



Millennium Challenge Coordinating Unit
Office of the Chief of Staff, State House, Freetown

Environmental and Social Management System (ESMS)

Sierra Leone's Threshold Program (THP)

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Abbreviation and Acronyms

BCC	Behavior Change Communication
CEO	Chief Executive Officer
CERE	Community Engagement and Resettlement Expert
CESMP	Contractor Environmental and Social Management Plan
CEPRP	Contractor Emergency Preparedness and Response Plan
DMA	District Metering Area
EDSA	Electricity Distribution and Supply Authority
EGTC	Electricity Generator and Transmissions Company
EHS	Environment, Health and Safety
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EPRP	Emergency Preparedness and Response Plan
ESHIA	Environmental, Social and Health Impact Assessment
ESDS	Environmental, Social, Gender, Health & Safety Information Data Sheet
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESP	Environmental and Social Performance
ESRD	Energy Sector Reform Director
ESRP	Energy Sector Reform Project
EWRC	Electricity and Water Regulatory Commission
GHG	Green House Gases
GRM	Grievance Response Mechanism
GoSL	Government of Sierra Leone
GVWC	Guma Valley Water Company
HR	Human Resources
IE	Implementing Entity
IFC	International Finance Cooperation

M&E	Monitoring and Evaluation
MCC	Millennium Challenge Cooperation
MCCU	Millennium Challenge Coordinating Unit
MoE	Ministry of Energy
MoWR	Ministry of Water Resources
NPA	National Power Authority
PIC	Prior Informed Consent
POP	Persistent Organic Pollutants
PS	Performance Standard
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RSP	Regulatory Strengthening Project
SEMP	Stakeholder Engagement Management Process
SGIP	Social & Gender Integration Plan
SLEPA	Sierra Leone Environmental Protection Agency
SM	Social Marketing
THP	Threshold Program
USEPA	United States Environment Protection Agency
UWCSDC	Urban WASH, Community and Social Development Consultant
WSRD	Water Sector Reform Director
WSRP	Water Sector Reform Project

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1 Introduction

1.1 Purpose of this Document

This document inclusive of its Appendices describes the Environmental and Social Management System (ESMS) of the Sierra Leone Threshold Programme (THP) to manage environmental and social risks and impacts related to the implementation of all the Projects developed under the THP. The ESMS is designed to be consistent with the environmental and social safeguard laws of the Government of Sierra Leone, Millennium Challenge Corporation (MCC) Environmental Guidelines, the IFC Performance Standards (of 2012), and the MCC Gender Policy and Guidelines. The THP will ensure that:

- a. All Projects/Activities/sub-projects are screened against the MCC Environmental Guidelines with respect to the following:
 - i. Projects deemed "likely to cause a significant environmental, health, or safety hazard" are prohibited from receiving MCC funding ("MCC Categorical Prohibitions")¹ ;
 - ii. Projects/Activities/sub-projects deemed likely to have potential significant environmental and/or social impacts are further reviewed and evaluated to comply with MCC's Environmental Guidelines, Gender Policy, and the IFC Performance Standards;
- b. All Projects/Activities/sub-projects are reviewed and evaluated against the National and local laws, regulations, and standards on environment, health, safety, resettlement and land acquisition, gender, indigenous peoples, and physical cultural resources. We are cognizant that some of the mitigation/compensation measures that we

¹ MCC funding prohibition applies to any project if:

- a) as a result of the project, even with mitigation efforts and proper use, there exist or will exist a substance, condition, or circumstance that represent a significant risk of harm to the environment, or to human health because of the physical, chemical or biological effects of such substance, condition or circumstance;
- b) the project involves or will involve the production, procurement or intentional release of:
 - Persistent Organic Pollutants (POPs) that the United States Environment Protection Agency (USEPA) has identified as of greatest concern to the global community;
 - Any pesticide or industrial or consumer chemical that is listed by USEPA as "banned" or "severally restricted" under the Prior Informed Consent (PIC) Program; or
 - The product (including an emission or effluent) that is prohibited or strictly regulated in the United States because its toxic effects on the environment create a serious public health risk; or
- c) the project is a physical project that is prohibited or strictly regulated by Federal law in the United States to protect the environment from radioactive substances, unless MCC has made a final determination, considering a thorough Environmental Impact Assessment (EIA), that the project is not likely to cause a significant environmental, health or safety hazards.

would employ may in themselves often have social and environmental impacts, and these in turn will be mitigated².

