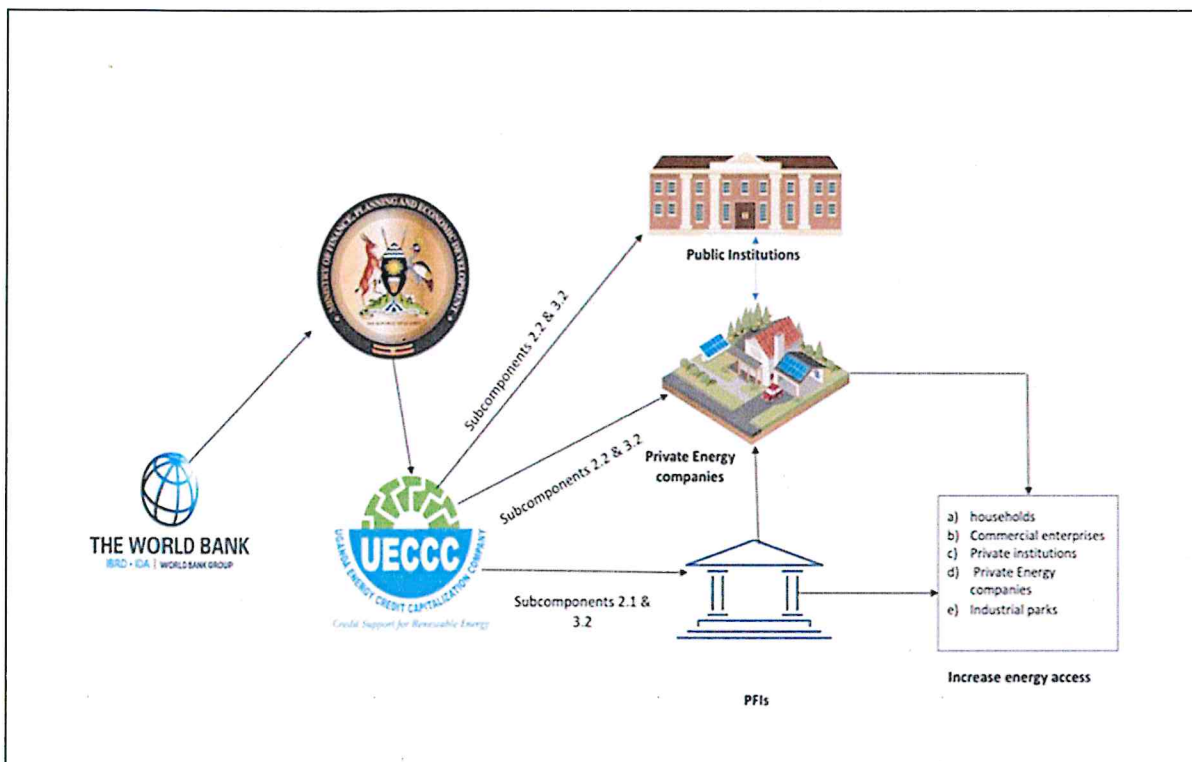


Figure 1.1: Fund Flow Diagram for the UECCC EASP

1.3 The UECCC EASP Financing Instruments and the expected E&S Risks and Impacts

The expected E&S risks and impacts associated with UECCC financing instruments are low as shown in the description of the financing instruments and associated risks as elaborated in this section.

1.3.1 Lines of Credit to PFIs

UECCC will provide Lines of credit to PFIs on concessional terms for on-lending to private energy companies and end users. The PFIs include commercial banks, microfinance institutions, leasing companies, tier 4 Financial Institutions and Funds. End-users include households and enterprises. Lines of Credit to PFIs will be on-lent to eligible households and enterprises for acquisition of standalone solar systems, cook stoves and small Productive Use Equipment (PUE).

The environmental and social risks of PFI sub project include design, configuration, and installation of the solar systems and PUEs. For standalone solar systems, these are already embedded in the quality standards of the eligible clean energy equipment to be installed under the EASP as specified in the UECCC EASP POM. For clean cook stoves the standards cover efficiency, emissions, safety and durability. The PUE standards will be specified in the UECCC EASP POM before EASP implementation. The participating private energy companies will be prequalified to ensure compliance with the quality standards. The other risk associated with solar systems is pollution through unsafe disposal of used solar batteries. This risk will be mitigated through requiring the prequalified solar companies to have a used battery collection system in place in compliance with the National Environment Management Authority (NEMA) requirements.

The E&S risks associated with the lines of credit to PFIs is therefore low and PFIs will only be required to deal with prequalified private energy companies.

1.3.2 Working Capital Loans from PFIs to private energy companies (solar and Clean Cooking Companies)

Private energy companies may acquire working capital loans from PFIs for purchase or import financing for stock, expenses relating to acquisition of the stock including taxes,

import dues, transport costs and clearing other expenses relating to stock. The stock may include solar equipment, cook stoves and small PUEs.

The E&S risk associated with working capital loans from PFIs to solar companies relate to the quality of the equipment which is mitigated through eligibility criteria for private energy companies specified in the UECCC POM requiring the private energy companies to satisfy the specified quality standards. Other risks associated with working capital loans include:

- i). Compliance with the exclusions of the World Bank specified in appendix 1 of the ESMS. These risks will be mitigated through providing a template prescribing the screening procedure.
- ii). Pollution through used solar batteries, this risk will be mitigated through requiring the prequalified solar companies to have a used battery collection system in compliance with the NEMA requirements.
- iii). Pollution through emissions of cook stoves and safety risks. These will be mitigated through prequalifying clean cooking companies to supply clean cooking stoves that meet the quality standards, including emissions and safety.

1.3.3 UECCC Direct Lending to Private Energy Companies

UECCC will undertake direct lending of working capital loans to private energy companies that are constrained to receiving loans from PFIs due to inadequate collateral and balance sheet constraints. The eligible purpose in this instrument will remain the same as for working capital loans from PFIs, i.e., for purchase or import financing for stock, expenses relating to acquisition of the stock including taxes, import dues, transport costs and clearing other expenses relating to stock. The stock may include solar equipment, cook stoves and small PUE. The eligible solar systems will be standalone systems. The quality standards of the solar equipment and cook stoves are the same as specified in 1.3.1 above. The PUE standards will be developed during EASP implementation.

Private energy companies accessing direct lending from UECCC will also be required to meet the following E&S requirements at company level:

- i). Comply with labour laws;
- ii). Not to deal in business activities in the Exclusions List (Appendix 1);
- iii). Have a system for collecting used batteries in compliance with NEMA;
- iv). Have Health and Safety guidelines for their employees; and
- v). A system to monitor and report E&S performance of the company.

Companies will therefore be required to develop and implement an ESMP (guided by the format in Annexure 7) to manage the E&S risks and impacts, monitor and report E&S performance.

UECCC will provide TA to the private energy company to build their internal capacity and skills to develop the ESMP where required in order to manage the E&S risks associated with the funded subprojects.

1.3.4 RBF Grants to address Affordability Constraints for Solar and Clean Cook Stoves

UECCC will offer Result Based Financing (RBF) grants to address the affordability constraints faced by targeted beneficiaries, including end-users and enterprises for acquisition of solar systems, cook stoves, and PUEs.

Payment of the grants will be made upon delivery of a result by Participating Energy Companies (solar company and clean cooking company). Disbursement of funds is contingent on the delivery of a solar system, a cook stove or a PUE and verification of delivery of the solar systems/cookstoves/PUE. Grants will cover Tier 1 – 2 (off the shelf) solar lanterns and kits. The cook stove and PUEs to receive the grants will be determined before implementation of the EASP in the UECCC POM.

The E&S risks and mitigations applicable to RBF grants will therefore be the same as specified in section 1.3.3.

1.3.5 Partial Risk Guarantees- Credit Risk Guarantee and Technology Risk Guarantees

The partial risk guarantees are not a standalone but a risk mitigation tool to the PFIs in relation to their on-lending to private energy companies. It is therefore a secondary instrument to support the provision of primary financing instruments including on-lending to end user households and enterprises and working capital loans. The E&S risk assessment and mitigation applicable to the primary financing instrument will therefore apply.

1.3.6 Electrification of Public Institutions - Solar Electrification and Clean Cooking

This sub-component will support electrification of public institutions including public schools, public health centers, public water supply systems, and others through stand-alone solar technologies. The sub-component will benefit Ministry of Education and Sports (MoES), Ministry of Health (MoH), and Ministry of Water and Environment (MoWE) in coordination with the Ministry of Energy and Minerals Development (MEMD)², to contract solar electricity service providers/contractors to electrify schools, health centers and water supply schemes. This component will address the routine operation and maintenance requirements to ensure installed solar systems perform throughout their expected lifecycle and the electrified public institutions will benefit from reliable electricity service. The systems will be installed as stand-alone solar systems for each institution.

This sub-component will also support provision of clean cooking solutions to selected public sector institutions including schools, health centers, army barracks, police stations, and prisons.

Institutions that will be supported with Clean Cooking Solutions were identified by MEMD in consultation with the beneficiary institutions during the National wide needs assessment for clean cooking solutions for public institutions. Procurement of the Clean Cooking Solutions will be undertaken by MEMD and a grant agreement to be signed between UECCC and the beneficiary institutions spelling out the E&S requirement will form part of the tender documents.

The procured Private sector Service Providers (SPs) will supply, install clean cookstoves, and remain responsible for providing maintenance services as required to meet the agreed performance and reliability levels.

The E&S risks and mitigations applicable to electrification of public institutions and provision of clean cooking solutions to public institutions will therefore be the same as elaborated in section 1.3.3.

1.4 Purpose of this Environmental and Social Management System (ESMS)

The purpose of the ESMS is to provide policy, procedures, and tools to be integrated into the Project Operational Manual for the implementation of the EASP components 2,3 and 4 under UECCC. It defines the processes, and procedures for screening, Due Diligences, risk categorization, monitoring and reporting of Environmental and Social (E&S) related issues.

1.5 Scope and Limitation of the ESMS

1.5.1 General Scope

The ESMS shall be commensurate with the nature and magnitude of environmental and social risks and impacts of the funded subprojects, the types of financing, and the overall risk aggregated at the portfolio level. The General scope of the EASP ESMS includes;

- a) Lines of credit, Grants, and Guarantees to PFIs for on-lending to private energy companies and end users for increased access to clean energy technologies in line with the EASP Project objectives. Final beneficiaries will benefit from loans from the lines of credit and grants to address affordability constraints. Specific terms and conditions and implementation arrangements of the lines of credit, grants, and guarantees are provided in the UECCC EASP POM.

² MEMD will lead the electrification program in coordination with beneficiary ministries/institutions

- b) UECCC direct lending and Grants to private energy companies as working capital loans for purchase or import financing for stock, expenses relating to acquisition of the stock including taxes, import dues, transport costs and clearing other expenses relating to stock, and as grants for removal of market barriers.
- c) Electrification of public institutions through grants to ministries (i.e., Ministry of Health (MoH), Ministry of Education and Sports (MoES), and Ministry of Water and Environment (MoWE) for electrification of public institutions such as health centres, schools and water supply schemes using solar. The ministries will procure private energy companies to supply, install, operate and maintain the solar systems.

In terms of the scope of the risk, this ESMS shall be commensurate with the nature and magnitude of environmental and social risks and impacts of UECCC's funded subprojects, the types of financing, and the overall risk aggregated at the portfolio level, under the EASP. The potential risks of UECCC sub-projects will range from low-to-moderate considering that the project activities entail financing of acquisition of clean energy technologies (solar home systems, cookstoves and small Productive Use Equipment (PUE) by households, enterprises and public institutions (schools, health centres and rural water schemes) and excludes activities such as resettlement, solar mini-grids, grid construction, transmission etc., that involve high E&S risks and impacts. Additionally, the types of expected risks are contained in the E&S Risk Register and Appendix 3 (Indicative Risk and Impacts of the subprojects to be financed), which is one of the ESMS tools.

1.6 Implementation Requirements for the ESMS

1.6.1 Implementation Requirements for UECCC

- a) UECCC will Integrate the Requirements of this ESMS in the Project Operations Manual for implementation of components 2,3&4 of the EASP under UECCC.
- b) UECCC shall maintain labour management procedures in line with national laws and labour and working conditions specified in annexure 2 of this ESMS.
- c) Prequalify PFIs and private energy companies on the E&S requirements for participation in the EASP;
- d) UECCC to hire E&S staff, including social safeguards specialist and environmental health and safety specialist for full time day to day management of E&S activities.
- e) UECCC shall ensure that PFIs and private energy companies accessing funds from UECCC under the EASP meet the requirements of this ESMS during the life of the EASP;
- f) PFIs and private energy companies applying for funding under EASP from UECCC shall satisfy eligibility criteria in annexure 8 and will be screened against the Exclusions List (Appendix1) and compliance with E&S risks and impacts at the time of application and assigned preliminary risk categorization (Refer to Appendix 4 for the Screening form);
- g) Based on the results of the screening above, the PFI or private energy company will not be eligible for funding under EASP if its activities appear on the exclusions list in Appendix 1 (Refer to section 5.1 Procedure for E&S Screening);
- h) PFIs and private energy companies identified as Low Risk during the E&S screening do not require additional E&S due diligence and shall be processed through the regular financing procedures which shall include the standard Environmental, Safety, Health and Social (ESHS) terms and conditions for the financial agreement.
- i) Private Energy companies with moderate E&S risks identified during screening shall undergo further Environmental and Social Due Diligence to assess their commitment, capacity, and ability to manage/address E&S impacts and risks (Refer to section 5.3 for the Procedure for E&S due diligence). Gaps identified will be documented in the Environmental and Social Commitment Plan (ESCP) (Appendix 5) to form part of terms and conditions of the financing agreement.
- j) E&S terms and conditions will be included in Grant agreements to be signed between UECCC and private energy companies selected for electrification of public institutions.

- k) UECCC shall communicate and sensitize all UECCC staff on the E&S policy, procedures and associated protocols.
- l) UECCC will support the capacity building of PFIs and private energy companies to manage environmental and social risks.
- m) UECCC will monitor the E&S performance of PFIs and private energy companies.
- n) UECCC will submit quarterly reports on the E&S performance to MEMD through the Project Coordination Unit (PCU) and to the World Bank; and using reporting form in Appendix 8
- o) Within 24 hours report significant E&S incidents to MEMD and World Bank through the PCU using the reporting form in Appendix 14

1.6.2 Implementation requirements for PFIs

- a) Comply with the UECCC EASP E&S requirements including screening, monitoring, and reporting of the E&S performance.
- b) Designate E&S focal personnel to handle E&S activities of funded sub-projects
- c) PFI staff participating in the EASP will undergo training to implement the E&S procedures necessary to evaluate the environmental risks and impacts of its sub projects;
- d) PFIs shall make a declaration to maintain labour management procedures, including labor Grievance Redress Mechanism (GRM), in line with national laws and this ESMS on Labour and Working Conditions using the pre-developed Labour Declaration Form (Annexure 2);
- e) Contractually bind the Borrowers under sub-projects to comply with the applicable national laws on environmental, health and safety and labour provisions and as well as this ESMS is in line with World Bank ESS.
- f) Private energy companies whose activities are on the exclusions list (Appendix 1) are not funded under the EASP.
- g) PFIs for the portfolio financed through UECCC using the World Bank funds shall monitor E&S performance and prepare Quarterly Reports incorporating aspects on E&S risks and impacts of their activities with the information provided by the subprojects for submission to UECCC, which includes immediate (within 24 hours) reporting of significant E&S incidents. The quarterly reports and E&S incident reports will be in a format provided by UECCC in Appendix 10 and 14 of this ESMS Manual respectively; and
- h) Ensure that loan applicants for the funds from UECCC under the EASP acquire energy products from UECCC's pre-qualified suppliers.

1.6.3 Implementation Requirements for Private Energy Companies

- a) Private energy companies shall comply with applicable national laws on environment, labour, health and safety and this ESMS;
- b) Develop and implement an Environmental and Social Management Plan (ESMP) commensurate with the risks and impacts of their subprojects covering all E&S aspects of installation, operations and maintenances phases of their activities under the EASP (Refer to Annexure 6 for sample ESMP format for private energy companies), and acceptable to UECCC;
- c) Private Energy Companies shall make a declaration to maintain labour management procedures, including labor Grievance Redress Mechanism (GRM), in line with national laws and this ESMS on Labour and Working Conditions using the pre-developed Labour Declaration Form (Annexure 2);
- d) Designate E&S focal persons to handle E&S activities of funded sub-projects.
- e) Monitor their E&S performance and Submit quarterly E&S reports to UECCC directly (in the case of direct lending) or to UECCC through PFIs (in the case of funds received through PFIs) form in appendix 10

- f) Report major incidents within 24 hours of knowing about the incident to UECCC (in the case of direct lending) or to PFIs for onward submission to UECCC for the case of sub-projects funded under PFIs using form in appendix 14

1.6.4 Implementation Requirements for Electrification of Public Institutions (MoW, MoE & MoH) and Clean cooking solutions for public institutions

- a) All the ministries accessing Grants through the EASP will include UECCC applicable E&S terms and conditions in bid documents Including and not limited to requiring the Private Energy Companies to comply with the applicable national laws on environmental, health and safety and labour, and the UECCC ESMS.
- b) Assess and consider E&S risks and impacts, in contractor selection and capacity & performance in contracting by including an ESMP requirement in the contract;
- c) Ensure that Private Energy Companies contracted make a declaration to maintain labour management procedures, including labor Grievance Redress Mechanism (GRM), in line with national laws and this ESMS on Labour and Working Conditions using the pre-developed Labour Declaration Form (Annexure 2);
- d) Ensure that private energy companies contracted monitor their E&S performance and submit quarterly E&S reports to the contracting ministries and UECCC; and
- e) Ensure the private energy companies contracted to report major E&S incidents to contracting ministries and UECCC within 24hours of knowing about the incident.

2 THE ESMS COMPONENTS

The specific components of the ESMS have been integrated to encompass and address all E&S matters associated with UECCC's EASP components i.e., components 2,3&4 effectively. The ESMS components are provided in Figure 2.1 whereas an overview and description of the E&S components is provided in Table 2.1.

