

ESMP mandatorily annexed to the Financing Agreement (FA)



General considerations

1. Cygnum Capital is planning to implement the Facility for Energy Inclusion 2.0 (FEI2.0) Project (the **Project**). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. Cygnum Capital will implement measures and actions of this Environmental and Social Management Plan¹ (**ESMP**) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (**OS**) and the National policy and legal requirements of the countries in which the FEI 2.0 project will be implemented.
3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.
4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. Cygnum Capital is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the Project Implementation Unit (PIU).
5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by Cygnum Capital as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.
6. As agreed by the Bank and Cygnum Capital, this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, Cygnum Capital will propose and agree to changes with the Bank and then update the ESMP to reflect on such changes.

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

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
Periodic E&S implementation report to the Bank		Bank's ESP and OS1	Reports submitted in time, in good standard	Quarterly Report – Fourteen (14) days after the due period Annual Report – Ninety Days (90) days after the due date
1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Seasoned E&S specialists in the Fund – The E&S team is in place	Continuous
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	The GRM policy and procedure is incorporated into the Fund Manager's HR policy, which applies to all Funds under management, including FEI. Additionally, the FEI ESMS policy mandates that all investee companies implement their own GRM policy and procedure.	Continuous
3	Payment of compensation and reinstatement of affected people	SO10	Not Applicable to FEI –	Not Applicable to FEI
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Not Applicable to FEI	Not Applicable to FEI
5	Submission of high-risk activity's Contractor ESMP (<i>C-ESMP</i>) to Bank clearance	Bank's ESP and OS1	Not Applicable to FEI	Not Applicable to FEI

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

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	Not Applicable to FEI	Not Applicable to FEI
7	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	Not Applicable to FEI	Not Applicable to FEI
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Not Applicable to FEI	Not Applicable to FEI
9	Engagement with concerned stakeholders of each relevant specific E&S activity – Part of the Fund's ESMS	OS1, OS10, Bank's Disclosure and Access to Information Policy	Cascaded to the Portfolio Companies	Continuous
10	Establishment of Emergency Preparedness and Response mechanism– Part of the Fund's ESMS	OS1 & OS4, national legislation on contingencies et	Cascaded to the Portfolio Companies	Continuous
11	Appropriate and timely handling of complaints/grievances - Part of the Fund Manager's GRM policy	Bank's ESP and OS1	Cascaded to the Portfolio Companies	Continuous
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	Not Applicable to FEI	Not Applicable to FEI
13	Capacity building of key project implementers - Carried out at the fund level and portfolio companies	OS1	Highlight training in periodic reports	Continuous
14	Implementation of ESMS/ESAP ³	OS1 and OS9, national requirements	Reports	Continuous
14.1	<i>Approval of any required E&S management procedure – Part of the Fund's ESMS</i>	Ditto	Cascaded to the Portfolio Companies	Continuous

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

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
14.2	<i>Establishment of the E&S unit</i>	Ditto	Not Applicable to FEI	Not Applicable to FEI
14.3	<i>Capacity Building of the E&S Unit</i>	Ditto	Not Applicable to FEI	Not Applicable to FEI
14.4	<i>Report on E&S activities of the Fund's operations</i>	Ditto	Reports	Quarterly
15	Suspending related work activity in the event of fatality and/or critical EOHS risk or incident. The Fund should notify the bank of the incident within the stipulated time.	Bank's ESP	Incident notification report	Immediately and no later than 72 hours after the receipt of the incident notification.
16	Prepare the root-cause analysis (RCA) of any fatal/EOHS incident and implement the Corrective Action Plan (CAP) if applicable.	Bank's ESP and OS1	RCA Report	Immediately and no later than 14 days after the receipt of the incident notification.
17	Disclosure of Project's E&S reports to the public - FEI is a debt Fund and the practicality of the ESIA disclosure is not feasible. As part of the E&S screening, FEI E&S team and/or assigned external consultant review the investee companies' ESIA report in line with the applicable national and international regulations and procedures. Also confirms the receipt of the appropriate ESIA certificate from the designated national agency/authority.	OS1, OS10, Bank's Disclosure and Access to Information Policy	Not Applicable to FEI – Disclosure of the ESIA is not enforceable by the Fund	Not Applicable to FEI - Disclosure of the ESIA is not enforceable by the Fund