The ESMS is used to support the successful implementation of the THP Projects and Activities while avoiding, minimizing and/or mitigating environmental and social risks and impacts. It provides guidance for developing environmental documents, such as Environmental and Social Management Plans (ESMPs), that provide further details on mitigation measures and identifies key entities responsible for implementation, supervision, monitoring and reporting. The ESMS is established by the Sierra Leone Millennium Challenge Coordinating Unit (MCCU) and requires engagement with Implementing Entities (IE), contractors, local communities that may be directly affected by the Project, and other stakeholders, such as government and non-government organizations, private industry, and women’s and youth groups. Drawing on the elements of the established process of “plan, do, check, and act,” this ESMS entails a methodological approach to managing environmental and social risks and impacts in a structured way and on an ongoing basis.

1.2 Structure of the ESMS

The main body of the ESMS is structured as shown in Table 1

Table 1: Structure of MCCU THP ESMS

Section	Content
1	THP Background and general summary of activities of each project relevant to environmental and social performance
2	THP Environmental and Social Policy Statement for all its projects and activities
3	Summary of the International Finance Corporation (IFC) Performance Standards and how the Threshold Projects relate to them
4	Anticipated risks and guidance on how to identify impacts and opportunities for the project planning, monitoring and development cycles
5	Procedures for identifying environmental and social management of the risks and impacts, including standard contractor requirements

² these include ESP activities that are implemented to mitigate risks and environmental impacts associated with the principal program

6	Organizational capacity and competency of parties involved in ESMS implementation, address their capacity and identify capacity building and training measures to ensure that the institutional arrangements are appropriate and qualified for the allocated tasks.
7	Monitoring and reporting of environmental and social aspects for the parties involved in the program management cycle at different stages
8	Procedures for the review and enhancement of the ESMS by MCCU

The ESMS also will include several appendices that provide additional procedural details and tools that shall be used by MCCU, the contractors or their sub-contractors to ensure implementation of the ESMS.

- Appendix 1: ESMS's EMSP that will show how risks and negative impacts will be mitigated on the one hand, and how benefits/positive impacts will be enhanced.
- Appendix 2: Analysis of Sierra Leonean Laws, Regulations, and ratified Conventions with the Content of IFC Performance Standards. Provides a comprehensive listing and summary comparison of Sierra Leonean legislation corresponding to each IFC Performance Standard.
- Appendix 3: Legal and Regulatory Framework on Permitting and Licensing Requirements. Provides a short summary of provisions that regulate environmental and other permitting and licensing requirements that might be triggered by THP physical improvement and construction Activities in the District Metering Area (DMA), the time required and costs of procedures.
- Appendix 4: MCCU Human Resources (HR) Policy. Provides a guide for the employees of MCCU, and provides guidance to contractors and third parties hired by MCCU. The HR document is based on the principles and requirements set forth in the Labor Code of Sierra Leone, the IFC Performance Standards, the MCC Guidelines, and MCCU's internal procedures and regulations.
- Appendix 5: Stakeholder Engagement Plan, Consultation, and Grievance Redress Mechanism provides general guidelines for stakeholder engagement, consultation, and grievance redress procedures for MCCU staff and for Project partners.
- Appendix 6: Resettlement Policy Framework (RPF) provides approaches and procedures to avoid or minimize resettlement, while balancing environmental, social, and financial costs and benefits, paying attention to impacts on the poor and vulnerable persons. It also serves as framework guidance for Resettlement Action Plan (RAP) development for individual sub-project sites.
- Appendix 7: Emergency Preparedness and Response Plan (EPRP) provides general guidelines for emergency planning and preparedness procedures for MCCU staff and for Project partners.