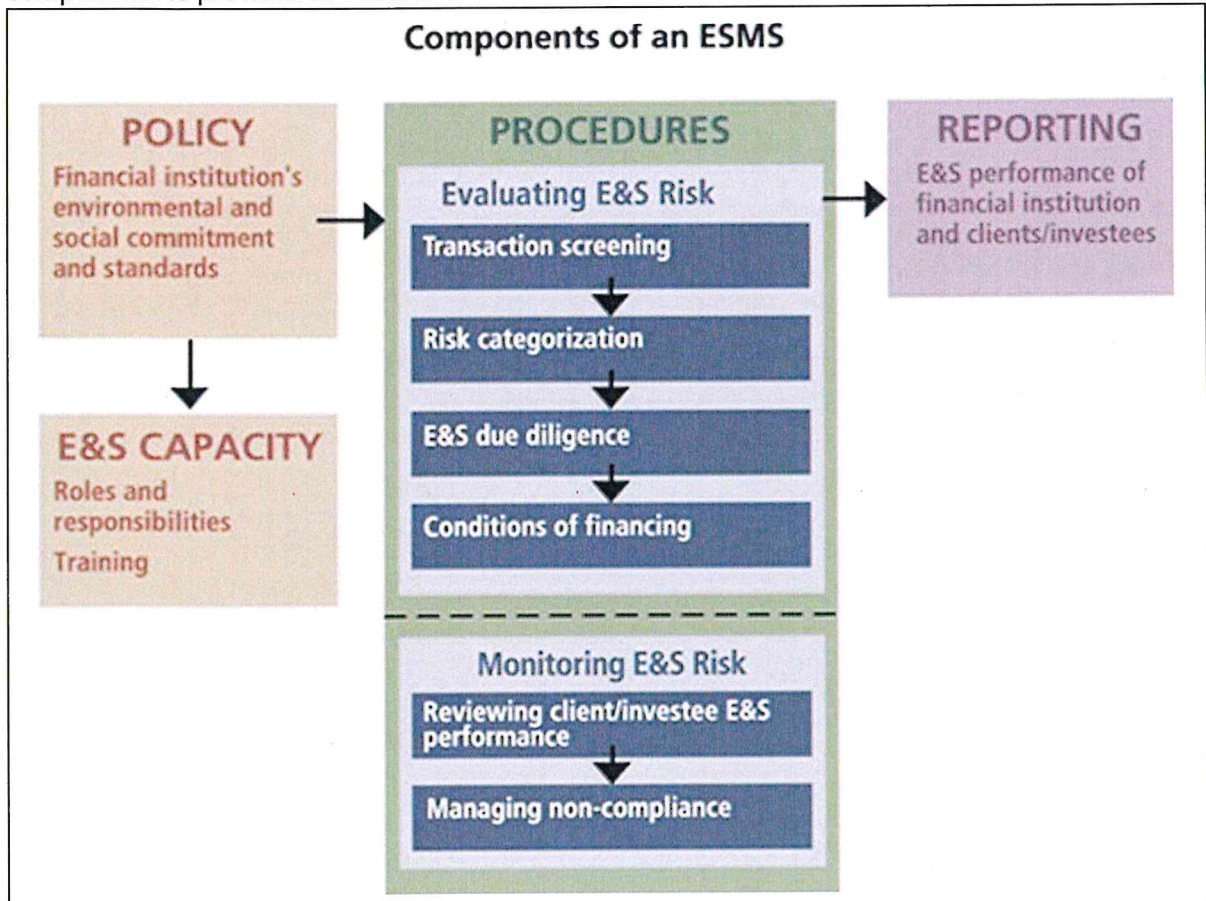
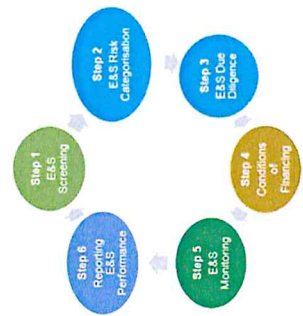


Figure 2.1: Components of the ESMS

(adopted from <https://firstforsustainability.org/risk-management/managing-environmental-and-social-risk-2-2/components-of-an-esms/>)

Table 2.1: Overview and Description of the E&S Components

Aspect	ESMS Component	Requirements	Description and Purpose
<p>Core Transaction-related ESMS Components</p>	<p>Investment-related E&S procedures</p>  <p>Steps to Integrate E&S into a Transaction Cycle</p>	<ol style="list-style-type: none"> 1. E&S Screening of Sub-projects 2. E&S Risk Categorisation and Impact Identification 3. E&S Due Diligence 4. Conditions of Financing/Legal Provisions 	<p>Addresses the process of desk review to check compliance with applicable E&S lending requirements – including exclusions to guide the screening of potential sub-projects and identify the level of environmental and social risks and impacts associated with sub-projects to be funded. The purpose of the screening is to ensure that sub-projects under consideration meet EASP components 2,3&4 E&S eligibility requirements and those contained in the lenders' POM and ESMS eligibility requirements.</p> <p>Addresses the process of identifying a sub-project's potential E&S risks and determining its appropriate E&S risk category according to national laws and world Bank ESF. Taking into account that High and substantial E&S Risk projects are ineligible for financing under the EASP.</p> <p>It addresses the process of assessing the applicant's commitment, capacity and ability to properly manage all project E&S impacts risks and capitalise on opportunities therein.</p> <p>Outlines applicable E&S requirements and performance commitments (including both standard requirements and any additional project specific requirements) formalised in loan covenants as part of the approval process by the Board.</p> <p>Addresses the processes related to setting up legal agreements to commit clients to comply with E&S requirements, as well as protecting</p>

		UECCC from reputational, financial and/or legal damage throughout the project cycle.
5. Monitoring E&S Risks		Addresses the requirements associated with undertaking E&S performance monitoring by UECCC, private companies, and PFIs and SACCOs and their individual clients.
6. Reporting E&S performance of PFIs, Clients/Investees		Addresses the requirement of reporting on the effectiveness of the ESMS and the E&S performance of EASP components 2,3&4.
7. Organisational Capacity, Competence and Training		Addresses the identification of capacity (including knowledge and skills) gaps required to effectively implement the ESMS and providing appropriate training including E&S Staffing for UECCC, private energy companies and PFIs implementing the EASP and contracted consultants to support the entities in their respective ESMS.
8. Stakeholder Engagement and Information Disclosure		Addresses the process of internally and externally communicating matters related to the ESMS coupled with stakeholder engagements and establishment of grievance mechanisms in addition to ongoing reporting to interested parties in EASP components 2,3&4.
Organisation wide ESMS Components ³	Organisation wide E&S Procedures	

³ These are not necessarily exclusive of the transaction cycle but provide guidance on organisation-wide integration of the ESMS and the relevant applicability and implications to sub-projects

<p>9. Planning for Environmental, Occupational Health and Safety</p>	<p>Addresses the process of identification, quantification and assessment/ evaluation of E&S risks, hazards, and impacts within the organisation's operational scope, including EASP components 2,3&4.</p>
<p>10. Grievance Management</p>	<p>Addresses the process of engaging persons affected or aggrieved in any way by subproject operations including workers.</p>
<p>11. Procurement of Goods and Services</p>	<p>Addresses the requirements associated with procurement of products and services to ensure conformity to the ESMS.</p>
<p>12. Emergency Preparedness and Response</p>	<p>Addresses the identification of potential emergency situations and implementation of procedures to respond effectively to such situations both within specific projects financed by EASP and building/offices where EASP project workers of UECCC work.</p>
<p>13. Internal Audit of the ESMS</p>	<p>Addresses the requirements and process to follow in planning, performing, reporting, recording and following up internal audits for the ESMS requirements at UECCC from planning to effective conclusion of audit activities.</p>
<p>14. Management Review of the ESMS</p>	<p>Outlines UECCC management responsibilities in ensuring the continuity, suitability, adequacy, and effectiveness of the ESMS and ensuring that it is in line with UECCC's strategic direction for the EASP and responsive to changes in legislation that are relevant to UECCC's mandate under the EASP.</p>
<p>15. Incident, Nonconformity, Corrective Action, and Preventive Action</p>	<p>Addresses the requirements related to recording and responding to any non-conformance with the ESMS and other related operational requirements.</p>

<p>General ESMS Components (E&S Governance)</p>	<p>E&S Policy</p>	<p>16. Updating the E&S Policy</p>	<p>Addresses the requirements related to the development/update of an E&S Policy and/or ESMS and ensuring that there is a process in place to communicate the Policy throughout the organisation and to other key stakeholders.</p>
		<p>17. Updating E&S Objectives, Targets, and Planning to achieve them</p>	<p>Describes the process to establish/update E&S objectives, targets and what should be done to achieve them while taking into account resources required, responsible parties and how results should be evaluated.</p>

3 THE ESMS POLICY

The ESMS Policy shall be the driver of the ESMS. Its specific purpose shall be:

1. To provide a commitment to setting of E&S requirements and performance targets under the EASP.
2. To provide basis for the implementation of the ESMS.
3. To enhance UECCC's E&S practices under the EASP.
4. To safeguard UECCC brand and reputation related to ES aspects.
5. To fulfil E&S requirements of the EASP.
6. To ensure proper consideration and management of E&S risks by clients/borrowers under the EASP.
7. To establish roles and responsibilities in the ESMS implementation as well as establish reporting lines; and
8. To ensure that UECCC has in place a budget (under the EASP) for ESMS implementation and training.

3.1 Policy Approach

The ESMS policy approach under the EASP shall be as follows:

- Ensure that UECCC funds activities (through direct lending to private energy companies and lines of credit to eligible PFIs) with positive environmental and social outcomes.
- Safeguard the environment, humans and UECCC from environmental and social risks that it will be exposed to through the course of funding EASP sub-projects through the PFIs and Private Energy Companies and their EASP clients.
- Encourage the PFIs and private energy companies funded by UECCC under the EASP to implement adequate E&S management in the projects financed and hopefully more broadly into their core business strategies; and
- Support E&S capacity development of UECCC, PFIs, and private energy companies to develop and maintain adequate E&S management system procedures and capacity for identifying, managing, and monitoring E&S (including Health and Safety) risks and impacts of sub-borrowers and sub-projects commensurate with the amount of funds on-lent.

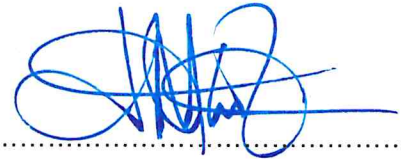
3.2 Policy Statement

Uganda Energy Credit Capitalisation Company (UECCC) is a Government of Uganda (GoU) institution set up under the Companies Act, 2012 and was put in place to facilitate investments in the renewable energy sector. As a company, we are committed to improving our Environmental, Health, Safety and Social performance while implementing the EASP components 2,3&4 and have defined our Environmental and Social Management System (ESMS) Policy as follows:

1. Ensure implementation of a formalised Environmental and Social Management System (ESMS) to enable identification and proactive management of environmental and social (including health and safety) risks and impacts associated with our operations including financing, facilities, and activities under the EASP, and continuous improvement in this regard.
2. Ensure that all projects/subprojects under our funding (under the EASP) comply with all relevant environmental and social national and local laws and regulations, the World Bank Environmental and Social Standards, the EASP ESMS, and other contractual requirements between UECCC and project implementing partners under the EASP.
3. Set requirements for UECCC and the PFIs to undertake environmental and social screening of all projects prior to financing, against exclusions in the legal agreements, and to identify their environmental and social risks and impacts and determine the risk category for the project to be financed and the necessary environmental and social mitigation and monitoring measures.

4. Ensure that all UECCC's projects and subprojects apply relevant E&S safeguards and comply with this EASP ESMS requirements.
5. Provide a safe and healthy working environment for our employees, project host communities, and contractors and in a similar manner require contractors/third parties to implement measures to protect the health and safety of their employees.
6. Conduct all our financing activities in such a manner that they minimise impacts and risks on the environment, workers and community health and safety, prevent pollution, ensure gender inclusion and diversity, mitigate climate change impacts and ensure job creation.
7. Ensure all financing agreements and contracts utilising EASP funds include adequate environmental and social terms and conditions reflective of the type of financial instrument and type of project financed.
8. Promote greater transparency and accountability on E&S issues amongst all UECCC stakeholders through disclosure and reporting.
9. Set clear objectives and targets with respect to the management of environmental and social matters and communicate them to our stakeholders.
10. Provide the necessary resources to implement this Policy including adequately trained staff related to EASP environmental and social requirements and risks; and
11. Undertake periodic monitoring and reviewing of the effectiveness of this Policy and the associated ESMS. At the minimum, the time period for the review of the ESMS shall be annually, and as need arises.

This Policy will be made available to our employees engaged on the EASP and relevant stakeholders, and will be reviewed by UECCC annually, and whenever need arises.



Board of Directors

Uganda Energy Credit Capitalisation Company

Date 17/7/2023

3.3 Policy Objectives and Targets

The E&S objectives shall be established annually to ensure that the requirements of the Policy are met. Each E&S objective will be measured and will be formally reviewed at management review meetings. Each objective will be “SMART” i.e., Specific, Measurable, Achievable, Realistic and Timely.

Specific Objectives for the year 2022/2023 (short term) are listed below:

- Obtain Board approval of the UECCC management system by April 2023;
- Kick start implementation of an E&S Management System across UECCC’s operations by the end of June 2023 as follows:
- Recruit an Environmental, Health and Safety and a Social Safeguards Specialist by May 2023;
- Include indicators for gender mainstreaming within sub-projects and projects financed by UECCC in the EASP POM by June 2023;
- Carry out initial training of UECCC and stakeholders including PFIs and Private Energy Companies on the UECCC ESMS by June 2023; and

Medium Term Objectives (2023/2026) of the UECCC E&S Policy

1. To adopt and implement E&S requirements across all of UECCC’s EASP operations and sub-projects by June 2024
2. To continuously monitor compliance with E&S requirements across all of UECCC’s EASP operations and sub-projects and prepare sub-projects quarterly monitoring reports during the duration of the EASP Project.
3. To prepare and adopt an Emergency Preparedness and Response Plan (ERP) consistent with requirements in ESMS by June 2024. Develop a Stakeholder Engagement Plan to ensure consultation and engagement of relevant stakeholders during implementation of UECCC’s EASP financing activities by December 2023 and implement the Plan during EASP Project implementation;
4. To provide annual budgets for implementation of the ESMS throughout the duration of the EASP Project.
5. Contribute to climate change mitigation by offsetting approximately 107,000 tons of carbon through increased solarization, approximately 2.4 million tCO₂ from improved biomass cookstoves of Tier 3 and above and approximately 0.89 million tCO₂ from switching to liquified petroleum gas (LPG) (Tier 5), by the end of the project life cycle in 2027.;
6. To prevent project related pollution through ensuring that UECCC funded sub-projects put in place waste management measures for collection, disposal and/or recycling of used solar batteries, panels etc. in accordance with applicable national laws throughout the project life cycle.; and
7. To aim at a working environment for UECCC staff and project stakeholders free of fatalities, SEA, GBV, Child and forced labour through continuous monitoring, E&S audits, training and reporting throughout the EASP Project implementation.



Board of Directors

Uganda Energy Credit Capitalisation Company

Date..... 17/7/2023

4 THE ESMS PROCEDURES MANUAL

The ESMS Procedures set out the screening, due diligence, categorisation, review and approval, and monitoring and reporting procedures for subprojects that are being considered for financing by UECCC under the EASP Project, either directly by UECCC or via PFIs. Subprojects that comply with all environmental and social requirements under the ESMS and meet other technical and financial requirements shall be financed. This ESMS also establishes monitoring requirements for all subprojects to be financed under the EASP.

4.1 Purpose of the ESMS Procedures

The purpose of the procedures is to:

- a) Support the implementation of the ESMS Policy;
- b) Describe how UECCC conducts its due diligence in regard to its on-lending of working capital and partial risk guarantee facilities through PFIs, and directly to qualified private energy companies;
- c) Form an integral part of the UECCC Risk Management Framework under the EASP;
- d) Ensure that subprojects under the EASP are assessed, prepared and implemented to meet national law, the relevant World Bank ESS standards, and this ESMS;
- e) Ensure that the measures needed to satisfy the requirements of (d) above are set out in the legal agreement between UECCC and private energy companies, UECCC and PFIs accessing EASP funds, and the respective PFI and their sub-borrowers;
- f) Monitor and keep regularly updated environmental and social compliance and performance information on UECCC and PFI EASP financed subprojects; and
- g) Facilitate and promote the proper implementation and institutionalisation of the ESMS at UECCC and the PFIs under the EASP.

Figure 4.1 provides an illustration of the procedures related to transaction execution process.

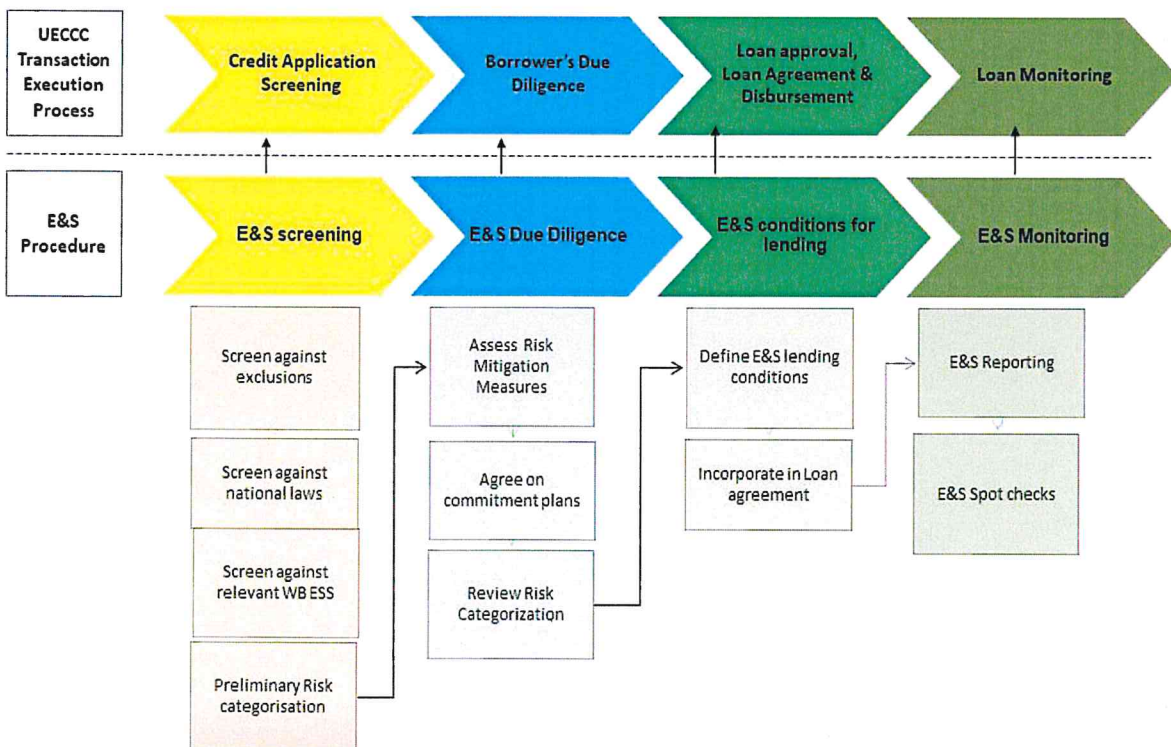


Figure 4.1: E&S Procedures related to the Transaction Execution process

5 THE ESMS PROCEDURES

5.1 Procedure for Environmental and Social Screening

Purpose

This procedure defines the process of assessing a potential sub-project's E&S risks, its alignment with UECCC's ESMS under the EASP, and if and what E&S review and management is required prior to approval for financing. The procedure will guide the screening of potential sub-projects and identify the level of environmental and social risks and impacts associated with sub-projects to be funded. The purpose of the screening is to ensure that sub-projects under consideration meet UECCC's ESMS requirements under the EASP

The screening will be carried out by the UECCC E&S personnel in case of direct lending and the PFI's E&S focal personnel in case of PFI lending.

References

- i. World Bank's Environment and Social Framework, ESS1, ESS2, ESS3, ESS4, ESS6,
- ii. National Environment Act, 2019
- iii. Uganda's Occupational Health and Safety Act, 2006

Procedure

- i. The procedures of environmental and social screening for subprojects will take place at the same time of client's appraisal.
- ii. For PFIs that shall have signed agreement with UECCC for on lending to its clients the PFI will screen and assess their clients, while UECCC will screen and assess the risk of its client for direct lending using the screening form in Appendix 4.
- iii. Upon receipt of an application for financing from a PFI or private energy company, UECCC or PFI shall assess whether the potential sub-project or its components are included on the list of excluded activities (in Appendix 1) using the E&S screening form (Appendix 4).
- iv. If the potential sub-project activities appear on the Exclusion List in Appendix 1, inform the applicant of the decision not to finance it. If the potential sub-project does not appear on the Exclusion List, proceed to v .
- v. UECCC and PFI will carry out desktop review of the application to assess compliance with relevant national laws and this ESMS and assign an initial risk categorization using a Risk Rating Criteria in Appendix 2. In identifying potential E&S risk associated with a given sub-project, there shall be consideration for the indicative risks presented in Appendix 3.
- vi. Based on the results of the E&S screening, PFIs and private energy companies identified as Low Risk, do not require additional E&S due diligence and shall be processed through the regular investment procedures which shall include the standard ESHS terms and conditions in the financing agreement.

PFIs and private energy companies with moderate E&S risk sub-projects during screening shall undergo further Environmental and Social Due Diligence to assess the risks, applicant's commitment, capacity, and ability to manage/address impacts and risks and capitalise on opportunities therein. The PFIs and Private Energy Companies shall develop and implement an ESMP (guided by the format in Annexure 6) to manage the E&S risks and impacts, monitor and report E&S performance.

- vii. The UECCC E&S specialist will perform the overall E&S screening of the Private Energy Company.

Maintained Documented Information

- i. Transaction E&S Screening Forms.
- ii. Transaction Risk Rating Criteria.
- iii. Exclusion List.

Retained Documented Information

- i. Filled Transaction E&S Screening Forms.

5.2 Procedure for Environmental and Social Risk Categorisation and Impact Identification

Purpose

This procedure defines the process of identifying and determining an applicant's (PFI or private energy companies) E&S risks category.