- Appendix 8: Contractor Emergency Preparedness and Response Plan (CEPRP) provides specific guidelines for emergency planning and preparedness procedures for projects undergoing implementation.
- Appendix 9: Contractor Environmental, Social and Management Plan (CESMP), provides a sample forms to capture important environmental and social information.
- Appendix 10: Checklist for Operational ESMP Monitoring provides a model checklist for MCCU to monitor and oversee environmental and social issues that can be used as the basis to prepare the CESMP checklists for that activity, as well as the checklists for the ESMPs of other Threshold Activities or sub-projects.
- Appendix 11: The Sierra Leone Environmental Protection Agency (SLEPA) EIA Screening and Project Registration Checklist

1.3 The Sierra Leone Threshold Programme Background

In December 2012, Sierra Leone was declared eligible for Compact support from the Millennium Challenge Corporation of the United States of America. This created an opportunity for the Government, in partnership with the Millennium Challenge Corporation (MCC), to develop a set of projects that should help address critical bottlenecks (or constraints) in the economy. Three potentially binding constraints to broad-based private investments and economic growth in Sierra Leone were identified:

- The lack of adequate, reliable and affordable access to electricity supply to support the emergence and growth of a wide range of economic activities.
- The lack of access to clean water and sanitation services, leading to high incidences of water-borne diseases, which have implications for labor productivity and household expenses. While water is not a problem in terms of its natural availability, collection, distribution and other problems have led to high financial cost of accessing safe water or long travel distances and times to access them
- The poor conditions of secondary and feeder road networks, which provide access to productive agricultural regions of the country with high potentials to drive growth.
- In addition, the major underlying syndrome contributing to these constraints is:
- the lack of adequate policies and institutional effectiveness – the ability of policies and government institutions to protect returns to investment and promote the efficient provision of inputs to production – which hinder the improvement of these infrastructure constraints, create microeconomic risks that contribute to a large informal sector and constrain investment throughout the economy

However, only the first two binding constraints were included in the initial compact development programme. But in 2013 and 2014 eligibility assessment periods, Sierra Leone was challenged in remaining eligible for compact development in 2013 and 2014. This notwithstanding, due to sustained and sometimes improved performance on other indicators, the MCC Board in November 2014 recommended that the Country instead benefits from a Threshold Program that

will build a foundation for more effective and financially sustainable provision of essential urban services – water and electricity, with a focus on greater Freetown, and increases its chance for Compact reengagement.

The THP entered into force on 17th November, 2015 starting the four-year period for implementation. The Government of Sierra Leone designated Millennium Challenge Coordinating Unit (MCCU), a legal entity of public law under Sierra Leonean law, as the accountable entity to implement the Program and to exercise and perform the Government’s right and obligation to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and their Activities, allocating resources and managing procurements. Such entity will be referred to herein as “MCCU” and has the authority to bind the Government with regard to all Program activities. The Government has also designated MCCU to exercise and perform the Government’s rights and responsibilities to oversee, manage and implement the actions defined in the Grant and Implementation Agreement, dated as of 17th November, 2015.

1.4 MCCU THP Projects’ Environmental and Social Status to date

The THP consists of three Projects designed to respond to economic growth constraints by laying the foundation for more effective and financially sustainable provision of essential urban services – water and electricity, with a focus on greater Freetown. A brief description follows of the Projects, their Activities, and the related environmental and social aspects or issues.

1.4.1 Regulatory Strengthening Project

This project would support the Government of Sierra Leone (GoSL) to stand up and build the capacity of the newly established independent regulator – the Electricity and Water Regulatory Commission (EWRC). The project includes cross-cutting support to improve sector governance and accountability by establishing core regulatory functions and capacities at EWRC, as well as transparent tariff setting procedures. As an incentive for improved performance, a \$5.5 million tranche of the overall funding for the Program would be conditioned on the ability of regulated institutions to achieve negotiated key performance benchmarks established and monitored by the regulator.

1.4.2 Electricity Sector Reform Project:

This project would support GoSL efforts to: (1) strengthen and rationalize the emerging institutional framework and market structure in Sierra Leone’s electricity sector, as well as improve coordination, (2) improve operational and planning capacity, as well as corporate governance, at targeted electricity sector institutions, and (3) enhance transparency and accountability through the development and utilization of service accountability mechanisms.

Since both the Regulatory and Electricity Sector Reform Projects are made up of institutional and capacity building activities, their potential environmental impacts during the duration of THP are expected to be minimal. In the long term, however, there can be major benefits derived from

stakeholder engagement and outreach and increased levels of environmental awareness among the beneficiary institutions of both projects. Consequently, finding ways to ensure that health, safety measures, energy efficiency and the safe disposal of waste become embedded in these institutions, to promote increased knowledge about the environmental impacts of human activities will be an important issue to consider during the implementation of each Activity. In addition to this, the operations of Electricity Generation and Transmission Company (EGTC) are critical to the environment, and there is a need to have a strong environmental management and waste disposal system to manage their environmental challenges. The monitoring of the activities by the ESMS will contribute to build their capacity to manage those environmental and social concerns. *

1.4.3 Water Sector Reform Project (WSRP):

This project would support GoSL reform efforts to: (1) improve water sector coordination, (2) improve commercial practices, operational independence, and planning capacity at the Freetown water utility (Guma Valley Water Company (GVWC)), and (3) enhance transparency, accountability, and customer service practices and quality through improved community, consumer, and customer engagement, Behavior Change Communication (BCC) and Social Marketing (SM), and establishment and utilization of new accountability mechanisms. The key activities of this project are:

- Urban Water Sector Coordination and Road Map Development
- GVWC Institutional Strengthening and Capacity Building
- GVWC System Mapping, Condition Assessment and Hydraulic Modelling, and,
- DMA and Water Standpipe Demonstration

The implementation of the Urban Water Sector Coordination and Road Map Development, and the GVWC Institutional Strengthening activities will not produce any adverse impact on the environment. In fact, on the other hand, they will contribute to build the capacities of GVWC and other beneficiary institutions to build their environmental, health and safety systems. GVWC for instance does not currently have an environmental and occupational safety system in place or any energy efficiency program.

It is expected that the implementation of both GVWC System Mapping, Condition Assessment and Hydraulic Modelling, and the DMA and Standpipe Demonstration activities will produce some social and environmental impacts, and therefore appropriate measures will be taken to completely avoid, and where this is impossible, to minimize and put in place mitigating measures, all be covered under this ESMS. This will involve an assessment and identification of the potential risks and benefits, and the development of appropriate management and mitigation measures.

2 MCCU Environmental and Social Management Policy

The following Environmental and Social Management Policy of MCCU was approved by the Supervisory Board in June, 2016.

MCCU aims to achieve its objectives in the implementation of the Threshold funded activities while minimizing environmental and social risks and enhancing environmental benefits and protection for the people of greater Freetown, with emphasis on vulnerable groups, and women. MCCU will ensure the integration of internationally accepted principles of environmental and social sustainability, particularly the MCC Environmental Guidelines and Gender Policy, IFC Performance Standards on Environmental and Social Sustainability, and the laws and regulations of the Government of Sierra Leone, into the design and implementation of the Threshold.

As such, MCCU commits to develop an ESMS to guide investments and operations and ensure all activities and actors, including the Government of Sierra Leone, MCCU, consultants and contractors, and project beneficiaries will uphold the principles of environmental and social policy performance of the Threshold. To underscore the importance of establishing effective programs and practices which ensure environmental and social sustainability through the consistent application of the Environmental and Social Policy and principles throughout all stages of Threshold implementation, MCCU will:

- Establish and maintain an ESMS;
- Identify and evaluate environmental and social risks and impacts of the Projects and activities;
- Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/off set for risks and impacts to workers, affected communities, and the environment;
- Develop corresponding management plans to address risks and impacts and to maximize positive environmental and social benefits;
- Promote sustainable and efficient use of natural resources and maximize opportunities to use energy and water efficient technologies in Project and activity design;
- Promote improved environmental, social and health and safety performance of all actors and actions through the effective use of management systems and institutional capacity building;
- Develop, adopt and implement a Resettlement Policy framework in accordance with specific international and local standards;
- Develop a grievance redress mechanism for MCCU and ensure that grievances or concerns from affected communities and external communications from other stakeholders are responded to and managed appropriately;

- Develop a stakeholder engagement plan to promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated;
- Ensure all activities and actors consciously design and foster positive environmental and social impacts and benefits;
- Facilitate protection of health and safety of all actors involved in Threshold funded activities;
- Set appropriate monitoring and reporting objectives and targets for the Projects and take corrective action wherever necessary; and
- Ensure that its staff has the knowledge, skills and resources necessary to implement and monitor compliance with this Environmental and Social Policy and related principles.