References

- i. World Bank's Environment and Social Framework, ESS1, 2, 3, 4, 6 and 9
- ii. National Environment Act, 2019
- iii. Uganda's Occupational Health and Safety Act, 2006

Procedure

The E&S personnel shall carry out the following;

- i. Identify, assess and evaluate the potential E&S impacts and risks associated with potential sub-projects. Risk and impact identification shall be undertaken through literature review. The literature to be reviewed shall include the documents (such as the private energy company's ESMS if available or sub-project specific ESMP) received from the applicant during transaction E&S screening (Section 5.1 above) including the PFI or Private Energy company ESMS, national E&S legislation, and this ESMS, and any other available resources on E&S risks and impacts associated with a given sub-project including UECCC's EASP E&S Risk Register.
- ii. Risk assessment will also consider the following:
 - a) Characteristics of the receiving environment; including community safety, climate change.
 - b) Social risks and impacts including human security, crime, violence vulnerable and marginalised groups, discrimination, health and safety and wellbeing of workers.
 - c) E&S Legal considerations; including compliance with national laws and any other contractual requirement under the EASP; and
 - d) Degree of public interest, among others.
- iii. Following the risk assessment in (i) and (ii) above, assign an E&S risk category for the sub-projects under evaluation. E&S risk categorisation for sub-projects will be based on national E&S legislation and this ESMS in accordance with the risk rating criteria in Appendix 2.
- iv. Decision making:
 - a) Sub-projects with low risk rating do not require additional E&S due diligence and shall be processed through the regular investment procedures which shall include the standard ESHS terms and conditions in the financing agreement as provided in section 5.4
 - b) Sub-projects with moderate risk rating after the risk categorisation exercise will be subjected to an E&S due diligence exercise; and
- v. Communicate the recommendations to the Director, Transaction Execution for approval to proceed to the next application stage and communicate the subsequent steps to the applicant.

Maintained Documented Information

- i. Risk Register.

Retained Documented Information

- i. Risk categorisation results for a given sub-project.

5.3 Procedure for Environmental and Social Due Diligence

Purpose

This procedure defines the process of systematic identification, quantification, and assessment/evaluation of direct, indirect and cumulative environmental and social impacts and risks associated with a proposed project or sub-project. It also assesses the applicant's commitment, capacity, and ability to manage/address impacts and risks and capitalise on opportunities therein. This is undertaken for applicants (PFI or private energy companies) rated moderate risk during the screening process. E&S due diligence on private energy companies shall be undertaken by the E&S personnel at UECCC as part of the Prequalification process and in case of PFI on-lending to Private Energy Companies, the E&S due diligence will be undertaken by the designated E&S focal personnel at the PFI using the due diligence form in appendix 6 which will be annexed to the financing agreement and the UECCC Website.

References

- i. National Environment Act, 2019
- ii. Uganda's Occupational Health and Safety, 2006
- iii. World Bank ESS9, GN 17

Procedure

- i. Confirm the scope of the E&S Due Diligence based on the categorisation of the sub-project as determined following the E&S Risk Categorisation in Section 5.2 above. To the very least, the scope of the E&S Due Diligence shall be as follows:
- ii. Sub-projects identified as Low Risk during the E&S screening do not require additional E&S due diligence and shall be processed through the regular investment procedures which shall include the standard E&S (including ESHS terms and conditions for the financial agreement;
- iii. For moderate E&S risk sub-projects, the Environmental and Social Due Diligence shall comprise of walk-through review, and/or audits to ascertain the on-ground situation of the E&S management by the PFIs and private energy companies, and the associated EASP funded sub-project sites and stakeholder consultations guided by a pre-prepared checklist (Appendix 6).
- iv. The E&S personnel will:
 - a) Request and review detailed sub-project information to determine the level and nature of E&S impacts and risks associated with the activities to be financed, particularly in connection with the National Environmental Act, 2019 and the National (Environment and Social Assessment) Regulations, 2020 and ESSs;
 - b) Request and obtain evidence of the sub-borrowers ESMP and capacity for its implementation;
 - c) Request and obtain information about the sub-borrower's compliance with relevant national E&S laws and this ESMS; and
 - d) Provide final E&S risk rating based on the detailed information and due diligence actions if deemed necessary.
- v. Based on the E&S due diligence-related findings, engage the applicant and develop and agree on the required Environmental and Social Commitment Plan (Appendix 5) for the specific sub-project to mitigate the identified E&S risks and impacts. Ensure that action plans are clear with concise actions to be implemented, are within a reasonable and clearly defined timeframe, with clear indicators of completion and allocations of roles/responsibilities for each task.
- vi. At a minimum, a PFI or private energy company shall:

- a) Have an E&S Policy in place or plans to develop one including commitment to provide necessary resources for the proper implementation.
 - b) Commit to taking part in E&S training and capacity building activities organised by UECCC or other stakeholders; and
 - c) Have designated E&S focal personnel in place or a commitment to engage such personnel.
 - d) Gaps in the E&S safeguards of a private energy company or PFI rated as Moderate Risk should be closed through an E&S Commitment Plan in Appendix 5 and as specified in the declaration forms or as conditions of subsequent disbursements.
- vii. The E&S Due Diligence process shall be guided by a pre-developed checklist in Appendix 6.
 - viii. Prepare an Environmental Social Due Diligence Report (refer to Appendix 7 for a model structure for the report) to be submitted to the Project Manager for further consideration.

Maintained Documented Information

- i. E&S Due Diligence Checklist,
- ii. E&S Commitment Plan

Retained Documented Information

- i. Environmental and Social Due Diligence Reports.
- ii. Environmental and Social Commitment Plan.

5.4 Procedure for Conditions of Financing/Legal Provisions

Purpose

The procedure follows the conclusion of E&S Screening, Risk Categorisation, and E&S Due Diligence processes. Additionally, the procedure covers both lending by UECCC to private energy companies and to PFIs. The procedure outlines applicable requirements, performance commitments and covenants to be taken into account during preparation and execution of loan agreements. The procedure applies to:

- i. Lines of credit to participating financial institutions under the EASP;
- ii. Working Capital Loans from PFIs to private energy companies (solar and Clean Cooking Companies);
- iii. UECCC Direct lending to private energy companies;
- iv. RBF Grants to address affordability constraints for solar and clean cook stoves;
- v. Partial Risk Guarantees- Credit Risk Guarantee and Technology Risk Guarantees; and
- vi. Electrification of public institutions - solar electrification and clean cooking.

References

- i. World Bank's Environment and Social Framework;
- ii. Employment Act, 2006;
- iii. Occupational Health and Safety Act, 2006; and
- iv. National Environment Act, 2019.

Procedure

i. Legal Provisions /Conditions of Financing for Lines of credit to PFIs

The Financing Agreements between PFIs and UECCC shall include the following provisions/requirements for end-user sub-loans:

- a) Only deal with pre-qualified suppliers for supply of equipment.
- b) Comply with the applicable national laws and regulation of environmental, health and safety and labour provisions and this ESMS;
- c) Funded sub-projects to report significant E&S incidents directly to UECCC through a toll-free call centre.

ii. Working Capital Loans from PFIs to private energy companies (solar and Clean Cooking Companies)

PFIs shall include the following requirements in sub-loan agreements with private energy companies:

- a) Provision requiring Private energy companies to comply with applicable national laws on environment, labour, health and safety and this ESMS;
- b) Develop and implement an Environmental and Social Management Plan (ESMP) commensurate with the risks and impacts of their subprojects;
- c) Monitor the E&S performance of the sub-projects and Submit quarterly E&S reports to PFIs; and
- d) Report major incidents within 24 hours of knowing about the incident to UECCC with a copy to the PFI.
- e) Remedial actions in case of significant E&S non-conformity that may include but not limited to recalling of non-conforming sub-loans and exclusion from subsequent funding under the EASP.

iii. UECCC Direct lending to private energy companies.

UECCC will include the following provisions/requirements into their lending terms to Private Energy Companies

- a) Provision requiring Private energy companies to comply with applicable national laws on environment, labour, health and safety and this ESMS;
- b) Develop and implement an Environmental and Social Management Plan (ESMP) commensurate with the risks and impacts of their subprojects;
- c) Monitor their E&S performance and Submit quarterly E&S reports to UECCC;
- d) Report major incidents within 24 hours of knowing about the incident to UECCC; and

iv. RBF Grants to address affordability constraints for solar and clean cook stoves

The following provisions/requirements shall be included in the RBF Grant Agreements between UECCC and Private Energy Companies

- a) Provision requiring private energy companies to comply with applicable national laws on environment, labour, health and safety and this ESMS.
- b) Develop and implement an Environmental and Social Management Plan (ESMP) commensurate with the risks and impacts of their subprojects.
- c) Monitor the E&S performance and Submit quarterly E&S reports to UECCC.
Report major incidents within 24 hours of knowing about the incident to UECCC

v. Partial Risk Guarantees- Credit Risk Guarantee and Technology Risk Guarantees

The following provisions will be included in the Guarantee Agreements between UECCC and PFIs.

- a) Provision requiring Private energy companies to comply with applicable national laws on environment, labour, health and safety and this ESMS;
- b) Develop and implement an Environmental and Social Management Plan (ESMP) commensurate with the risks and impacts of their subprojects;
- c) Monitor the E&S performance of the sub-projects and Submit quarterly E&S reports to PFIs; and
- d) Report major incidents within 24 hours of knowing about the incident to UECCC with a copy to the PFI.
- e) Remedial actions in case of significant E&S non-conformity that may include but not limited to recalling of non-conforming sub-loans and exclusion from subsequent funding under the EASP.

vi. Solar Electrification of public institutions and Institutional Clean Cooking

The following requirements/provisions will be included in the Grant Agreements between UECCC and Private Energy Companies electrifying Public Institutions/providing institutional Clean Cooking solutions to Public Institutions:

- a) All the ministries accessing Grants through the EASP will include UECCC grant Agreement that will include the applicable E&S terms and conditions in bid documents.
- b) Ensure that private energy companies contracted monitor their E&S performance and submit quarterly E&S reports to the contracting ministries and UECCC; and
- c) Ensure the private energy companies contracted report major E&S incidents to UECCC and contracting ministries within 24 hours of knowing about the incident.

Maintained Documented Information

- i. Environmental and Social Commitment Plan
- ii. Declaration Form

5.5 Procedure for Environmental and Social Monitoring

Purpose

This procedure describes the overall process of monitoring the E&S performance of UECCC's EASP funded sub projects. This will also be aimed at adequate control of moderate E&S risks, hazards, and impacts existing and arising during the execution of UECCC's sub-projects and projects under the EASP to ensure that the E&S targets and objectives are met.

The monitoring arrangements shall be as described below:

- UECCC will monitor the E&S performance of the private energy companies contracted to electrify public institutions and/or Institutional Cooking solutions together with the contracting ministries;
- PFIs will monitor the E&S performance of the sub-loans of their clients disbursed under the UECCC EASP funds;
- UECCC will monitor compliance with this ESMS; and
- UECCC will monitor the E&S performance of private energy companies under its Direct Lending portfolio.

References

- i. World Bank Environmental and Social Framework, ESS9 GN 21
- ii. National Environment Management Act, 2019
- iii. Uganda's Occupational Health and Safety Act, 2006

Procedure

- i. Office Premises**
 - a) The E&S personnel shall carry out quarterly EHS monitoring for the UECCC office premises using a developed EHS Monitoring Checklist. Such a checklist shall cover all office EHS aspects, including state of the office furniture, sanitation facilities, conditions of the building, office and occupational health and safety, emergency preparedness and response, among others.
 - b) The monitoring shall assess the EHS suitability of the office premises (and any relevant service providers such as catering company, if any), including staff and visitor health and safety at the premises.
 - c) Findings from the quarterly monitoring shall be reported in accordance with the Procedure for Reporting on E&S Performance (Section 5.6) and shall inform areas of continuous improvement.
- ii. Monitoring of Sub-projects**
 - a) The E&S risk rating category of the funded projects will determine the extent of monitoring and oversight required.
 - b) Low risk category of funded subprojects will not require monitoring.
 - c) Moderate risk sub-projects will submit quarterly reports on the implementation of the ESMP for each funded sub-project, any significant changes in business activities, ongoing compliance with the exclusion list and National E&S requirements and on E&S issues closed out.
 - e) Routine on site monitoring of funded sub-projects will be undertaken bi-annually.. However, adhoc monitoring site visits will be undertaken where required. The monitoring will incorporate measurable E&S indicators to serve as means to track the funded sub-projects E&S performance against the E&S Key Performance Indicators as spelt out in the ESMP for each sub-project and Financing and Grant Agreements between UECCC and PFIs and Private Energy Companies. Such KPIs will include but not be limited to: Nature and quantities of waste generated and managed, Number of transactions, Number of Environmental and Social Due Diligences (ESDD) undertaken, Number of E&S trainings

conducted on ESMS, Number of E&S related incidents recorded in the reporting period, including but not limited to Number of grievances recorded and resolved, Number of injuries recorded, Number of community health and safety incidents,

- f) In the event of non-compliance in relation to E&S matters (including material issues reported or a grievance raised), UECCC will seek to resolve the issue with the sub-project in order to address the issue in accordance to the Procedure for Grievance Management (Section 7.3).
- g) Funded sub-projects shall implement EHS supervision/monitoring program to ensure proper implementation of all necessary EHS measures including those required by law, by the ESMP⁴, and the project legal agreement (i.e., the one that finances the specific subproject).
- h) The findings from the supervision and monitoring exercises shall be documented in a report. Additionally, the violations/non-conformances in relation to UECCC's E&S requirements shall be handled in accordance with the Procedure for Incident, Non-Conformity Reporting and Investigation and Determining Corrective and Preventive Actions (Section 7.8).

Maintained Documented Information

- i. Quarterly EHS Monitoring Checklist for the office premises.
- ii. Sub-project ESCPs.
- iii. Project-specific ESMPs.
- iv. Incident reporting Form.

Retained Documented Information

- i. Quarterly EHS Monitoring Reports for the office premises.
- ii. E&S Monitoring Reports for both the sub-projects and projects.
- iii. Incident reporting Form.

⁴ Aspects monitored should reflect what is contained in the ESMPs, among other considerations.

5.6 Procedure for Reporting on Environmental and Social Performance

Purpose

This procedure describes the overall process for reporting on the effectiveness of the ESMS and E&S performance of UECCC's sub-projects under the EASP. The E&S reports will be mainly composed of incident reports, status reports on grievance management and the performance level of implementing required E&S mitigation and other measures per funded sub-projects.

References

- i. World Bank Environmental and Social Framework, ESS9 GN 21
- ii. National Environment Management Act, 2019
- iii. Uganda's Occupational Health and Safety Act, 2006

Procedure

- i. **Reporting on E&S performance of Sub-projects Activities by UECCC to World Bank.**
 - a) Following the monitoring of E&S performance of sub-projects presented in the Procedure for Monitoring E&S Risks (Section 5.6), the findings from the supervision and monitoring exercises shall be consolidated and documented in an agreed report format and reported to the World Bank on a quarterly basis and annually using the report formats in Appendix 8 and Appendix 9 respectively.
 - b) For the case of sub-projects under the EASP, the clients (private energy companies) shall provide quarterly E&S performance reports to UECCC as shall have been set up in terms and conditions for financing or Grant agreements. All report formats shall be agreed upon prior to project commencement for purposes of consistency.
- ii. **Reporting on the E&S performance of sub-projects by PFIs**
 - a) The PFIs shall report to UECCC on a quarterly basis on the E&S performance of the sub-projects using the report format in Appendix 10.
- iii. **Reporting on the E&S performance of sub-projects by Private Energy companies to UECCC**
 - a) The private energy companies shall provide quarterly E&S performance reports to PFI or UECCC in the case of direct lending as shall have been set up in agreements or as advised by UECCC using the report format in Appendix 10.
 - b) Major incidents on the sub-projects shall be reported by private energy companies using the incident notification and investigation template in Appendix 14 (adopted from the Word Bank) within 24 hours to UECCC with a copy to PFIs where applicable. .

Maintained Documented Information

- i. Annual E&S Reports
- ii. Quarterly E&S Reports

Retained Documented Information

- i. E&S Monitoring Reports for both the sub-projects and projects.
- ii. Quarterly E&S Reports

6 UECCC E&S CAPACITY REQUIREMENTS

6.1 Roles and Responsibilities of UECCC staff Implementing the ESMS

This section describes the roles and responsibilities of UECCC internal personnel involved in charge of implementing and maintaining oversight of the EASP ESMS under

Position	Responsibilities
UECCC Board/Top Management	<ul style="list-style-type: none"> • Endorsement of the E&S Policy and Procedures and allocation of adequate resources for the implementation of the ESMS within all activities under the EASP; • Approve annual review reports of the ESMS; • The Board's Finance, Investment and Administration Committee shall have the overall responsibility for approving transactions while ensuring alignment to UECCC's E&S requirements and commitments under the EASP.
UECCC E&S Personnel (Part of the EASP PIU)	<ul style="list-style-type: none"> • Responsible for the day-to-day implementation of the ESMS to ensure that the E&S requirements are integrated in the EASP project activities; • Undertake annual E&S training needs assessments of UECCC personnel, PFIs and Private Energy Companies and develop associated annual training plans and budgets; • In liaison with management, ensure that the E&S training plans are implemented; • Responsible for Screening, Due-Diligence, and Monitoring, of E&S activities of PFIs and Private Energy Companies; • Serve as a focal point for information on social and environmental best practices relevant to EASP financing activities; • Ensure that internal briefings on emerging social and environmental issues are provided to staff as necessary; • Communication of ESMS related aspects such as grievance management processes to both internal and external stakeholders associated with the EASP; • Ensure that updated electronic and hard copies of the ESMS are available to all staff; • Follow up on corrective actions of funded activities to ensure non-conformities are addressed in line with E&S commitment plans; and Tracks changes in the social and environmental regulatory framework; and • Maintenance of all E&S project-related documents; • ensuring OHS compliance at the work place and funded sub-projects
UECCC EASP PIU Personnel	<ul style="list-style-type: none"> • Ensure that all activities are in alignment with the requirements of the ESMS;

	<ul style="list-style-type: none"> • Advise the E&S personnel of new applications for funding under the EASP; and • Provide input and support to the E&S personnel where required in screening of the sub-loan.
UECCC Monitoring and Evaluation (M&E) personnel	<ul style="list-style-type: none"> • Responsible for incorporating E&S monitoring into the UECCC monitoring and evaluation framework in liaison with the E&S personnel.
UECCC Human Resource Manager	<ul style="list-style-type: none"> • Incorporate E&S training plans and budget in the overall UECCC personnel training plan and budget; and • Provide administrative support to the E&S personnel in ensuring OHS compliance at the work place and compliance with national labour laws.
UECCC Legal counsel/ Company secretary	<ul style="list-style-type: none"> • Ensure that contracts for PFIs and private energy companies, and any other third parties such as service providers include clauses/ and or covenants covering EASP E&S requirements as necessary.
UECCC Procurement and Disposal Unit	<ul style="list-style-type: none"> • Integration of E&S requirements in all procurement activities and processes for goods, works and consulting services under the EASP.
UECCC Risk Manager	<ul style="list-style-type: none"> • Ensure that E&S risks and impacts are considered in all EASP project operations.

6.2 Training, Capacity Building and Technical Assistance

- i. The UECCC E&S personnel shall:
 - carry out an annual training needs assessment including GBV/SEA covering UECCC staff, PFI E&S focal personnel, Private Energy Companies E&S personnel and other relevant implementing support staff responsible for the EASP Project.
 - Prepare annual training plan and training budget based on the training needs assessment
 - Implement the annual training plan.
 - Assess the E&S technical capacity of the PFIs and Private Energy Companies to meet E&S requirements of the EASP Project and provide technical assistance as required.
 - Evaluate the effectiveness of the capacity building and training initiatives annually and develop plans to improve E&S performance under the EASP.
- ii. Additional external expertise and support will be obtained as required to deliver the training, capacity building and Technical Assistance to UECCC, PFIs and Private Energy Companies.

6.3 Procedure for Organisational Capacity Competence and Training

Purpose

The purpose of this procedure is to guide the process for assessment of competence of personnel within UECCC in the management of E&S matters under the EASP and identification of areas where further training (whether internal or external) is needed. All employees and third parties (including PFIs and private energy companies) involved in E&S management and associated with UECCC's projects and sub-projects under the EASP shall have sufficient knowledge to do so accurately and effectively.