MCCU is responsible for ensuring that the Program investments and operations comply with this Environmental and Social Policy, and the MCCU Chief Executive Officer is ultimately held accountable for upholding this policy. MCCU's performance about the Environmental and Social Policy will be in its reports to the Supervisory Board of the MCCU. This policy will be communicated to all staff, operational employees, service providers, consultants, contractors, and Government of Sierra Leone partner organizations of MCCU.

3 MCC Environmental Policy and IFC Performance Standards

All MCC financing programmes and projects are subject to the requirements of the IFC Performance Standards (PS). The IFC PS are briefly described as follows:

PS1: Social and Environmental Assessment and Management Systems - emphasizes the importance of managing social and environmental performance throughout the life of a “project” (any threshold action that is subject to assessment and management). An effective ESMS is a dynamic, continuous process initiated by MCCU and involves communication with MCCU workers, consultants, contractors, IEs, local communities directly affected by the Projects (the affected communities) and MCC.

PS2: Labor and Working Conditions - recognizes that economic development should be balanced with workers’ rights. PS2 aims at establishing, maintaining and improving the workers’ management relationships; promoting the equal opportunities for workers, and compliance with national labor and employment laws; protecting the workforce by addressing child labor and forced labor; and promoting safe and healthy working conditions.

PS3: Resource Efficiency and Pollution Prevention - deals with pollution and prevention of pollution, and is aimed at avoiding or, where avoidance is not possible, minimizing the adverse impacts on human health and the environment through avoiding or minimizing pollution directly arising from the Projects.

PS4: Community Health, Safety and Security - aims to avoid or minimize risks to and impacts on the health and safety of local communities during the project life cycle; and ensures that the safeguarding of personnel and property avoids or minimizes risks to a community’s safety and security.

PS5: Land Acquisition and Resettlement - aims to avoid or at least minimize both permanent and temporary physical and economic displacement wherever feasible by exploring alternative Project or sub-project designs; and mitigates adverse social and economic impacts from land acquisition by: (i) providing compensation for loss of assets and (ii) ensuring that resettlement activities are implemented with appropriate consultation and disclosure; and (iii) improves or at least restores the livelihoods, standards of living and living conditions of displaced persons.

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources - aims to avoid or minimize risks to and impacts on protected areas, protected species, natural and critical habitats during implementation of project. This PS is not likely to be applicable to the THP.

PS7: Indigenous Peoples - intends to avoid or minimize risks to and impacts on communities of Indigenous Peoples who may be affected by the Projects. This PS is not likely to be applicable to the THP.

PS8: Cultural Heritage - intends to avoid or minimize risks to and impacts on cultural heritage, including religious sites, cemeteries, human remains, and artefacts, among others.

Table 2 below identifies the key projects, activities and sub-projects of the THP, and which PS apply and how.

This table is subject to future modifications and changes as projects, activities and their sub-projects are implemented.

Table 2: Application of PS to Threshold Projects, Activities, and sub-projects

Project/Activity	Relevant PS	Application of PS to Project/Activity
Electricity Sector Reform Project (ESRP)	PS1-2	PS1: The inclusion of relevant environmental, social and health components in the capacity building of the beneficiary institutions of the ESRP. Stakeholder engagement and consultation will be part of the implementation process. PS2: Improvement in the labor and working conditions of the staff of the beneficiary institutions will also form part of the capacity building activities in the implementation of ESRP PS3: Regulation reforms could result in reducing the environmental footprint and GHG emissions from improved efficiency in power generation and/or improved environmental protection strategies and waste management.
Regulatory Strengthening Project (RSP)	PS1-2	Same as the ESRP
WSRP		
i) Urban Water Sector Coordination and Road Map Activity	PS1	Same as above
ii) GVWC Technical Assistance in Utility Management sub activity	PS1-2	Same as above
iii) System Mapping, Condition Assessment and Hydraulic Modelling sub activity	PS1-4	PS1-2: same as above PS3: Depending on the methods and equipment to be applied for the condition assessment this may require to put in place mechanism to avoid or minimize adverse impacts on human health and environment from pollution directly arising from implementing the activity. PS4: The condition assessment activity may also generate some negative environmental and social impact on the health and safety of local communities along the GVWC transmission line and within the distribution system.