References

- i. World Bank ESS9 GN19
- ii. Legal/Compliance Register

Procedure

- i. Determine the necessary competence of staff to carry out their operations in such a way that is compliant with this ESMS.
- ii. Based on a standardised and documented approach, conduct annual E&S capacity and training needs assessment for UECCC staff engaged on the EASP, PFIs and Private Energy Companies with a focus on identification of capacity and knowledge gaps associated with the effective implementation of the E&S Policy and the ESMS. As part of the ESMS development process, there will be an initial overall training as follows:
 - a) For UECCC staff; there will be detailed training on E&S details (screening, due-diligence, ES terms and conditions, monitoring);
 - b) For PFIs, there will be initial training on EASP E&S requirements and how to incorporate this in their EASP project related activities and documentation. They shall also be advised on the responsibility to do additional EHS training to their staff involved in the project.
 - c) For private energy companies, the training shall be in a form of indoctrination on their project specific E&S requirements. They shall also be advised on the responsibility to do additional EHS training to their staff involved in the project.
- iii. Based on the outcome of annual capacity and training needs assessment, develop documented annual training programmes for UECCC, PFIs and Private Energy Companies.
- iv. Implement the approved annual E&S capacity and training programmes.
- v. Evaluate all trainings upon completion as part of continuous improvement to determine the competence of trained staff and adequacy of the training.

Maintained Documentation

- i. Training Needs Assessment Form.

Retained Documented Information

- i. Annual Training Matrix.
- ii. Record/Evidence of Trainings (internal and external).
- iii. Evaluation of Adequacy of Training.

6.4 Procedure for Stakeholder Engagement and Information Disclosure

Purpose

This procedure defines the process for internal and external communication of matters related to the implementation of the ESMS, in addition to communication of E&S risks and impacts of sub-projects. under the EASP. It further describes the process of stakeholder engagement to ensure that UECCC staff, PFIs, Private Energy Companies and other interested parties, including project host communities, are informed of UECCC's requirements in line with E&S management and UECCC's performance as pertains to the same.

A Stakeholder Engagement Plan (SEP) will be developed and implemented throughout the EASP Project duration. The SEP will be commensurate to the scale and nature of the E&S risks and impacts of the sub-projects.

References

- i. Elements 6, 7, and 8 of IFC's ESMS Implementation Handbook
- ii. ESS9, GN 24.1
- iii. World Bank's Environment and Social Framework, Environmental and Social Standard 10
- iv. National Environment Act, 2019
- v. Uganda's Occupational Health and Safety, 2006

Procedure

i. Internal Communication, Participation and Consultation:

This refers to communication, participation and consultation in relation to E&S matters internally among UECCC's staff within the framework of UECCC's organisational structure for the EASP.

- a) To communicate E&S requirements to all staff under the EASP, Additionally, there shall be awareness communications on new emerging E&S risks not earlier anticipated under the Project/contextual risks or new legislation that is applicable to staff of the PIU in accordance with the Procedure for Organisational Competence and Training (Section 6.3).
- b) E&S induction shall be conducted for new staff, to understand the E&S requirements. The induction shall be evaluated using the developed E&S Induction Evaluation Form.
- c) To communicate or remind staff and contractors of specific topics related to implementation of the ESMS. Additionally, regular toolbox talks shall be conducted for staff under the EASP basing on a developed Toolbox Talk Schedule.
- d) Status of performance of the ESMS shall be communicated to staff under the PIU, clearly highlighting matters of performance improvement – this shall be done through PIU staff meetings and the monitoring reports elaborated in the Procedure for Reporting on Environmental and Social Performance (Section 5.6).
- e) Through PIU staff meetings and any other identified channels of communication, PIU staff shall be consulted to get their perspectives on any changes that may affect their health and safety or receive feedback on how the management of E&S matters under the EASP can be done better. Such feedback shall be taken into consideration by the E&S personnel on the EASP and subsequent feedback given to PIU staff.

ii. External Communication, Participation and Consultation

This refers to Communication, Participation, and Consultation regarding the management of E&S matters related to UECCC's projects and sub-projects under the EASP, i.e., between UECCC and other interested and affected parties such as PFIs, private energy companies, SACCOs contractors, Development Partners, Regulatory Authorities, and Communities, among others.

- a) The ESMS as well as the policy, procedures, elements in the appendices and grievances management systems outlined here will be disclosed on the UECCC website for public awareness.

- b) UECCC shall communicate its E&S requirements under the EASP to interested parties who it influences or are influenced by its activities, through Participating Financial Agreements, contracts, the website, emails, and other practicable means.
- c) UECCC shall undertake prompt communication with all stakeholders to including timely consultation, and participation of stakeholders in fulfilment of the requirements of the ESMS.
- d) Ensuring awareness of relevant stakeholders (UECCC will prepare a Stakeholder Engagement Plan (SEP) as part of project Implementation) of the existence of the ESMS, including all UECCC and shall include the following:
 - A list of key internal and external stakeholders including but not limited to PFIs, SACCOs, private energy companies, employees, contractors, authorities, and local communities;
 - Mode and frequency of communication with each stakeholder group;
 - For each stakeholder group, a description of the E&S issues that may be of interest to them;
 - Measures to ensure that the affected stakeholders are consulted effectively and that they are provided with information on potential risks and impacts to them; and
 - Contact details of how the stakeholders can receive, respond to, and document requests for information or concerns to allow a timely response.
- e) The frequency of reporting shall be throughout the EASP project lifecycle and proportional to the scale of the community's concerns and the assessed E&S risks but shall not be more than annually for external reporting and monthly for PIU's internal reporting – this can also be determined based on the project or sub-project scope and duration. The reporting shall include but not be limited to the following:
 - Immediate update of new environmental and social risks emerging;
 - Progress on implementation of the UECCC's project and sub-project commitments under the EASP;
 - Monitoring results on issues that are of interest to the community; and
 - Benefits generated by the projects and sub-projects.
- f) UECCC and the private energy companies shall ensure continuity in personnel managing ongoing reporting to the affected communities.
- g) Annually, UECCC shall conduct surveys to ascertain the effectiveness of the ongoing reporting mechanisms under the EASP.

Maintained Documented Information

- i. E&S Induction Evaluation Form

Retained Documented Information

- i. Toolbox Talk Schedule
- ii. Records/Evidence of conducted Toolbox Talks
- iii. Stakeholder Engagement Plans
- iv. Stakeholder Engagement Logs
- v. Induction training material
- vi. Evidence of reporting on ongoing monitoring mechanisms

6.5 Procedure for Planning for Environmental and Occupational Health & Safety

Purpose

This procedure defines the requirements related to the promotion of sustainable use of resources (including energy, water, and raw materials), avoidance or minimisation of the generation of hazardous and non-hazardous waste, identification of environmental aspects, occupational health and safety hazards, risks, and impacts and identification of mitigation measures to E&S risks associated with UECCC's activities and working environment under the EASP.

References

- i. Legal/Compliance Register
- ii. World Bank ESS3 (Resource Efficiency and Pollution Prevention and Management)
- iii. World Bank ESS2 (Labour and Working Conditions)
- iv. Development Partner requirements
- v. Occupational, Health and Safety Act, 2006
- vi. National Environment Act, 2019
- vii. UECCC's Human Resource Manual
- viii. EASP Project Operations Manual

Procedure

For Occupational Health and Safety;

- i. Basic safety awareness training to be provided to all persons.
- ii. Adequate provision of hygiene facilities (toilets, hand-washing basins) separated by gender as needed and with distancing guidelines in place.
- iii. All workplace health and safety incidents will be properly recorded in a register detailing the type of incident, injury, people affected, time/place and actions taken.
- iv. All workers (irrespective, where relevant, of contracts being full-time, part-time, temporary or casual) to be covered by insurance against occupational hazards and health risks, including ability to access medical care and take paid leave if they need to self-isolate as a result of occupational health and safety hazard.
- v. Ensure that measures to promote fair and non-discriminatory employment practices are in place.
- vi. Provide PPE as suitable to the task and hazards of each worker, without cost to the worker.
- vii. Under no circumstances will contractors (if required), suppliers or sub-contractors engage forced labour or children under the age of 18.
- viii. All employees are aware of their rights under the Labour Law, including the right to organise.
- ix. All employees are to be informed of their rights to submit a grievance through the established Grievance Mechanism.
- x. Conduct E&S hazard, risk and impact identification associated with the identified activities for both routine and non-routine activities in the office environment.
- xi. Prepare an E&S Risk Register that includes risk ratings for each of the identified risks based on clearly defined criteria for evaluating the significance of the identified E&S impacts. The documented risk rating methodology must be based on consideration of the likelihood and consequence of impacts.

- xii. Implement the measures recommended in the risk assessment report.
- xiii. Periodically review and evaluate the effectiveness of the measures provided in the risk assessment report.
- xiv. Review and update the E&S Risk Register at least on an annual basis to ensure that any changes, for example, in the compliance obligations or associated E&S aspects, are catered for.
- xv. For any non-routine activities being undertaken at the office premises under the EASP, all such contractors shall be required to submit a Method Statement or Permit to Work for review by UECCC. The Method Statement shall include a detailed risk assessment for the activities to be performed as well as a description of the mitigation measures to be implemented.
- xvi. Similarly, UECCC personnel shall also need to undertake a job hazard analysis for specific high-risk tasks.

6.6 Procedure for Grievance Management

Purpose

To describe the process of resolving and remedying complaints that may result from direct and indirect consequences of UECCC's activities under the EASP in the areas it operates in.

References

- i. World Bank's Environment and Social Framework, Environmental and Social Standard 9, GN 27.1.
- ii. World Bank's Environment and Social Framework, Environmental and Social Standard 10.

Procedure

- i. UECCC will establish a documented grievance mechanism that describes, in detail, how grievances from internal and external stakeholders under the EASP will be received and managed. The Grievance mechanism shall, among others, spell out the timeframe within which the registered grievances will be acknowledged, and resolutions provided to the aggrieved party. The Grievance Mechanism shall also provide for an appeal process (refer to Section 7.3.1 for the detailed grievance mechanism);
- ii. UECCC shall establish channels for receiving a grievance and ensure that such established channels are appropriately communicated to the relevant stakeholders. Such channels may include suggestion boxes, toll-free telephone lines, designated offices in project areas, and stakeholder engagement meetings, among others.
- iii. The mechanism shall enable grievances to be raised by illiterate stakeholders and stakeholders who wish to remain anonymous; and
- iv. The UECCC GRM Function will be managed by qualified E&S personnel who shall be responsible for receiving, registering, and processing all grievances, including GBV/SEA in a Grievance log, screening, categorising, investigating, and determining resolution and grievance redress options, communicating decisions taken and progress on pending actions, maintaining a grievance database. The personnel shall have access to external expertise in management of grievances related to GBV/SEA, where required.

Maintained Documented Information

- i. Projects and Sub-projects' Grievance Redress Mechanism
- ii. Staff Grievance Redress Mechanism

Retained Documented information

- i. Grievance Logs

6.6.1 Grievance Redress Mechanism

Purpose

Describes the process of receiving, documenting, investigating and resolving any grievance including reporting the resolutions reached to the relevant parties for UECCC's activities under the EASP.

Scope

The Grievance Mechanism shall be triggered by any individual, an association, a community or an institution believing that the Uganda Energy Credit Capitalisation Company (UECCC), its staff member(s), its projects and sub-projects is responsible for an unfair or illegal situation (such as GBV, SEA, or illegal labour relations child labour etc). This grievance redress mechanism shall apply for all transactions by UECCC under the EASP and will follow the structure in Appendix 12. UECCC will take all complaints through the call center and other channels and work with the respective actors to register, resolve and close them.

For PFIs and private energy companies with no GRMs in place, UECCC's GRM will apply. Additionally, for the PFIs and private energy companies that have the GRMs in place, where there is a conflict, the UECCC GRM will apply.

Level: The term level in this grievance mechanism is used to refer to or mean the various levels of resolving a grievance.

Any person may register their grievance with UECCC by filling the Grievance Form and follow the process of grievance resolution as shall be guided by the person receiving the grievance.

A Guide to the Grievance Resolution Process

There are four (4) major steps followed in the resolution of a grievance. At all times, all grievances once received, shall be acknowledged and registered within 24 hours and legitimised once investigated. A response shall be given where possible to close any grievance out at the first level where applicable. Where the resolution availed to the complainant is not accepted at the first level of grievance management, it shall be escalated to levels 2 and 3. Upon receipt of any grievance, it shall be logged in the UECCC grievance management information system.

1. Step1 –Receipt and Acknowledgement

- a) The complainant should fill out the **Grievance Form (Appendix 11)** with the support of the personnel designated to receive grievances if required. The complainant shall take a copy of the form and another copy shall be passed on to the E&S personnel of UECCC who will be responsible for day to day management of grievances resolution to handle the grievance resolution.
- b) A complaint may also be reported through the UECCC call centre, email, letter, physical visit to UECCC or through the project managers/team members. All grievances upon receipt will be recorded in the grievance form by the designated personnel and will be passed to the E&S personnel for handling.
- c) Anonymous grievances may also be received and treated through the same process of resolution.
- d) Complainants will be required to provide as much evidence as possible to support investigations and these may include witnesses, and photographs, etc.; and
- e) If a grievance is orally received e.g., by phone, or in the case where the complainant cannot write, the form has to still be filled in-front of the complainant by the personnel designated to receive grievances.

2. Step 2 – Record, Assess and Assign

- a) The uniquely numbered and filled in Grievance Form, must be dated and signed by the Complainant with the guidance of the UECCC designated person and this creates the record of the grievance;

- b) The UECCC designated personnel should ensure that in all cases the complainant is aware of the contents of the form;
- c) All grievances are to be handed over to UECCC's Environmental and Social (E&S) personnel for recording into the grievance database within **24 hours of the grievance being received**;
- d) Where possible, the E&S personnel who will be trained in grievance management should give an immediate response or solution and when the solution is accepted by the complainant, the, **Effectiveness Review/Close Out section of the Grievance Form** is signed and registered in the **Grievance Database** managed by the UECCC's E&S personnel under the EASP.); and
- e) On occasions where the complainant fails to provide evidence⁵ in support of a grievance or complaint raised, the ECCC E&S personnel will verify the grievance with the relevant local authority , e.g., Local Council⁶ (LC) 1, the Sub- County Chief or District Community Development Officer (in the case of local communities), who shall handle the grievance within 7 days and endorse the 'close out' section of the grievance form. . This is what would constitute a **Level 1** solution.

3. Step 3 – Investigate and Respond

- a) When the complainant does not accept the first solution (or the grievance cannot be resolved with seven (7) days, an investigation needs to be undertaken within seven (7) days of lodging the grievance by the E&S personnel and, a solution provided within 14 days;
- b) The necessary resources should be provided to facilitate the investigation purposes, following which, a solution should be provided and shared with the complainant;
- c) The purpose of the investigation shall be to verify the validity and assess the significance of the grievance and propose a solution for resolution of the grievance;
- d) The complainant shall be informed of the proposed solution and the complainant will be given room to communicate their suggestions or modifications to the proposed approach;
- e) Upon acceptance of the solution by the complainant and implementation of the corrective measures, the complainant shall sign the "Effectiveness Review/Close Out" section of the Grievance Form. This is what should constitute a **Level 2** solution;
- f) If the complainant does not accept the solution at Level 2, the following steps shall be initiated; this stage of the process should be closed out within a maximum period of 30 days from initial receipt of the grievance;
 - The UECCC E&S personnel in charge of grievance management and relevant third parties such as the LC 1 shall identify potential solutions;
 - The Complainant shall be informed (in writing or verbally) of the proposed solution(s) and opportunity shall be given for him/her to air out their suggested modifications to the proposed approach. Upon acceptance of the solution by the Complainant and implementation of the corrective measures, the Complainant shall sign the "**Effectiveness Review/Close Out**" section of the **Grievance Form**;
 - UECCC shall ensure these updates are made in the grievance database management system. This is what would constitute a **Level 3** solution;

⁵ Such evidence may include but not be limited to witness statements, visible defects on the solar products or evidence of malfunction of a given solar product, police reports, photos, videos, etc.

⁶ In Uganda, the local governments are tiered based on their Local Council level (LC5 being the highest and at the level of a District, LC1 being the lowest and at the level of a village). The LC 1 is the grassroot based administrative unit of local government tasked with local administration at village level including grievance resolution.

- If the Level 3 mechanism fails to provide an acceptable solution to the Complainant, the grievance shall be directly handled over to the legal department of UECCC for resolution.
- When a solution is agreed upon and the corrective measure implemented, the case is closed out, and UECCC's E&S personnel should immediately register the grievance as resolved in the grievance database.
- If the grievance is not resolved at this stage, or the complainant is not in agreement with the proposed solution, the complainant shall be guided by the UECCC legal to appeal against the proposed solution including seeking legal redress in Ugandan Courts of law.

4. Step 4 – Close Out

- a) Timely, clear accurate responses to Complainants should be given when closing out or when a grievance requires to be escalated. For cases that are still open, monitoring with regular progress updates will be done until the case(s) is closed. Additionally, a report of cases registered and closed will be analysed to pick lessons learnt so as to inform future remedial actions.

Refer to Appendix 13 for the Grievance Management Structure.

6.7 Procurement of Goods and Services

Purpose

Procure the goods, non-consulting services, and consulting services, from the proceeds of the EASP Project, in accordance with the provisions of the World Bank Procurement guidelines.

References

- World Bank procurement guidelines

Procedure

This procedure will be used to guide the integration of E&S matters in the procurement and disposal of assets process under the EASP. As part of the procedure, UECCC shall require procuring ministries to:

- a) Clearly include its E&S requirements/criteria when preparing bid documents for of private energy companies to electrify public institutions under the EASP.
- b) Evaluate responses to bid/tender documents to ensure that potential private energy companies/ service providers s meet the provided E&S requirements or criteria.
- c) Contracts for successful bidders shall always include a clause(s) for compliance with the ESMS requirements and relevant legal instruments pertaining to E&S management.

Retained Documented Information

- i. E&S requirements/criteria for bid documents.
- ii. Bid Evaluation Records.
- iii. Service Provider Contracts

6.8 Procedure for Internal Audit

Purpose

1. This procedure is meant to define the steps that will be followed in the planning, performing, and reporting of the ESMS Internal Audit findings. It is not meant to replace UECCC's Internal Audit and Control's Manual but rather to enable incorporation of E&S matters in UECCC's internal audit functions, specifically under the EASP. External audit of this ESMS will be under the jurisdiction of the Auditor General as part of the UECCC EASP component annual external audits. A separate external audit opinion will be provided for the UECCC EASP component, including E&S management.

References

- i. World Bank Environmental and Social Framework, ESS9 GN 21.
- ii. National Environment Act, 2019.
- iii. UECCC's Internal Audit and Controls Manual

Procedure

- i. Prepare an ESMS Internal Audit program in the first quarter of each calendar year. The ESMS Internal Audit program (detailing, among others, frequency, methods, responsibilities, and planning requirements) shall be communicated to staff and other relevant interested parties.
- ii. The ESMS Team Leader or his or her designate shall select Internal Auditors⁷ to ensure an objective and impartial audit process. There shouldn't be a conflict of interest on the part of the auditors of the activities that they are entrusted to audit.
- iii. The Team Leader shall communicate ahead of time to the auditees on the specific area of interest and documentation that they would be interested in to ease preparations.
- iv. A notice (that provides relevant information about the Internal Audit program such as the date, time and scope (specific areas and activities to be audited) regarding the ESMS Internal Audit shall be sent out to all the staff members engaged on the EASP and other relevant parties such as the Contractors (at least one month prior) to allow for preparation including the availability of the necessary staff members.
- v. The E&S personnel under the EASP shall prepare the ESMS Internal Audit Checklist (refer to a sample Internal Audit checklist in Appendix 14) based on the national E&S requirements and international E&S requirements based on the international guidelines of good industry practice, especially those governing the EASP.
- vi. The E&S team shall prepare the ESMS Internal Audit report format to guide all teams in report writing for purposes of continuity.
- vii. The ESMS Internal Audit shall begin with an opening meeting and end with a closing meeting. A member of the Top Management must be present at each of these meetings. More specifically, all internal audits shall have a top management member as a Team Lead or his/her designate.
- viii. As part of the Internal Audit, the Audit team shall review the findings from the sub-project and project monitoring reports, including the implementation and

^{7 7} The criteria for selecting the Internal Auditors may include the following:

1. Knowledge of the ESMS and how it relates to processes at UECCC; and
2. Training in implementation of the ESMS Understanding of the processes within UECCC as an organisation; among others.

effectiveness of corrective actions from previous audits and these shall form part of the Internal Audit Report referred to in (ix).

- ix. The ESMS Internal Audit team shall prepare an Internal Audit Report containing the Internal Audit findings and a set of recommended actions to ensure continuous improvement in the implementation of the ESMS.
- x. The ESMS Internal Audit Report will be shared with Top Management, who will provide leadership in the implementation of the recommended actions.
- xi. Identified non-compliances emerging from internal audits shall be addressed within a reasonable and specific timeframe. Additionally, UECCC shall maintain a tracking system for the implementation status of the audit recommendations.

Maintained Documented Information

- i. Internal Audit Checklist.
- ii. Internal Audit Reporting Format.
- iii. Performance Improvement and Corrective Register.

Retained Documented Information

- i. Internal Audit Schedule.
- ii. Notice of Internal Audit.
- iii. Evidence of Internal Audit Opening and Closing Meetings.
- iv. Internal Audit Report.

6.9 Procedure for Management Review

Purpose

To ensure that UECCC's Top Management is able to keep themselves abreast with the status of implementation of the ESMS, in addition to a review of the performance of the ESMS to ensure continual improvement. This procedure is limited to the management review of the ESMS. At a minimum, the review will be conducted quarterly or will follow the UECCC top management meeting calendar unless there are compelling circumstances (major incidents or accidents, change in legislation, and change in development partners' E&S needs, amongst others) that require a review be conducted sooner.

References

- i. World Bank Environmental and Social Framework, ESS9 GN 21.3.

Procedure

- i. Top Management of UECCC shall review the performance of the ESMS on a quarterly basis or will follow the Top Management meetings calendar. The management review meeting shall take into account any changes in the nature and scope of UECCC's activities coupled with any related legal/other requirements.
- ii. The review shall be done as part of a formal meeting during which key focal persons involved in the ESMS implementation cycle and the E&S personnel engaged on the EASP will be expected to present information on:
 - a) The status of actions from previous management reviews;
 - b) Changes in the operating environment (both internal and external) which influence or are influenced by UECCC's activities, such as changes in UECCC's service areas, and legislation, among others;
 - c) The extent to which the ESMS objectives have been achieved;
 - d) Information on the ESMS performance, including trends in nonconformities and corrective actions, monitoring and measurement results, fulfilment of UECCC's E&S compliance obligations on the EASP, and ESMS Internal Audit results;
 - e) Adequacy of resources (human resources, financial resources, equipment, etc.);
 - f) Relevant communication(s) from interested parties (development partners, PFIs, private energy companies, SACCOs government authorities, contractors, service providers, communities, etc.), including complaints;
 - g) Review of GRM cases including trends and lessons learned;
 - h) Opportunities for continual improvement.
- iii. The meetings shall identify action points to foster continuous improvement.

Retained Documented Information

- i. Minutes of the Management Review meetings.

6.10 Procedure for Incident, Non-Conformity Reporting and Investigation and Determining Corrective and Preventive Actions

Purpose

To define the process of reporting and investigating incidents and nonconformities in addition to determining suitable corrective actions to prevent future recurrence of the same incident or nonconformity. This procedure is applicable to all UECCC's activities and operations at the office and in the field and UECCC's sub-project activities pertaining to the EASP.

References

- i. Uganda's Occupational Safety and Health Act, 2006.
- ii. Element 3 of IFC's ESMS Implementation Handbook.
- iii. World Bank ESS9, GN 22.1.

Procedure

- i. UECCC shall receive information related to nonconformities and incidents, including accidents on the projects and sub-projects under the EASP (as per the incident reporting template in Appendix 14). The E&S personnel will ensure that major or severe incidents are reported to the World Bank within 24 hours, make investigations, implement recommended actions, make follow-ups and monitor preventive and corrective actions. A reporting hierarchy shall be developed in the form of a flow chart (Appendix 15), and this shall also be displayed at notice boards at the main UECCC offices and also shared with the relevant stakeholders in accordance with the Procedure of Stakeholder Engagement and Information Disclosure.
- ii. All UECCC employees on the EASP and relevant stakeholders (such as the private energy companies) shall be made aware of the requirement to identify and report nonconformities, anomalies, incidents, accidents, and near misses on the projects and sub-projects under the EASP, and report them using the developed Incident, Nonconformity and Corrective Action Reporting Log. This form shall then be moved for action according to the reporting hierarchy that shall be developed as in 1.1.
- iii. UECCC shall carry out quarterly compliance checks on funded private energy companies to ensure that they have effectively implemented the E&S contractual requirements including mitigation measures proposed in the conditions of financing. This monitoring exercise will be undertaken by the E&S personnel of UECCC with the help of checklists to be prepared on the basis of the Mitigation Plan stipulated in the Private Energy Company ESMP.
- iv. Within 24 hours of severe or major occurrences, subprojects will notify UECCC/PFIs using the incident reporting form in Appendix 14 of this document on any material impact of E&S nature. UECCC will in turn inform the World Bank within 24 hours about major/severe incidents to be followed by detailed reporting after investigations.
- v. Timely reporting, investigating incidents and nonconformities, and providing preventive and corrective actions shall form part of contractors, and private energy companies' Key Performance Indicators (KPIs) and also part of UECCC's overall performance across all departments.
- vi. The UECCC E&S personnel shall spearhead all other necessary steps to have the nonconformities, incidents or accidents addressed. This will include, among others, the following:
 - a) Determine the cause of the nonconformity, incident or accident using a standardised and logical procedure;
 - b) Determine if similar nonconformities, incidents or accidents have occurred;

- c) Devise and cause the implementation of measures to prevent and correct the nonconformity, incident or accident;
 - d) Review the effectiveness of the preventive and corrective actions taken; and
 - e) Cause changes in the ESMS, if necessary.
- viii. Ensure that where non-compliance with requirements of this ESMS is likely to be associated with significant E&S risks, hazards and impacts, interim measures are implemented to mitigate these risks until more permanent mitigation measures can be applied.

Maintained Documented Information

- i. Non-conformity/Incident/Accident Corrective Action Log.

Retained Documented Information

- i. Registered Non-conformity/Incident/Accident Corrective Action Logs

7 BUDGET

The E&S personnel shall be responsible for preparing the budget for the implementation of the ESMS. The budget cycle will follow that of UECCC as an organisation. Top Management shall ensure to allocate adequate resources for the implementation of the ESMS and capacity building for UECCC staff, PFIs and Private Energy Companies.

The budgeting will be done as part of the annual budgeting process at UECCC that is a highly participatory process and based on planned activities and needs of the respective departments.

An indicative budget and budget guidelines

S/N	Item	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)	Total (USD)
1.	Staff Environment Health and Safety Specialist and Social Safeguards Specialist	90,000	90,000	90,000	90,000	90,000	450,000
2.	Training for PFIs, lease companies and NGOs and solar companies	20,000	20,000	15,000	10,000	10,000	75,000
3.	Technical Assistance for PFIs	30,000	30,000	20,000	15,000	15,000	110,000
4.	Stationary	1,300	1,300	1,300	1,300	1,300	6,500
5.	E&S Supervision, Monitoring and Audits	19,500	19,500	19,500	19,500	19,500	97,500
	GRAND TOTAL						739,000

ANNEXURES

General ESMS Procedures

Annexure 1: Model ESMS Manual for a PFI

Background:

An Environmental and Social Management System (ESMS) is a set of processes and practices that enable an organisation to monitor and manage the environmental and social (including health, safety, and security) risks and impacts of their activities.

Purpose of an ESMS:

The main purpose of an ESMS is to provide an organisation with systems and procedures designed to integrate measures in projects managed by the organisation or its partners in order to avoid (or minimise) environmental and social (including health, safety and security) impacts, and to enhance positive impacts to the maximum extent possible.

General Benefits of an ESMS:

Some of the general benefits of an ESMS include:

- It enables an organisation to consistently foresee and address environmental and social (including health, safety, and security) risks and impacts associated with its activities;
- It provides clear and transparent human resource policies which improve communication between an organisation's management, funding agencies/Lenders, clients (account holders and borrowers), employees, project host communities (for financed projects), and contractors; and
- Enhances the direct correlation between management of environmental and social (including health, safety and security) risks and impacts, and profitability (e.g., through conservation of energy and materials usage, mitigation of reputation risks, sustainable loan performance, among others).

A typical flow of a Financial Intermediary's ESMS based on the World Bank Environmental and Social Standard 9 (ESS 9) for Financial Intermediaries (ESS9) is illustrated below:

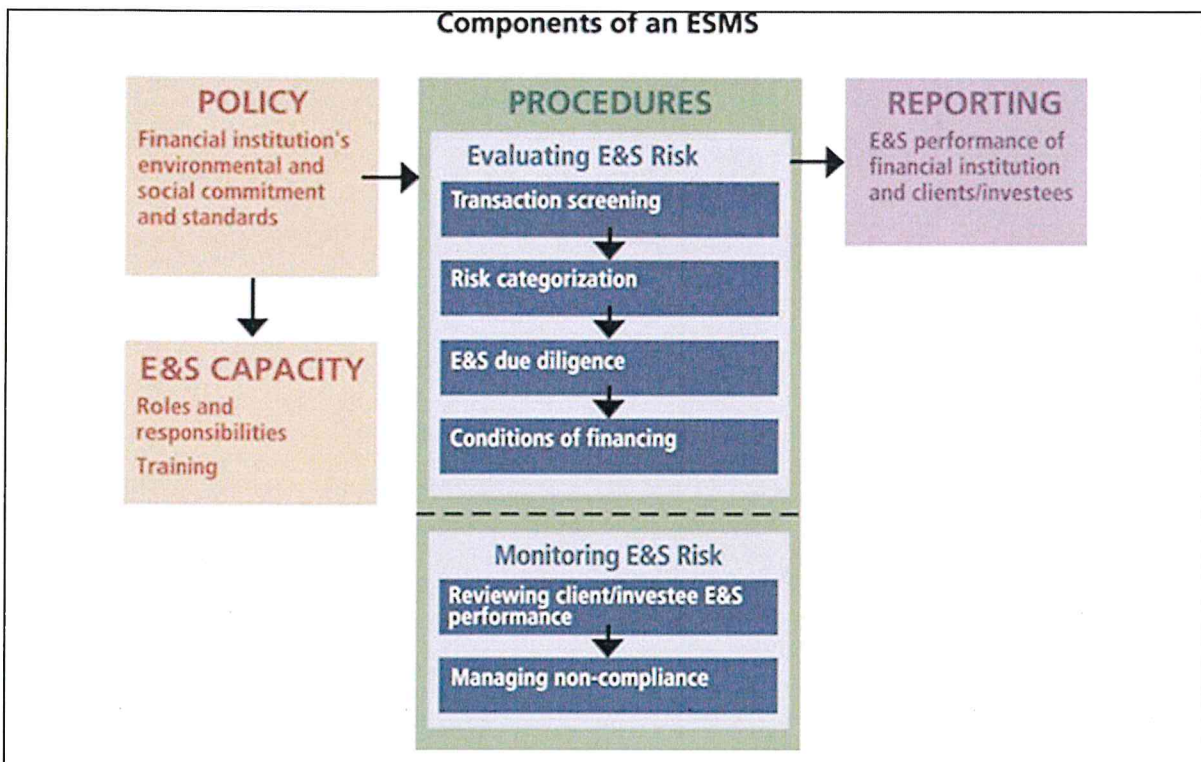


Figure1: Components of an ESMS

(adopted from https://firstforsustainability.org/risk_management/managing-environmental-and-social-risk-2-2/components-of-an-esms/)

An ESMS Manual mainly comprises of the ESMS Policy, ESMS procedures, and ESMS protocols/tools to operationalise the procedures. Refer to Figure 2 and Table 1 for the typical structure of a PFI's ESMS Manual and a model Table for Contents respectively.

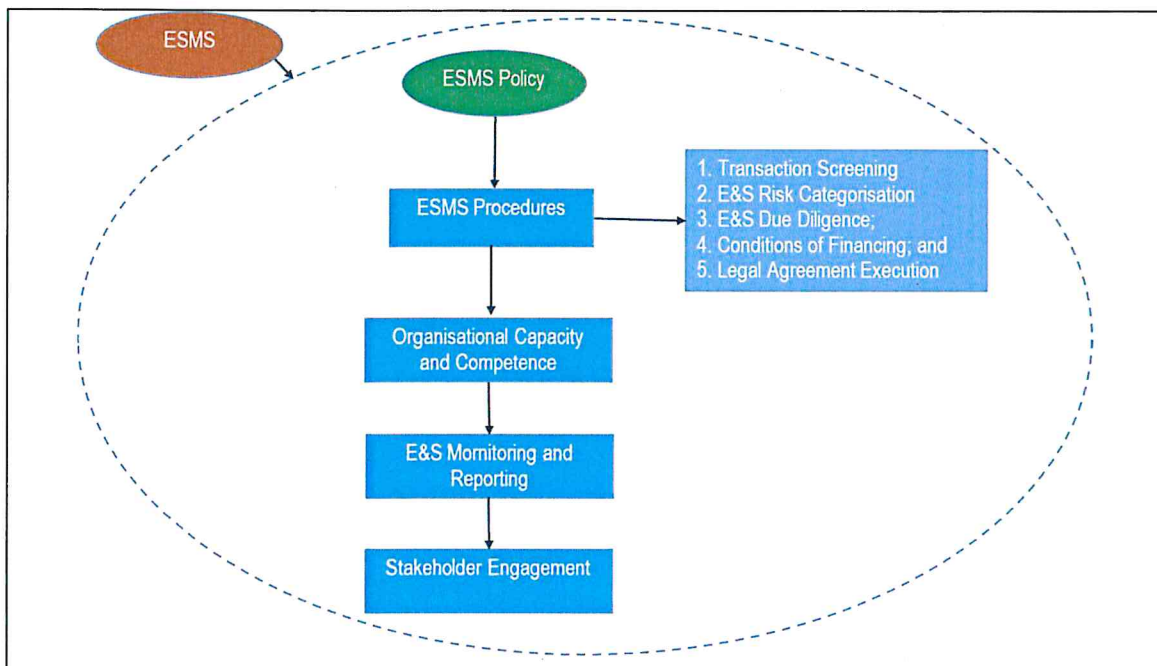


Figure 2: Typical structure of a PFIs ESMS Manual

Table 1: Typical Outline for A PFI's ESMS Manual

1	INTRODUCTION
1.1	Background
1.2	Purpose of the Environmental and Social Management System (ESMS)
1.3	Scope and Limitation of the ESMS
1.4	Implementation Requirements for the ESMS
2	THE ESMS COMPONENTS
3	THE ESMS POLICY
3.1	Policy Approach
3.2	Policy Statement
3.3	Policy Objectives and Targets
4	THE ESMS PROCEDURES MANUAL
4.1	Purpose of the ESMS Procedures
5	TRANSACTION EXECUTION-RELATED E&S PROCEDURES
5.1	Procedure for Transaction Environmental and Social Screening
5.2	Procedure for Environmental and Social Risk Categorisation and Impact Identification
5.3	Procedure for Environmental and Social Due Diligence
5.4	Procedure for Conditions of Financing/Legal Provisions
5.5	Procedure for Environmental and Social Monitoring
5.6	Procedure for Reporting on Environmental and Social Performance
6	E&S CAPACITY REQUIREMENTS
6.1	Roles and Responsibilities in Implementing the ESMS
6.2	Training
6.3	Procedure for Organisational Capacity Competence and Training
7	ORGANISATION-WIDE ESMS COMPONENTS
7.1	Procedure for Stakeholder Engagement and Information Disclosure
7.2	Procedure for Planning for Environmental and Occupational Health & Safety
7.3	Procedure for Grievance Management
7.4	Procurement of Goods and Services
7.5	Procedure for Emergency Preparedness and Response
7.6	Procedure for Internal Audit
7.7	Procedure for Management Review
7.8	Procedure for Incident, Non-Conformity Reporting and Investigation and Determining Corrective and Preventive Actions
8	BUDGET
ANNEXURES	
General ESMS Procedures	
Annexure 1: Procedure for Updating of the Environmental and Social (E&S) Policy	
Annexure 2: Procedure for Updating E&S Objectives, Targets, and Planning to Achieve Them	
APPENDICES	

Some of the E&S protocols (tools) to operationalise the E&S procedures include the following:

- a) List of Excluded Activities;
- b) E&S Risk Rating Criteria for the Projects;
- c) E&S Risk Register;
- d) Legal Register;
- e) Grievance Redress Mechanism;
- f) Internal Audit Checklist; and
- g) Non-conformity/Incident/Accident Corrective Action Log, among others.

Annexure 2: Labour Declaration Form⁸

Background:

The Labour Declaration Form (LDF) has been prepared in compliance with National Labour Laws (Employment Act of 2006) and the UECCC ESMS that is in line with the World Bank ESS2..

The declaration form is applicable to Participating Financial Institutions (PFIs) and Private Energy Companies participating in the implementing the Electricity Access Scale-up Project (EASP) in partnership with UECCC.

Labour Declaration:

{COMPANY NAME} _____ hereby declares to Uganda Energy Credit Capitalisation Company (UECCC) that it will:

- ensure the elimination of all forms of forced or compulsory labour;
- Ensuring workman’s compensation in an event of accidents, injury, permanent disability, or even loss of life during the course of work; and
- Not engage in child labour.
- At all times, strive to protect personal health and safety and remind all EASP teams of the need to adhere to resident worker-related legislation, standards, and best-in-duty practice.
- Respect the privacy of our employees’ personal data in line with Uganda’s Data protection and privacy Act 2019 and other requirements. Every employee undertakes to uphold the confidentiality of all information and protect our intangible assets. To that end, any disclosure of trade secrets or patented or patentable processes is prohibited.
- Ensure fair treatment at work for all employees on EASP-led projects to protect or mitigate the risks of potential discrimination in employment, Gender-Based discrimination and Violence, and Sexual Exploitation and Abuse, racial discrimination at the workplace.

Name of the PFI/Private Energy Company _____

Name of the person duly authorised to sign the Declaration Form on behalf of the PFI/Private Energy Company _____

Title of the person signing the Declaration Form _____

Signature of the person named above _____

Date signed _____ day of _____, _____

⁸ This Labour Declaration Form is not a substitute for the Environmental and Social Due Diligence (ESDD).

Annexure 3: ESMS Format for the Private Energy Companies⁹

Background:

An Environmental and Social Management System (ESMS) is a set of processes and practices that enable an organisation to monitor and manage the environmental and social (including health, safety, and security) risks and impacts of their activities.

Purpose of an ESMS:

The main purpose of an ESMS is to provide an organisation with systems and procedures designed to integrate measures in projects managed by the organisation or its partners in order to avoid (or minimise) environmental and social (including health, safety, and security) impacts, and to enhance positive impacts to the maximum extent possible.

General Benefits of an ESMS:

Some of the general benefits of an ESMS include:

- It enables an organisation to consistently foresee and address environmental and social (including health, safety, and security) risks and impacts associated with its activities.
- It provides clear and transparent human resource policies which improve communication between an organisation's management, funding agencies, clients (account holders and borrowers), employees, project host communities (for financed projects), and contractors; and
- Enhances the direct correlation between management of environmental and social (including health, safety, and security) risks and impacts, and profitability (e.g., through conservation of energy and materials usage, mitigation of reputation risks, sustainable loan performance, among others).

A typical flow of an organisation's ESMS such as the private energy companies based on the World Bank's Environmental and Social Standard 1 (ESS1) on Assessment and Management of Environmental and Social Risks and Impacts is presented in Table 1 below:

⁹ Annexure 3 is intended to provide a guideline as to what constitutes a private energy company's ESMS. Additionally, a list of procedures expected in a private energy company's ESMS are provided. The substantive content of the ESMS will be covered under training that will be provided by UECCC to the Private Energy Companies. Technical Assistance may also be provided by UECCC where required to develop the ESMS

Table 1: Table of Contents for A Private Energy Company's ESMS Manual

<p>Chapter 1: Background</p> <p>Provides the basis against which ESMS is being developed.</p>
<p>Chapter 2: Key Definitions</p> <p>The chapter provides definitions for the key terms used in the ESMS Manual. Some of the key terms to be defined could include "Policy" and "interested party" (stakeholder) among others.</p>
<p>Chapter 3: Scope and Limitations</p> <p>The chapter defines the extent of application of the organisation's ESMS, and the limitations of the ESMS.</p>
<p>Chapter 4: Overview of the ESMS Structure</p> <p>The chapter introduces the layout of the ESMS, and lists all the ESMS elements.</p>
<p>Chapter 5: The ESMS Components</p> <p>This includes the ESMS Policy objectives, statement and commitments, and the list of the ESMS Procedures. The ESMS procedures provide a step-by-step insight into undertaking a given process governed by the ESMS.</p>
<p>Chapter 6: Budget</p> <p>This provides commitments towards availing funds for the implementation of the ESMS.</p>
<p>Chapter 7: Annexures</p>

Some of the ESMS Procedures to be included in the ESMS include the following:

- a) Procedure for developing an Environmental and Social (ESMS) Policy;
- b) Procedure for setting E&S Objectives, Targets for the organisation and Planning to Achieve Them;
- c) Procedure for Environmental and Social impacts and risks assessment (for the case of World Bank-funded projects);
- d) Procedure for Determining Legal/Compliance Obligations;
- e) Procedure for Environmental and Social Monitoring;
- f) Procedure for Reporting on Environmental and Social Performance;
- g) Procedure for Organisational Capacity Competence and Training;
- h) Procedure for Stakeholder Engagement and Information Disclosure;
- i) Procedure for Grievance Management;
- j) Procurement of Goods and Services;
- k) Procedure for Management of Contractors;
- l) Procedure for Emergency Preparedness and Response;
- m) Procedure for Internal Audit;
- n) Procedure for Management Review; and
- o) Procedure for Incident, Non-Conformity Reporting and Investigation and Determining Corrective and Preventive Actions.

Some of the ESMS protocols (tools) to operationalise the ESMS procedures include the following:

- a) E&S Risk Register;
- b) Legal Register;
- c) Grievance Redress Mechanism;
- d) Internal Audit Checklist;
- e) E&S Reporting template; and
- f) Non-conformity/Incident/Accident Corrective Action Log.

Annexure 4: Procedure for Update of the UECCC Environmental and Social Management System (ESMS)

Purpose

The purpose of this procedure is to define the process for the update of UECCC's ESMS under the EASP.

References

- i. World Bank ESS9, Guiding Note 14.2
- ii. Element 1 of IFC's ESMS Implementation Handbook
- iii. National Environment Management Act, 2019
- iv. Uganda's Occupational Health and Safety Act, 2006
- v. ISO 14001:2015 Standard, Clause 5.2
- vi. ISO 45001:2018 Standard, Clause 5.2

Procedure

ESMS Update/Amendment

UECCC shall update/change an E&S Policy governing E&S matters under the EASP and ensure that it provides for the following:

- i. Annual reviews of the ESMS will be undertaken to ascertain continuous fit for the purpose.
- iii. The review shall be done as part of formal workshops during which key stakeholders (UECCC, PFIs, Energy Service Companies, MEMD, World Bank) involved in the ESMS implementation will consider the following with a view of updating the ESMS:
 - a) Review of the ESMS including actions from quarterly management reviews of the ESMS, trends and lessons learned;
 - b) Changes in the operating environment (both internal and external) which influence or are influenced by UECCC's activities, such as changes in UECCC's service areas, new legislation, among others;
 - c) The extent to which the ESMS objectives have been achieved;
 - d) Information on the ESMS performance, including trends in nonconformities and corrective actions required.
 - e) Relevant communication(s) from interested parties (development partners, PFIs, private energy companies, SACCOs government authorities, contractors, service providers, communities, etc.), including complaints;
 - f) World Bank No Objection will be sought for changes/updates made to the ESMS.
- iv.
- ii.

Policy Communication

UECCC shall ensure that, as a minimum, the E&S Policy is communicated to the following key stakeholder groups:

- i. All employees;
- ii. Implementing partners that include the PFIs and private energy companies;
- iii. All relevant government organs such as Ministries, Departments and Agencies (MDAs);

- iv. Development Partners and Service Providers;
- v. Communities that host projects that are funded by UECCC; and
- vi. The Policy shall also be displayed at UECCC's premises and made available on UECCC's web page for all interested parties.

Policy Review

UECCC shall review the ESMS as part of top management and Board meetings, and, if appropriate, update the E&S Policy whenever necessary and on an annual basis. The policy review process shall be closely coordinated with the World Bank. Among some of the things that shall inform the need for policy review may include but not be limited to the following:

Findings from the ESMS internal audit process that may include;

- Changes to E&S Policy, Legal and Regulatory requirements;
- Change in the nature and scale of activities to be financed;
- Changes to the World Bank's E&S requirements;
- Changes in the ownership, management structure, and type and nature of activities among the grantees; among others.

Maintained Documented Information

- i. E&S Policy.

Retained Documented Information

- i. Documentation related with annual review of the E&S Policy and decisions made thereafter.

Annexure 5: Procedure for Updating E&S Objectives, Targets on the EASP and Planning to Achieve Them

Purpose

To describe the process for updating E&S objectives/targets and actions relevant to the achievement of the requirements of the ESMS.

References

- 1.1 UECCC's EASP ESMS Manual

Procedure

UECCC shall undertake the following:

- 1.1 Establish "SMART" E&S objectives and targets to address all significant E&S risks and impacts associated with its operations/activities under the EASP objectives and targets shall be clearly articulated, and where practicable, targets shall be measurable.
- 1.2 All objectives and targets shall be consistent with the requirements of the E&S Policy as well as UECCC's legal obligations.
- 1.3 Clearly documented action plans shall be developed to achieve each objective and target. These plans shall be sufficiently detailed to include the actions to be done, resources required, target dates, and designated responsibility for each action.
- 1.4 Objectives, targets, and associated plans will be documented, reviewed regularly, at least on an annual basis, and progress tracked and evaluated as further described in the Procedure for E&S Risk Monitoring (Section 5.5).

Maintained Documentation

- 1.1 E&S Policy
- 1.2 E&S Objectives and Targets

Retained Documented Information

- 1.1 Action Plans for achieving the Objectives and Targets.
- 1.2 Monitoring Reports that track implementation of the Action Plan on Objectives and Targets.

Annexure 6: An Indicative Outline of the Environmental and Social Management Plan (ESMP) for Private Energy Companies

- 1. CHAPTER 1: INTRODUCTION**
 - a. Overview of the Project
 - b. Legal and Technical Basis for ESMP
 - 2. CHAPTER 2: PROJECT DESCRIPTION**
 - a. Project location
 - b. Scope of work
 - c. Construction/installation methods
 - d. Materials required including waste disposal
 - e. Total investment of the project
 - 3. CHAPTER 3: ENVIRONMENTAL AND SOCIAL ECONOMIC CONDITIONS**
 - a. Physical Conditions
 - b. Biological Conditions
 - c. Social-Economic Conditions
 - 4. CHAPTER 4: ENVIRONMENTAL AND SOCIAL IMPACTS**
 - a. Type and scope of E&S risks and impacts for existing facilities including those related to OHS and liability matters
 - b. Type and scope of E&S Risks and Impacts for the funded subproject
 - 5. CHAPTER 5: IMPACT MITIGATION MEASURES**
 - a. Measures to be implemented to mitigate the identified E&S Risks and Impacts
 - 6. CHAPTER 6: ROLES AND RESPONSIBILITIES FOR ESMP IMPLEMENTATION**
 - a. ESMP Implementation Arrangement
 - b. Roles and Responsibilities of Stakeholders
 - c. Stakeholder Engagement
 - 7. CHAPTER 7: ENVIRONMENTAL AND SOCIAL MONITORING AND REPORTING**
 - a. Objectives of the Environmental and Social Monitoring
 - b. Environmental and Social Monitoring Plan
 - c. Environmental and Social Reporting
 - 8. CHAPTER 8: CAPACITY DEVELOPMENT AND TRAINING**
 - a. Training Programs Proposed
 - b. Technical Assistance Support for the implementation of the ESMP
 - 9. CHAPTER 9: ESMP COST ESTIMATION**
 - a. Cost for mitigation measures by contractor
 - b. Costs for Environmental Monitoring programs
 - c. Cost of Training and Capacity building
 - d. Total cost of ESMP Implementation
 - 10. CHAPTER 10: GRIEVANCE REDRESS MECHANISM**
 - 11. CHAPTER 11: INTERGRATION OF THE ESMP INTO THE PROJECT**
- REFERENCES**
- ANNEXURES**

Annexure 7: Eligibility Criteria for Private Energy Companies

Sub-borrower Companies are private, for-profit institutions, legally permitted to borrow under their business charter or articles of incorporation that include:

- i) Companies that sell or install Solar Home Systems (SHS), Clean Cooking Solutions or Solar Productive Use Equipment (PUE),
- ii) Companies that are End-Users of SHS, Solar PUE or Clean Cooking Solutions.
- iii) Companies that provide energy services for example operation and maintenance services and customer training for SHS, Solar PUE or Clean Cooking Solutions,
- iv) Companies that produce SHS, Solar PUE or Clean Cooking Solutions by assembly of components.

Sub-borrower Companies must satisfy the following Eligibility Criteria

- **Licensed with adequate ownership structure:** Companies should have a valid domestic company registration and should be duly licensed with a tax identification number. The company must be in full compliance with relevant national regulations pertaining to tax, legal and accounting norms.
- **Eligible company business models:** include cash sales, PAYGO, Energy Service Companies (ESCOs)
- **Adequate Business Plan:** Companies should have a three-year forward-looking business plan covering marketing, sales, distribution, procurement, and financing.
- **Hold a valid bank account** with a BOU recognized financial institution legally registered for operations in Uganda.

Audit: Have an external independent audit report of the last three financial years. In the case of domestic companies, the accounts must be audited by a member of the Institute of Certified Public Accountants of Uganda (ICPAU).

Quality of operations: Companies should have a sound business with proven resources to efficiently carry out operations at the functional level, including organization, management, staff, local agents, financial and others. Companies should ensure that they have the trained agents/staff for the sales and installation of quality products. Companies should provide regular training to the agents/staff for quality installation and better after-sales-service. UECCC will assess the adequacy of regular training through an annual appraisal of the solar companies.

Past Experience: Have demonstrable relevant business operations for at least two years locally or internationally.

- **Quality products:** All products sold by Companies must meet standards specified by UNBS or other relevant national standards authorities.
- **Warranty and after-sales service:** Proof of a satisfactory consumer protection plan, including warranties within a stipulated period. Companies must have an established and active after-sales service capability. Companies should provide the list of agents/staff working in different districts to ensure an adequate staff/agent-base for sales and timely after-sales-service. Companies must have preventive maintenance plan clearly showing the plan for regular maintenance and after-sales-service of the products.
- **Adequate accounting systems and management information and IT support:** All Companies must have adequate accounting, bookkeeping, management and adequate system software support.
- **Recycling:** companies must submit a duly signed declaration as commitment that the company will be responsible for collection and safe disposal of residual waste (batteries, lamps, and related waste) after the useful life of the accessories in consultation with the National Environment Management Authority (NEMA).
- **Compliance with E&S safeguards:** In accordance with the UECCC ESMS, companies must confirm compliance with E&S safeguards. Companies must provide a declaration with supporting evidence stating compliance with World Bank fiduciary requirements including anti-corruption (Annex 15) and all applicable Uganda laws and UECCC EASP ESMS policies covering Environmental and Social impacts of their businesses.
- **Organizational Code of Conduct:** Must comply with anti-fraud, anti-corruption and anti-money laundering requirements as set out in Annex 15 of the CSF Manual
- **Positive EBITDA** with minimum 2-year track record in relevant markets.

- **Pass UECCC's due-diligence process:** to ensure product authenticity and company operations.
- **Capacity:** Companies must be capable of implementing the proposed business plan in the chosen market.
- **Data System:** Maintain a system to provide data required for project implementation and monitoring.
- **Blacklisted Companies Not Eligible:** Companies which are debarred/blacklisted by Multilateral/Donor funding agencies and or Government of Uganda will not be considered for participation.
- **Solar Product Minimum Tier:** UECCC EASP funding will support solar products that meet at minimum "Tier 1" level of service as defined by the Multi-Tier Framework Access Definition.

Unincorporated End-Users: Sub-borrowers under the LoC will also include unincorporated end users of eligible solar equipment or clean cooking solutions that meet PFI credit standards, comprising individuals, households, farmers and other cooperatives. These sub-borrowers are not eligible for direct lending

APPENDICES

Appendix 1: List of Excluded Activities¹⁰

UECCC's Exclusion List defines the list of projects and activities that UECCC does not fund. It is based on the exclusions by UECCC's development partners, such as the World Bank and International Finance Corporation. The list of excluded activities shall be updated by UECCC whenever the need arises or shall be reviewed at least once per year based on national and international legislation and development partner requirements.

UECCC shall not finance the following entities/sub-projects:

- Trade in any product or activity deemed illegal under Ugandan laws or regulations or international conventions and agreements, or subject to international bans.
- Entities red flagged by the Financial Intelligence Authority's.
- Entities blacklisted by the Public Procurement and Disposal of Public Assets (PPDA);
- Entities/Projects with on-going litigation for sexual exploitation and abuse.
- Activities involving harmful or exploitative forms of forced labour¹¹/ child labour¹².
- Entities involved in terrorist activities.
- Entities involved in drug abuse or sale of narcotics
-

¹⁰ The Exclusions list is not exhaustive and could be expanded during review and update of the ESMS .

¹¹ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

¹² Child labour means the employment of children that is economically exploitive or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

Appendix 2: Risk Rating Criteria

Risk Rating	Risks	List of Excluded Activities ¹³	PFI's or private energy company's systems and Capacity for E&S Risk Management
Moderate Risk ¹⁴	Lending for projects or sub-projects whose associated E&S risks require the preparation of Project Briefs as per the National Environment Act, 2019.	PFI's portfolio includes no exposure to excluded activities.	Overall moderate to strong E&S systems and capacity based on information obtained in the Transaction E&S Screening Form.
Low Risk ¹⁵	Lending for projects or sub-projects whose associated E&S risks are low and hence need not be subjected to an ESIA or Project Brief according to the National Environment Act, 2019.	PFI's portfolio includes no exposure to excluded activities.	E&S systems and capacity are robust and strong

¹³ The list of excluded activities provides clarity as to what Projects the PFI should not fund using the EASP.

¹⁴ This risk rating refers to projects likely to have adverse environmental and social impacts that are less significant than those with high/substantial risks. Additionally, guidance as to which projects fall under this risk category shall be sought from the World Bank ESS.

¹⁵ This risk rating refers to projects that are likely to have minimal or no adverse environmental impacts.

Appendix 3: Indicative Risks and Impacts of the subprojects to be financed

Lines of Credit to PFIs		
Action	Potential E&S Risks and Impacts	Potential Mitigants
Selection of PFIs	Safety & Health of PFI employees	PFI declaration for OHS
	Fair treatment & nondiscrimination of PFI employees	PFI LMP declarations
	PFIs borrower in UECCC exclusions list	PFI to screen borrowers against UECCC exclusion lists
	PFIs, inadequate capacity to screen assess and monitor borrower's E&S risks & impacts	PFI E&S procedures for screening assessing, monitoring and reporting E&S of their portfolio risks of borrowers
	PFIs, borrower is in nonconformance with UECCC E&S requirements	PFI borrower to sign ES commitment in Loan agreements PFI Submit ES quarterly reports & incident reports to UECCC UECCC to provide TA to PFIs borrower on E&S management
Monitor of PFIs	PFIs failure to enforce terms and conditions on E&S safeguards	UECCC to carry E&S supervision spot-checks on PFI borrowers
PFI lending to Solar Companies	Safety & Health of solar companies' employees	Solar Company declaration for OHS for employees
	Fair treatment & nondiscrimination of solar companies' employees	Solar company LMP declarations
	abuse of vulnerable workers (women, children, immigrants) by solar companies' employees	LMP declarations and procedures
	Child labor by Private energy companies	LMP declarations and procedures
	Pollution of environment from solar used batteries,	Commit to reduce, minimize, recycle and dispose Solar batteries
	Hazardous and non-hazardous waste from solar panels and electronic component	Commit to reduce, minimize, recycle and dispose Solar batteries.
	Users complains on products defects	Complaints/Grievance management at PFI
	Solar installed in cultural heritage site may tamper with cultural heritage artifacts	PE to commit to protect cultural sites if installing solar on cultural sites
PFI Direct lending to cookstove companies	Safety & Health of cookstoves company workers	cookstove company declaration to protect its works from OHS for employees
	Fair treatment & nondiscrimination of workers	Cookstoves company LMP declarations on fair treatment and nondiscrimination of workers
	Abuse of vulnerable (workers women, immigrants & children)	LMP declarations and procedures to protect the vulnerable workers
	Child labor	LMP declarations and procedures
	Emission/leakage from gas (Co2, methane, etc.) from fuel from cookstoves	Follow national approved cookstoves standards
	Fuel inefficient cookstoves	Follow national approved standards of fuel efficient cookstoves

Lines of Credit to PFIs		
Action	Potential E&S Risks and Impacts	Potential Mitigants
	Beneficiary complaints on products defects	Complaints/Grievance management at PFI

UECCC Direct Lending to Private Energy Companies		
Action	Potential E&S Risks and impacts	Potential Mitigants
UECCC lending to Solar Companies	Safety & Health of solar companies' employees	Solar Company declaration for OHS for employees
	Fair treatment & nondiscrimination of solar companies' employees	Solar company LMP declarations
	abuse of vulnerable workers (women, children, immigrants) by solar companies' employees	LMP declarations and procedures
	Child labor by Private energy companies	LMP declarations and procedures
	Pollution of environment from solar used batteries,	Commit to reduce, minimize, recycle and dispose Solar batteries
	Hazardous and non-hazardous waste from solar panels and electronic component	Commit to reduce, minimize, recycle and dispose Solar batteries.
	Users complains on products defects	Complaints/Grievance management at PFI
	Solar installed in cultural heritage site may tamper with cultural heritage artifacts	PE to commit to protect cultural sites if installing solar on cultural sites
UECCC Direct lending to cookstove companies	Safety & Health of cookstoves company workers	cookstove company declaration to protect its works from OHS for employees
	Fair treatment & nondiscrimination of workers	Cookstoves company LMP declarations on fair treatment and nondiscrimination of workers
	Abuse of vulnerable (workers women, immigrants & children)	LMP declarations and procedures to protect the vulnerable workers
	Child labor	LMP declarations and procedures
	Emission/leakage from gas (Co2, methane, etc.) from fuel from cookstoves	Follow national approved cookstoves standards
	Fuel inefficient cookstoves	Follow national approved standards of fuel efficient cookstoves
	Beneficiary complaints on products defects	Complaints/Grievance management at PFI

RBF to Private Energy Companies		
Action	Potential E&S Risks and Impacts	Potential Mitigants
RBF to companies selling solar	Safety & Health of employees	Solar Company declaration for OHS for employees
	Fair treatment & nondiscrimination of employees	Solar company LMP declarations
	Vulnerable workers women, child labor, immigrants	LMP declarations and procedures

RBF to Private Energy Companies		
Action	Potential E&S Risks and Impacts	Potential Mitigants
	Child labor	LMP declarations and procedures
	Pollution from solar batteries,	Commit to reduce, minimize, recycle and dispose Solar batteries
	Generation of hazardous and non-hazardous waste from solar panels and electronic component	Commit to reduce, minimize, recycle and dispose Solar batteries.
	Beneficiary complaints on products defects	Complaints/Grievance management at PFI
	Possible installation of Solar in cultural heritage	Commit to protect cultural sites
RBF to cookstove companies	Safety & Health of workers	cookstove company declaration to protect its works from OHS for employees
	Fair treatment & nondiscrimination of workers	Cookstoves company LMP declarations on fair treatment and nondiscrimination of workers
	Vulnerable workers women, immigrants	LMP declarations and procedures to protect the vulnerable workers
	Child labor	LMP declarations and procedures
	Emission/leakage from gas (Co2, methane, etc.) from fuel from cookstoves	Follow national approved cookstoves standards
	Fuel inefficient cookstoves	Follow national approved standards of fuel efficient cookstoves
	Beneficiary complaints on products defects	Complaints/Grievance management at PFI

Electrification of Public Institutions		
Action	Potential E&S Risks and Impacts	Potential Mitigants
Electrification of Public Institutions Solar Companies	Safety & Health of employees	Solar Company contracts include OHS for employees
	Community health and safety (Electrocution)	Solar Companies to install systems with designs embedded to protect community from the risk of electrocution
	Fair treatment & nondiscrimination of employees	Solar company contracts include LMP for employees
	Vulnerable workers women, child labor, immigrants	Solar company contracts include commitment to protect the vulnerable groups such women & migrants from sexual violence and child abuse
	Child labor	Solar company contracts prohibit employment of children below 18 years
	Pollution from solar batteries,	Solar companies contract for installation, operations, and maintenance to clauses to reduce, minimize, recycle and dispose Solar batteries in safe manner

Electrification of Public Institutions		
Action	Potential E&S Risks and Impacts	Potential Mitigants
	Generation of hazardous and non-hazardous waste from solar panels and electronic component	Contract to include clause to reduce, minimize, recycle and dispose hazardous and non-hazardous waste in a responsible legal manner.
	Beneficiary complaints on products defects	Grant agreements to have provision for complaints/Grievance management
	Possible installation of Solar in cultural heritage	Where required Grant shall include terms and provisions to protect cultural sites
Grants for the installation of efficient cookstoves in public and private institutions	Injury & ill-health of workers cookstove company	Grant Agreement shall include provisions to protect workers from OHS risks.
	Risk of Accidents and injury to workers & community	Safety measure against all forms of accidents to be adhered to
	Fair treatment & nondiscrimination of cookstoves workers	Grant Agreement shall include provisions on fair treatment and nondiscrimination of workers
	Abuse of vulnerable workers (women, immigrants, children)	Grant Agreement shall include provisions to protect the vulnerable workers i.e., women, immigrants and children from abuse
	Child labor	Grant Agreement shall include provisions to prohibit employment of children below 18 years
	Emission/leakage from gas (Co2, methane, etc.) from cookstoves fuel	Grant agreement to require companies to follow national approved cookstoves standards
	Fuel inefficient cookstoves	Grant Agreement to require companies to follow national approved standards of fuel efficient cookstoves
	Beneficiary complaints on products defects	Complaints/Grievance management at PFI

Appendix 4: Environmental & Social Transaction Screening Form

This form is to be filled by the PFI [if applicant has applied through PFI] or UECCC E&S Personnel [If applicant is to be directly finance by UECCC]

Section A: Applicant's Background Information	
Name of Applicant:	
Facility applied For:	
Amount Applied For:	
Brief Description of the Applicant's nature of business including geographical location of the business:	
Purpose of Funding:	
Does the applicant satisfy the eligibility criteria for private energy companies under annex 7 <input type="checkbox"/> Yes <input type="checkbox"/> No	
Is the proposed project appearing on the Exclusions List: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, applicant shall be advised of the decision not to process the application. No need to proceed with further screening of the applicant.	
Does the subproject activities have any negative impacts on the following:	
a) Labour and working conditions of its employees including OHS If yes, please explain	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) waste management (solar batteries, solar panels etc.) If yes, please explain	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Gender mainstreaming to address issues such as Gender Based Violence (GBV), discrimination against women and Sexual Exploitation and Abuse (SEA), among others. If yes, please explain	<input type="checkbox"/> Yes <input type="checkbox"/> No
Status of Safety and emergency preparedness of existing facilities where the financed equipment will be installed. <input type="checkbox"/> In place , If in place, provide the hazard map and safety and emergence preparedness plan <input type="checkbox"/> Not in place If not in place, develop the hazard map and safety and emergence preparedness plan	
<p>i. Companies or subprojects that do not satisfy the eligibility criteria in annex 7 and/or are dealing in activities on the exclusion list will be rejected.</p> <p>ii. Companies or subprojects that satisfy the eligibility criteria in annex 7 and/or are not dealing in activities on the exclusion list but answer "yes" to any of the other questions above – the company or sub-project shall be categorized as moderate risk and therefore shall be subjected to the ESDD.</p> <p>iii. Companies or subprojects that satisfy the eligibility criteria in annex 7 and are not dealing in activities on the exclusion list and answer No to the other questions above –the Companies or sub-projects shall be categorized as low risk and therefore shall not be subjected to the ESDD.</p>	

Environmental and Social Regulatory Compliance and Liability

Please indicate with a (✓) if the following applies:

Environmental Compliance

- The applicant complies with environmental regulations and standards of Uganda.
- The applicant is in possession of all necessary environmental permits, licenses and approvals applicable to the sub-project (If applicable).
- The applicant has been issued or fined for non-compliance with environmental or worker occupational health and safety regulations and standards in the last two years.
- The applicant is subject to on-going or pending administrative or court action due to environmental or worker health and safety offences.
- The applicant is exposed to potentially significant environmental liabilities (such as those arising from known or suspected indiscriminate hazardous waste disposal related to past or on-going operations).
- The applicant has received formal grievances related to poor environmental or health and safety performance.
- Within the last five (5) years, the applicant or their associated institution has been the focus of the press, NGOs or social media regarding environmental or worker health and safety performance.

If the answer to any of the above is “yes”, please provide further details:

.....
.....
.....

Social Compliance

- The applicant complies with relevant international social legislation and agreements.
- The applicant complies with national labour and employee protection regulations (those related to occupational health and safety (OHS), employment of minors (child labour), prohibition of forced labour, non-discriminatory treatment of employees at the workplace and gender).
- The applicant is in possession of all necessary social and labour-related permits, licences and approvals for the operation of the sub-project.
- The applicant or their institution has been fined for non-compliance with OHS, labour and public safety /sanitary regulations and standards in the last two years.
- The applicant is subject to on-going or pending administrative or court action due to labour or sanitary offences.
- The applicant has had significant incidences in the last two years involving deaths or serious injuries and or significant environmental damage.
- The applicant has received formal grievances related to poor social or labour practices.
- Within the last five (5) years, the applicant has been the focus of the press, NGOs or social media regarding social or labour issues.
- The applicant is exposed to potentially significant social liabilities (such as those entailing acquisition of land occupied by squatters) related to past or on-going operations.

If the answer to any of the above is “yes”, please provide further details

.....
.....
.....

Positive Impacts

List the positive impacts likely to be associated with the sub-project (such as towards climate change and, creation of decent jobs etc.)

Risk Categorisation

a) Environmental and Social Risk Categorisation

- Moderate Risk - Low Risk

b) Justification of the E&S Risk categorisation

[based on the nature of applicant's business, exposure to potential significant E&S risks and impacts, whether proposed activities are on the list of excluded activities and applicant's E&S management systems]

Note: If the risk categorisation is moderate, proceed to carryout due diligence using the form in Appendix 5 as required, otherwise, recommend approval of the application subject to meeting other appraisal requirements. The findings from the E&S Due Diligence stage will inform whether the transaction processes should proceed or not.

Signature..... (E&S Specialist)

Date

Appendix 5: Environmental and Social Commitment Plan (ESCP)

Action Point	Description of environmental and social actions required/environmental and social components/	Responsibility for Action	Monitoring indicator	Implementation Timeline	Proposed budget	External agencies/personnel that may provide assistance or oversight	Status

Appendix 6: E&S Due Diligence Checklist¹⁶

Section A. Organisation's Details	
Organisation Name:	
Organisation Address:	
Contact person for E&S issues	
Name and title of the person filling the Questionnaire:	
Section B (For PFIs only): Financial Institution's Portfolio	
Total number of UECCC related transactions approved over the last year:	
Total value of UECCC transactions:	
Number of UECCC transactions screened/assessed for E&S risks:	
Value of UECCC transactions screened/assessed for E&S risks:	
Number of UECCC transactions not approved for E&S reasons:	
Number of UECCC transactions that exhibited poor E&S performance, non-compliance with agreed E&S Action Plans, or breach of loan documentation covenants/conditions:	
(Please attach a summary of transactions by E&S risk category, where available, sector, size, financial product type)	
Section C. Environmental and Social Management System	
<p>Does the Applicant have an Environmental and Social Management System (ESMS)?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>(If yes, please attach any documents that can serve as evidence of an ESMS, and associated E&S policy and procedures, and its approval by the organisation's Senior Management)</i></p>	
<p>Does the applicant have an E&S risk categorisation system?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not Applicable</p> <p><i>(If yes, please briefly describe the system below)</i></p>	
<p>Does the applicant require E&S risk mitigation measures from sub-borrowers (only applicable to PFIs)?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not Applicable</p> <p><i>(If yes, provide ESMP</i></p>	

¹⁶ For comprehensive assessment of the borrowers' E&S management mechanisms this tool could be used alongside the Internal Audit Checklists for PFIs and private energy companies.

Does the applicant require regular reporting from sub-borrowers on E&S issues (only applicable to PFIs)?

- Yes
- No
- Not Applicable

(If yes, sub-borrowers to report using form in appendix 11 over the life of the sub-project)

Does the organisation have sufficient staff with adequate skills/capacity with clearly designated roles and responsibilities for E&S risk Management?

- Yes
- No

(If yes, provide the details of the personnel and their roles and responsibilities)

Does the applicant conduct regular E&S supervision/inspections and monitoring?

- Yes
- No

(If yes, please provide evidence of E&S inspections/supervision and monitoring records)

Does the applicant maintain an E&S management records system?

- Yes
- No

(If yes, what kind of records are maintained as part of the E&S management system)

Final Remark on E&S Risk Categorisation following on from the ESDD:

Date:

Signature

Appendix 7: Outline of an Environmental and Social Due Diligence Report

Background:

Environmental and Social Due Diligence (ESDD) is a structured approach for obtaining and evaluating environmental information prior to its use in decision-making in the development process. This information basically consists of predictions of how the environment and society are expected to change if certain alternative actions are implemented, and advice on how best to manage the changes if one alternative is selected and implemented. Table 1 provides an outline of an ESDD report.

Table 1: ESDD Report Outline

<p>1. CHAPTER 1</p> <ul style="list-style-type: none">a. Background of the Project.b. Objective of the ESDD.c. The methodology used while conducting the study. Specifically, at a minimum, the methodology will comprise of the following:<ul style="list-style-type: none">i. Review of reports, documents, and other relevant information about the EASP Environmental and Social context including the risk categorisation process;ii. Site visits to the project implementation area; andiii. Consultations with identified stakeholders (including national authorities, local government officials, local leaders, and potential project beneficiaries).
<p>2. CHAPTER 2</p> <ul style="list-style-type: none">a. Relevant policy, legal and administrative framework of the ESDD; andb. Relevant World Bank Environmental and Social Standards (ESS). <p><i>Note: The regulatory framework of the ESDD should consist of the current and anticipated national and regional laws, international standards, and World Bank Guidelines.</i></p>
<p>3. CHAPTER 3</p> <ul style="list-style-type: none">a. Project Description;b. Aspects related to the site location of the Project; andc. An overview of the project phasing (including but not limited to planning, construction, operation, maintenance, and decommissioning phases).
<p>4. CHAPTER 4</p> <ul style="list-style-type: none">a. Environmental and Social Baseline data specific to the Project Site.<ul style="list-style-type: none">i. Physical Environmentii. Biological Environmentiii. Socio-economic Environment
<p>5. CHAPTER 5: Environmental and Social (E&S) Impacts</p>
<p>6. CHAPTER 6 Proposed mitigation measures. <i>Note: Dependant on the Environmental and Social Impacts identified.</i></p>
<p>7. CHAPTER 7 Monitoring Plan for the ESDD.</p>
<p>8. CHAPTER 8 Conclusions and Recommendations.</p>
<p>9. REFERENCES</p>
<p>10. ANNEXURES</p>

Appendix 8: UECCC E&S Performance Report to World Bank

REPORT COVERING PERIOD	
FROM:	TO:

1. Portfolio Breakdown

PFI /Subproject	Financing Product	Description	Amount borrowed (For PFIs only)	E&S Risk Classification

1. Details of material E&S (including health and safety) issues during the reporting period

a) PFI/Subproject	Major E&S System and capacity non-compliance issues	Actions Committed to close issues	Status (Closed/Open)

Appendix 9: Annual E&S Performance Reporting Template to World Bank

EASP Components		2,3&4	
Sub projects		Amount in USD	E&S Impacts
Direct Lending (Amount Extended in USD)			
Grants to Public Institutions (Amount Extended in USD)			
Lines of Credit to PFIs			
Grants for Technical Assistance			
Total			
Overall Project Implementation Progress			
Reporting Period			
E&S (including Health and Safety) Implementation progress			
Commitment (Where applicable)	No of commitments	No closed	
Labour & working conditions including update on forced labour			
Compliance with applicable national laws			
Waste management			
Employee Health & Safety			
Compliance with E&S Loan covenants			
Significant E&S (including Health and Safety) Events /Nonconformities			
Area	Description of Events	Status (Closed or Open)	
Community rights abuse			
Major nonconformity with national laws on E&S			
Environmental pollution (water, air, sound, land degradation)			
Employee Health or Safety			
Child labour			
GBV/SEA			
Follow up Actions Required			
Community rights abuse			
Major nonconformity			
Waste management			
Employees Health and Safety			
Compliance with E&S loan covenants			
Summary and Conclusion			

Appendix 10: Quarterly E&S Performance Reporting Template

NAME OF INSTITUTION/COMPANY		
FINANCING PRODUCT		
AMOUNT BORROWED		
PFI		
E&S RISK CATEGORISATION	<input type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> Substantial	
REPORTING PERIOD	FROM:	TO:

For the reporting period indicated above, please provide the following information about your E&S Performance:

1. Progress on the commitment to address the negative impacts identified at appraisal.

E&S issue(s)	Actions Committed to close issues	Status (Closed/Open)

2. Report of material E&S issues during the reporting period

The report should cover key areas such as compliance status with the relevant National Legislation, WB ESSs, HSE incidents/accidents (if any), Grievances recorded/received, Management of Solar Waste, Workers' H&S, air pollution aspects on-projects, Fire outbreak, Explosion of LPG Cylinders, Child Labour, Electrocutation, Gender-Based Violence (GBV), major/severe incidents, etc.

E&S issue(s)	Actions Committed to close issues	Status (Closed/Open)

3. Positive Impacts

4. Other recommendations

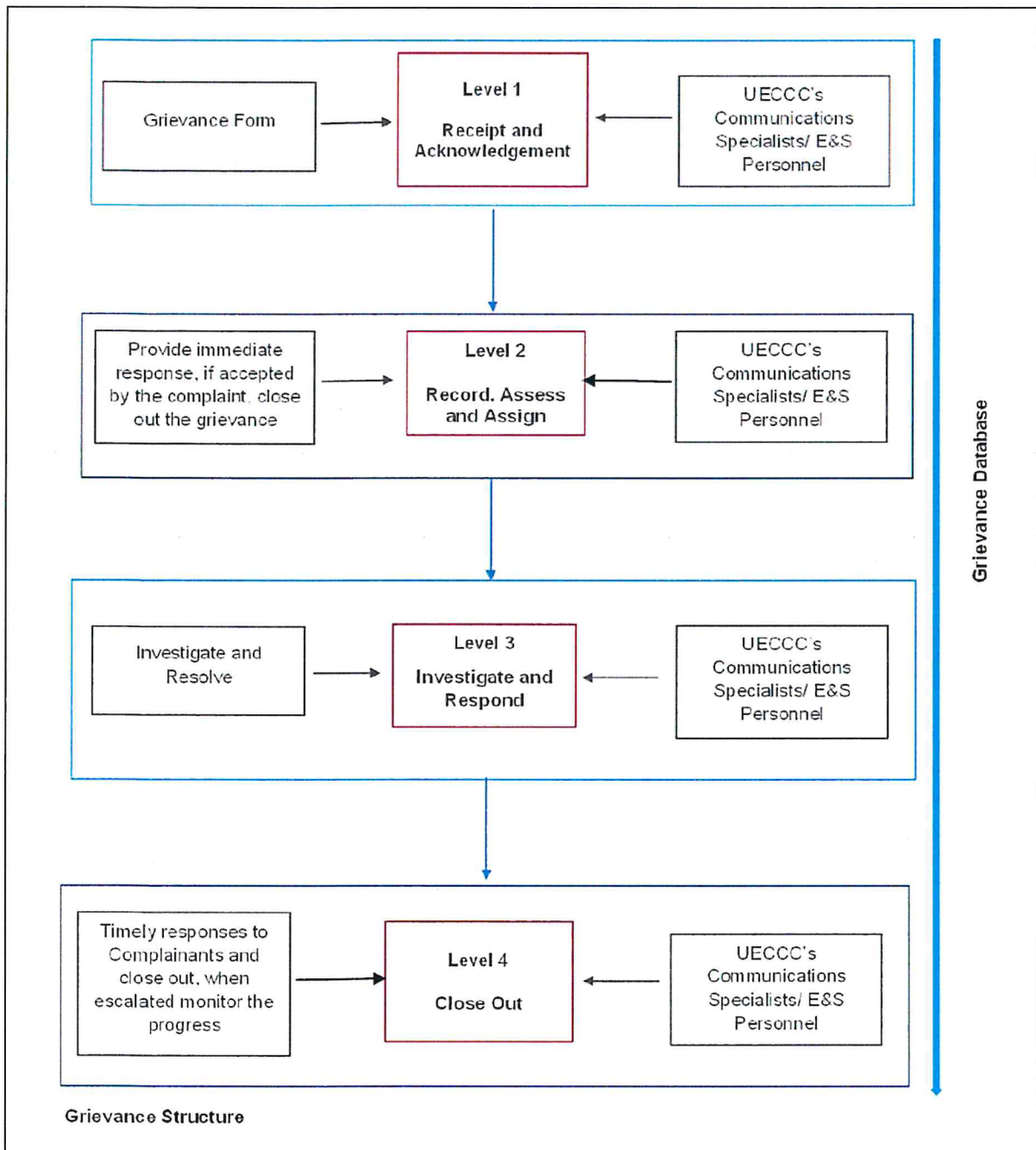
Name and Sign

Date

Appendix 11: Grievance Form

UECCC GRIEVANCE FORM			
A. Complainant Details			
Reference Number	Date Received	How was Grievance Submitted	Received by
Name of Complainant	Address	Telephone Number	Email
B. Details of Grievance			
Person Responsible for Addressing Grievance	Description of Grievance		
Grievance Priority (critical, medium, low)	Evidence of the Issue		
C. Action Taken / Required			
Acknowledgement sent to Complainant (Yes / No)	Date Acknowledgement of	Date Set for Resolution of Grievance	
Description of Action Taken			
Person Responsible for Implementing Action		Date of Completion	
D. Communication of Action			
Method and Date of Feedback to Complainant		Complainant Response to Action	
E. Effectiveness Review/Close-out			
Were Actions Effective in Resolving the Grievance (Accepted or Rejected)	Grievance Closed (Y/N)	Date	Signature of Complainant
Approved By	Date		

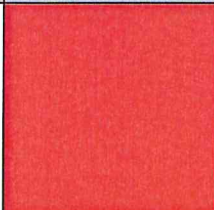



Appendix 12: Grievance Management Structure



Appendix 13: Internal Audit Checklist

Purpose:

The ESMS Internal Audit checklist integrates the requirements stipulated by the World Bank Environmental and Social Standard (ESS) 9 for Financial Intermediaries.

Audit Issue	Colour Code	Risk Rating and Interpretation
Major N/C		A high risk, major non-conformance which directly impacts safety or regulatory compliance, likely to result in a significant adverse effect on the environment and social objectives or which may reduce the effectiveness of the ESMS. Process not implemented, no resources, not documented.
Minor N/C		A Substantial risk, minor non-conformance resulting in deviation from process, practice not likely to result in the failure of the management system nor reduce the effectiveness of the ESMS.
Opportunity For Improvement (OFI)		A Moderate issue that offers an opportunity to improve current practice. Processes may be cumbersome or overly complex but meet their targets and objectives. Unresolved OFIs may degrade over time to become non-compliant.
Compliant		Low Risk Compliant means adherence with the requirements of the ESMS. The process is implemented and documented and records exist to verify this.

AUDIT DATE:					
NAME OF LEAD AUDITOR:					
OTHER MEMBERS OF AUDIT TEAM:					
Requirements	Risk Rating				Comments
	Low (Compliant)	Moderate (OFI)	Substantial (Minor N/C)	High (Major N/C)	
ESMS Elements					
1. Environmental and Social (E&S) Management Policy					
Does UECCC have a relevant documented Environmental and Social management policy that is driven by an overall strategy and policy commitment, and have a clear governance framework for the EASP?					
Is the Environmental and Social management policy endorsed by the UECCC's senior management and includes organizational commitments, objectives, and metrics with regard to the environmental and social risk management?					
Does the policy set out the intentions of UECCC with regard to the management of environmental and social risk, and include specific objectives that UECCC has set with regard to its environmental and social performance on the EASP?					
Does the E&S management policy spell out requirements to screen subprojects based on the legal requirements and environmental and social risks?					

Does the E&S management policy provide for screening of subprojects involved in resettlement activities to establish the level of risk and impacts associated with resettlement?																					
2. Environmental and Social Procedures																					
Has UECCC put in place and maintained clearly defined environmental and social procedures, which reflect and implement the E&S management policy?																					
Do the environmental and social procedures contain written instructions to UECCC's management and staff on how to implement E&S management policy and include risk assessment and monitoring mechanisms?																					
Do the environmental and social procedures include measures to:																					
a) Screen all UECCC subprojects against any exclusions in the legal agreement;																					
b) Screen, review, and categorise the UECCC subprojects according to their potential environmental and social risks and impacts;																					
c) Require that all EASP subprojects are assessed, prepared, and implemented to meet national laws;																					
d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the UECCC and the borrowers																					
e) Monitor, keep, and regularly update environmental and social information on EASP subprojects; and																					
f) Monitor the environmental and social risk of EASP sub-projects portfolio including their compliance to relevant laws and regulations.																					
Has UECCC developed and adopted a categorisation system for subprojects with clearly defined risk categories for the EASP?																					

Does the categorisation system take into account: The nature and magnitude of environmental and social risks and impacts of subprojects, sectoral and geographical context, and type of financing.									
Does the environmental and social risk categorisation system enable UECCC monitor and evaluate its exposure to environmental and social risk aggregated at the relevant portfolio level?									
Organisational Capacity and Competency									
Has UECCC adopted and implemented human resources policies and procedures for the EASP?									
Has UECCC documented and communicated to all employees under the EASP of their rights under national labour and employment laws, any applicable collective agreements, working conditions and terms and conditions of employment, and notified them when any material changes occur?									
Does UECCC promote fair treatment, non-discrimination, and equal opportunity of all employees?									
Has UECCC established and managed a grievance process to learn about employees' concerns and suggestions?									
Does UECCC provide a safe working environment through appropriate Occupational Health and Safety (OHS) programs and measures?									
Has UECCC developed and maintained organisational capacity and competency for implementing the ESMS (under the EASP) with clearly defined roles and responsibilities?									
Has UECCC designated a representative of the UECCC's senior management to have overall accountability for environmental and social performance of UECCC's subprojects under the EASP, including the resources necessary to support such implementation?									
Has UECCC designated a staff member to be responsible for day-to-day implementation of the Environmental and Social Management									

System (ESMS) under the EASP, including the environmental and social procedures?									
Has UECCC ensured that adequate resources are available for management of and training in environmental and social issues pertaining to the EASP?									
Has UECCC ensured that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the environmental and social risks of its subprojects, including providing implementation support as required in the EASP operations documents?									
Does UECCC ensure that information in regards to the E&S management policy and associated procedures is transmitted in a timely manner and conveyed through the appropriate forum?									
Does UECCC keep a record of past communications and periodically update the information transmitted to its employees?									
3. Monitoring and Reporting									
Does UECCC monitor the environmental and social performance of its EASP subprojects in a manner proportionate to their risks and impacts? This includes presence of a written procedure detailing how performance monitoring and reporting is conducted, and the effectiveness of the monitoring process.									
Does UECCC provide quarterly reports (for the EASP) on monitoring outcomes and identified corrective actions to the UECCC's senior management? Including evaluation of the comprehensiveness of the quarterly reports in terms of capturing all E&S matters associated with a given sub-project.									
Does UECCC's top management review the effectiveness of the ESMS and determine whether changes are needed?									
Does UECCC have in place incident notification and reporting procedures for EHS-related incidents for adverse impacts that could result in irreparable harm, such as exposure to hazardous									

chemicals or pollutants that could result in irreversible health conditions and/or significant environmental damage?									
Do UECCC sub-projects under the EASP have a comprehensive waste management plan for handling and disposal of hazardous waste (e.g., end of life solar batteries/take back schemes etc..) in line with the relevant National Laws?									
Does UECCC inform its Development Partners or Lenders when changes occur that would cause UECCC to reclassify the subprojects under the EASP to a higher risk and/or higher impact level?									
Does UECCC have the necessary arrangements in place for conducting E&S internal audits on its activities/sub projects under the EASP?									
4. Stakeholder Engagement									
Does UECCC conduct stakeholder engagement for its sub-projects under the EASP in a manner proportionate to the risks and impacts of the subproject?									
Does UECCC disclose its information regarding the EASP to allow stakeholders to understand the potential risks and impacts of UECCC subprojects i.e., information disclosure in the relevant local languages and in a manner that is accessible and culturally appropriate?									
Does UECCC have procedures in place for external communications on environmental and social matters proportionate to the risks and impacts of UECCC's subprojects under the EASP, and the risk profile of the UECCC's portfolio?									
Does UECCC ensure that external communication mechanisms are known and accessible to all stakeholders associated with the EASP?									

<p>Are procedures for external communication on environmental and social issues designed to receive, respond to, and document requests for information or concerns to allow a timely response?</p>									
<p>Does UECCC disclose information through its website and permit, in writing, its Development Partner such as the World Bank to disclose on the Bank's website, a summary of each of the elements of the ESMS?</p>									
<p>Does UECCC through the sub-borrowers i.e., private energy companies provide stakeholders with access to relevant project information such as the purpose, nature, and scale of the project, project duration, potential risks and impacts of the project on local communities, grievance management procedures, environmental and social monitoring reports among others, in regards to the EASP?</p>									
<p>Is the information disclosed in the relevant local languages and in a manner that is accessible and culturally appropriate, and prior to approval of UECCC's funded subprojects under the EASP?</p>									
<p>Other issues (please specify)</p>									

Appendix 14: Incident Notification and Investigation - Adopted from the World Bank



FOR BANK AND BORROWER USE

Part B: To be completed by Borrower within 24 hours

B1: Incident Details			
Date of Incident:	Time:	Date Reported to PIU:	Date Reported to WB:
Reported to PIU by:	Reported to WB by:	Notification Type: Email/ phone call/media notice/other	
Trading Name of Main Contractor:		Trading Name of Subcontractor:	

B2: Type of incident (please check all that apply) ¹
Fatality <input type="checkbox"/> Lost Time Injury <input type="checkbox"/> Displacement Without Due Process <input type="checkbox"/> Child Labor <input type="checkbox"/> Acts of Violence/Protest <input type="checkbox"/> Disease Outbreaks <input type="checkbox"/> Forced Labor <input type="checkbox"/> Unexpected impacts on heritage resources <input type="checkbox"/> Unexpected impacts on biodiversity resources <input type="checkbox"/> Environmental pollution incident <input type="checkbox"/> Dam failure <input type="checkbox"/> Other <input type="checkbox"/>

See Annex for definitions

B3: Description/Narrative of Incident
<p><i>Please replace text in italics with brief description, noting for example:</i></p> <ol style="list-style-type: none"> <i>I. What is the incident?</i> <i>II. What were the conditions or circumstances under which the incident occurred (if known)?</i> <i>III. Are the basic facts of the incident clear and uncontested, or are there conflicting versions? What are those versions?</i> <i>IV. Is the incident still ongoing or is it contained?</i> <i>V. Have any relevant authorities been informed?</i>

B4: Actions taken to contain the incident			
Short Description of Action	Responsible Party	Expected Date	Status

For incidents involving a contractor: Have the works been suspended (for example, under Contract GCC7.6 or GCC8.9 of Works)? Yes <input type="checkbox"/> ; No <input type="checkbox"/> ; Please attach a copy of the instruction suspending the works.
--

B5: What support has been provided to affected people

Part C: To be completed by Borrower (following investigation)

C1: Investigation Findings
<p><i>Please replace text in italics with findings, noting for example:</i></p> <ul style="list-style-type: none"> <i>I. where and when the incident took place</i> <i>II. who was involved, and how many people/households were affected</i> <i>III. what happened and what conditions and actions influenced the incident</i> <i>IV. what were the expected working procedures and were they followed</i> <i>V. did the organization or arrangement of the work influence the incident</i> <i>VI. were there adequate training/competent persons for the job, and was necessary and suitable equipment available</i> <i>VII. what were the underlying causes; where there any absent risk control measures or any system failures</i>

C2: Corrective Actions from the investigation to be implemented (to be fully described in Corrective Action Plan)		
Action	Responsible Party	Expected Date

Part C cont.: To be completed by Borrower (following investigation)

C3a: Fatality/Lost time Injury information

Cause of fatality/injury for worker or member of the public (please check all that apply):

1. Caught in or between objects 2. Struck by falling objects 3. Stepping on, striking against, or struck by objects
 4. Drowning 5. Chemical, biochemical, material exposure 6. Falls, trips, slips 7. Fire & explosion
 8. Electrocution 9. Homicide 10. Medical Issue 11. Suicide 12. Others
Vehicle Traffic: 13. Project Vehicle Work Travel 14. Non-project Vehicle Work Travel 15. Project Vehicle Commuting
 16. Non-project Vehicle Commuting 17. Vehicle Traffic Accident (Members of Public Only)

Name	Age/DOB	Date of Death/Injury	Gender	Nationality	Cause of Fatality/Injury	Worker (Employer)/Public

C3b: Financial Support/Compensation Types (To be fully described in Corrective Action Plan template)

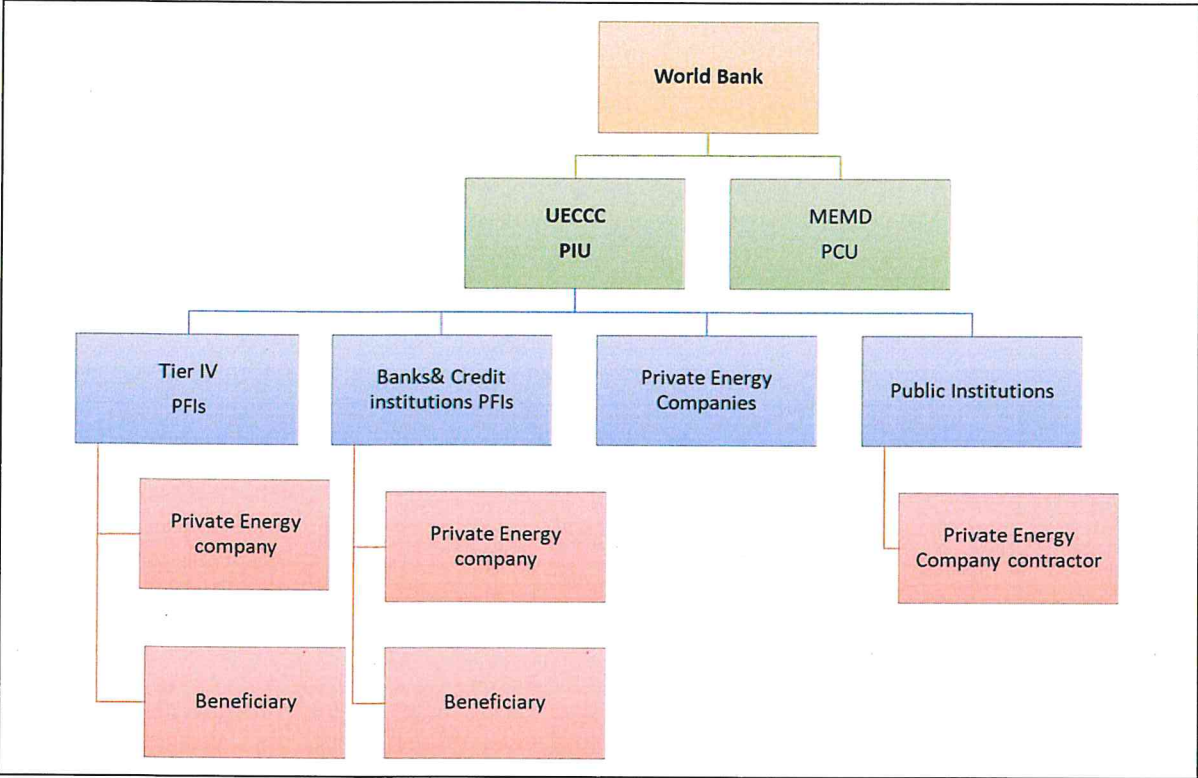
1. Contractor Direct 2. Contractor Insurance 3. Workman’s Compensation/National Insurance
 4. Court Determined Judicial Process 5. Other 6. No Compensation Required

Name	Compensation Type	Amount (US\$)	Responsible Party

C4: Supplementary Narrative

For incidents involving a contractor:
 Have the works been suspended in part or whole (for example, while corrective actions are put in place under Contract GCC7.6 or 8.9 of Works)? Yes ; No ;
 Please attach a copy of the instruction suspending the works.

Appendix 15: Flow Chart indicating the E&S Reporting Hierarchy



Additional Support Documents

Appendix 16: A Model ESMS Policy for PFIs

Background:

An ESMS Policy serves as a brief declaration of an organisation's commitment to sustainable development and management of E&S issues. The Policy should always be communicated internally and ought to be publicly disclosed to interested parties. At a minimum, an ESMS Policy should take into consideration the following:

1. The policy development process should be referenced to given legislation and standards of good industry practice such as:
 - World Bank ESS9 (for Financial Intermediaries);
 - IFC's ESMS Implementation Handbook;
 - National Environment Management Act, 2019;
 - Uganda's Occupational Health and Safety Act, 2006;
 - ISO 14001:2015 Standard, Clause 5.2; and
 - ISO 45001:2018 Standard, Clause 5.2.
2. Provide a framework for setting E&S objectives and targets within the scope of the organisation.
3. Provide the organisation's commitments in line with the management of Environmental and Social matters resulting from its processes.
4. Provide mechanisms for communicating the policy to relevant stakeholders and other interested parties.
5. Provide mechanisms for the review of the policy.

Sections of an ESMS Policy:

A typical ESMS Policy for a PFI ought to have the following sections:

a) Section 1: Purpose of the Policy

This section provides details related to the purpose of the policy such as:

- To provide a commitment to setting of E&S requirements and performance targets in the organisation's activities;
- To provide a basis for the implementation of the ESMS in the organisation's processes;
- To enhance the organisation's E&S practices;
- To establish roles and responsibilities in the ESMS implementation as well as establish reporting lines; and
- To ensure that the organisation has in place a budget for ESMS implementation and training, among others.

b) Section 2: Policy Approach

This section defines the approach of an organisation towards implementing the ESMS Policy. At a minimum, the approach should provide the organisation's commitments such as:

- Ensure that the organisation funds activities with positive environmental and social outcomes;
- Safeguard the environment, humans, and other partners from environmental and social risks that it will be exposed to through the financing to its clients projects;

- Encourage the borrowers to implement adequate E&S management in the projects financed and hopefully more broadly into their core business strategies; and
- Develop and maintain adequate E&S management system procedures and capacity for identifying, managing, and monitoring E&S risks including health and safety, and impacts commensurate with the amount of funds lent, among others.

c) Section 3: Policy Statement

The policy statement provides the list of the organisation's commitments towards E&S management. Examples of such commitments include the following:

- Ensuring implementation of a formalised Environmental and Social Management System (ESMS) to enable identification and proactive management of environmental and social risks and impacts associated with the organisation's operations including financing, facilities, and continuous improvement in this regard;
- Ensuring that all projects under the organisation's funding comply with all relevant environmental and social national and local laws and regulations, other standards of good industry practice such as the World Bank Environmental and Social Standards;
- Setting requirements to undertake environmental and social screening of all projects prior to financing, against exclusions in the legal agreements, and to identify their environmental and social risks and impacts and determine the risk category for the project to be financed and the necessary environmental and social mitigation and monitoring measures;
- Providing the necessary resources to implement the Policy including adequately trained staff;
- Undertaking periodic monitoring and reviewing of the effectiveness of the Policy and the associated ESMS;
- A commitment to make the Policy available to the organisation's employees and relevant stakeholders; and
- A commitment towards undertaking periodic review of the ESMS Policy by Top Management, among others.

Note: The ESMS policy should be endorsed by a designated member of top management.

d) Section 4: Policy Objectives and Targets

An organisation should establish E&S objectives at a prescribed frequency (mostly annually) to ensure that the requirements of the Policy are met. Each E&S objective should be "SMART" i.e., Specific, Measurable, Achievable, Realistic, and Timely. Additionally, mid-term and short-term objectives should be presented separately.

Short-term objectives could include the following:

- Obtaining Top Management approval of the ESMS by July 2023; and
- Kickstarting implementation of an E&S Management System across the organisation's operations by the end of August 2023; among others.

Medium Term objectives could include the following:

- Ensure that all activities financed are performed in a manner that properly manages environmental and social risks and impacts by December 2023, among others.

Note: The ESMS policy objectives should be endorsed by a designated member of top management.

Appendix 17: Model ESMS Policy for Private Energy Companies

Background:

An ESMS Policy serves as a brief declaration of a company's commitment to sustainable development and management of E&S issues. The Policy should always be communicated internally and ought to be publicly disclosed to interested parties. At a minimum, an ESMS Policy should take into consideration the following:

6. The policy should be referenced to given legislation and standards of good industry practice such as:
 - World Bank ESS1 (Assessment and Management of Environmental and Social Risks and Impact);
 - IFC's ESMS Implementation Handbook;
 - Uganda's National Environment Management Act, 2019;
 - Uganda's Occupational Health and Safety Act, 2006;
 - ISO 14001:2015 Standard, Clause 5.2; and
 - ISO 45001:2018 Standard, Clause 5.2.
7. Provide a framework for setting E&S objectives and targets within the scope of the company.
8. Provide the company's commitments in line with the management of Environmental and Social matters resulting from its processes.
9. Provide mechanisms for communicating the policy to relevant stakeholders and other interested parties.
10. Provide mechanisms for the review of the policy.

Sections of an ESMS Policy

A typical ESMS Policy for a Private Energy Company ought to have the following sections:

e) Section 1: Purpose of the Policy

This section provides details related to the purpose of the policy such as:

- To provide a commitment to setting of E&S requirements and performance targets in the company's activities;
- To provide a basis for the implementation of the ESMS in the company's processes;
- To enhance the company's E&S practices;
- To establish roles and responsibilities in the ESMS implementation as well as establish reporting lines; and
- To ensure that the company has in place a budget for ESMS implementation and training, among others.

f) Section 2: Policy Approach

This section defines the company's approach in implementing the ESMS Policy. At a minimum, the approach should provide the company's commitments such as:

- Ensuring that the company funds activities with positive environmental and social outcomes;
- Safeguard the environment, humans, and other partners from environmental and social risks that the company will be exposed to as part of its activities; and
- Develop and maintain adequate E&S management system procedures and capacity for identifying, managing, and monitoring E&S risks including health and

safety; and impacts commensurate with the nature of projects implemented, among others.

g) Section 3: Policy Statement

The policy statement provides the list of the company's commitments towards E&S management. Examples of such commitments include the following:

- Ensuring implementation of a formalised Environmental and Social Management System (ESMS) to enable identification and proactive management of environmental and social risks and impacts associated with a company's operations, and continuous improvement in this regard;
- Providing the necessary resources to implement the Policy including adequately trained staff;
- Undertaking periodic monitoring and reviewing of the effectiveness of the Policy and the associated ESMS;
- A commitment to make the Policy available to the company's employees and relevant stakeholders; and
- A commitment towards undertaking periodic reviews of the ESMS Policy by Top Management, among others.

Note: The ESMS policy should be endorsed by a designated member of top management.

h) Section 4: Policy Objectives and Targets

A company should establish E&S objectives at a prescribed frequency (mostly annually) to ensure that the requirements of the Policy are met. Each E&S objective should be "SMART" i.e., Specific, Measurable, Achievable, Realistic, and Timely. Additionally, mid-term and short-term objectives should be presented separately.

Short-term objectives could include the following:

- Obtaining Top Management approval of the ESMS by July 2023; and
- Kickstarting implementation of an E&S Management System across the company's operations by the end of August 2023; among others.

Medium Term objectives could include the following:

- To reduce work-related fatalities or Lost Time Work injuries across the company's operations and projects by 90% through adoption of hazard identification, risk assessment, and occupational hazard mitigation measures by June 2023.

Note: The ESMS policy objectives should be endorsed by a designated member of top management.