<p>iv) DMA and Standpipe Demonstration Activity</p>	<p>PS1-5</p>	<p>PS1-2: Same as the ESRP, but will also include consultation and stakeholder engagement with the local communities within the selected DMA. It will also include building the capacity of the water kiosks Operator(s) and the staff of the Operator(s).</p> <p>PS3-4: Based on the selected DMA, it may be envisaged that the scale of environmental pollution and impact on the health and safety of local communities during the implementation of physical improvements in GVWC distribution network and construction of water kiosks may be adverse, requiring putting in place a robust mechanism to minimize and mitigate any negative impacts.</p> <p>PS5: Depending on the characteristics of the DMA, project impacts might include: relocation of residents or businesses; acquisition of public or private land; temporary right of way disruptions; and other impacts on the livelihoods of residents and property owners. These impacts will be minimized through careful DMA selection and through systems that will be put into place to identify and mitigate remaining project impacts. Mitigation measures will be designed and implemented through appropriate consultation and disclosure with residents, government and GVWC. The measures will improve or at a minimum restore the livelihoods, standards of living and living conditions of impacted persons.</p>
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4 Environmental and Social Risks and Benefits

With respect to national and international regulations, the THP has some perceived environmental and social risks and benefits, though the actual scale of the risks and benefits will be determined by an environmental and social scoping assessment. The assessment will comply with both the IFC Performance Standards and the requirements of the SLEPA.

The SLEPA checklist is included in Annex 2.

4.1 THP Categorization with MCC Environmental Guidelines

Under the MCC Environmental Guidelines and the SLEPA regulations, projects can fall into the following categories:

- Category A: if the project has potential to have significant adverse environmental and social impacts that are sensitive, diverse or unprecedented. These impacts may affect an area broader than the sites of facilities subject to physical works.
- Category B: if the potential environmental and social impacts are less adverse than those of Category A projects. Typically, these impacts are site-specific, few if any are irreversible, and mitigation measures are more readily available.
- Category C: if the project is unlikely to have adverse environmental and social impacts.
- Category D: if the project involves an intermediate facility that will use MCC funding to finance subprojects that may potentially result in adverse environmental and social impacts.

As a result of initial screening conducted using both the MCC guidelines and the SLEPA requirements, the three Projects of the THP were categorized in terms of their environmental and social risks and potential impacts.

Table 3: THP Environmental Categories

Threshold Project	Category per MCC Guidelines
ESRP	C
RSP	C
WSRP	B

4.2 Environmental and Social Screening

Environmental and social screening should take place at different levels of project development. The screening of the THP and the WSRP led to the categorization of the Projects and sub projects as described in the previous section. For projects and activities under Cat C, (for example sector coordination and institutional strengthening), environmental and social screening of the institutions will take place as part of the overall institutional capacity assessments that will be done to identify priority areas for institutional strengthening and reform.

For the WSRP, which was categorized as Cat B, further screening will take place during the physical mapping of the GVWC infrastructure, as required by the SLEPA. This screening will also contribute to the identification of the DMA, as the project will avoid working in locations where significant risks or impacts are identified. This screening will identify detailed information on each site and informs the parties of the tools needed to avoid, mitigate, and manage environmental and social impacts. The SLEPA requires the following seven stages are followed to identify and manage environmental and social risks:

1. Registration Stage: whereby the proponent or applicant for an Environmental, Social and Health Impact Assessment (ESHIA) License is required to register the project proposal. The Proponent will procure and submit the completed Screening form to register the project.
2. Screening Stage: The Proponent's project proposal and completed screening forms are reviewed by the SLEPA to determine whether the development proposal should be subject to an ESHIA and the level of detail required. This stage will determine the categorization of risk of the proposed project. SLEPA's screening forms are included in annex 2.
3. Scoping Stage: This stage requires the proponent to produce a scoping report that will determine the extent of the impact for an ESHIA license.
4. ESHIA Studies Stage: Depending on the category that the project falls under, the proponent is required to undertake and submit an ESHIA study to the agency for review and further decision making.
5. Public Hearing and Review of ESHIA Report Stage: The proponent is mandated to organize several public hearings/disclosures of the ESHIA Report. Following the public hearing, the proponent will produce an Environmental Impact Statement (EIS), which will be reviewed by the Agency.
6. Decision Making Stage: This is the stage where the ESHIA Report and its EIS is approved or rejected by the Board of the Agency. When the Report is approved, the Agency grants the proponent an ESHIA license on an annual basis subject to terms, conditions and renewal. A rejected Proponent has the power to seek legal redress.
7. Compliance and Enforcement Stage: At this stage, the Agency will monitor and audit the implementation of the project to ensure that the proponent complies with all the terms and conditions set in the license.

The outcome of the assessment will inform the management actions to be developed to minimize the risks and improve and increase the benefits.

As of November, 2016, the MCCU has successfully registered the DMA and Standpipe Demonstration Activity with the SLEPA. The MCCU will ensure close coordination and communication with the SLEPA throughout the life of the project.

4.3 Environmental and Social Scoping Report

Based on the registration process with the SLEPA, and consistent with MCC Environmental Guidelines, the WSRP has been categorized as B due to the DMA physical improvement and water kiosk piloting activities. Thus, the implementation of these activities is associated with minimal environmental and social risks and impacts, which will be assessed to produce a scoping report, with details of the scale, type and level of risks, benefits and impacts, and how they will be managed, mitigated or improved. The Consultant that will be hired to support institutional strengthening of GVWC, including design and implementation of the DMA and Standpipe Demonstration Activity, will have the responsibility for screening and scoping the activity per SLEPA guidelines and IFC Performance Standards. Depending on the nature of the risks identified, the Consultant will also be responsible for preparing an ESHIA and Environmental and Social Management Plan. The scoping report and related deliverables will be reviewed and approved by MCCU, then submitted to SLEPA for review and acceptance before an environmental permit is granted. The review process will also include public disclosure. Public disclosure will involve using the MCCU website, other electronic and print media, and community consultation.

4.4 Potential Benefits and Impacts of Threshold Projects

4.4.1 Anticipated Positive Impact

Since the THP seeks to build a foundation for an effective and financially sustainable provision of essential urban services in the water and electricity sector in Freetown, the perceived benefits and impacts of the Projects are diverse and closely related, and include positive environmental and social impacts as summarized below:

- **New and improved Environment, Health and Safety (EHS) Standards:** The capacity of EGTC, Electricity Distribution and Supply Authority (EDSA), GVWC and EWRC will be supported to develop or strengthen Environmental, Health and Safety Standards based on national, IFC and MCC guidelines, where relevant and with the overall aim to improve waste management, construction practices, increase environmental, health and safety awareness and improve the working culture, and help create a safer working space.
- **Improved Commercial Practices, Planning Capacity and Operational Independence:** Improved capacities of the projects' beneficiary institutions will contribute to operational and management efficiencies, which will ultimately improve the revenue generation of these institutions for effective service delivery.
- **Improved Sector Governance and Coordination:** The operationalization of the newly established independent regulator, EWRC, will contribute to improve the delivery of water and electricity services to customers. The implementation of sectors reforms and development of road map will also contribute to effective sector management and governance.

- Enhanced Transparency and Accountability to Consumers of essential services: Reduced opportunities for, and accountability mechanisms established and implemented to combat corruption and petty bribery in service provision. Also, the implementation of all the project activities will contribute to improved customer satisfaction and education regarding standards of services and customer rights.

In addition to the above, the implementation of the DMA improvement and water kiosk scheme will also produce the following perceived benefits for GVWC, consumers and households in the DMA:

- Access to safe and reliable and improved water services increased
- Increased hygiene practices and improved health within the DMA
- Increased revenue to GVWC from standpipes and consumers within the DMA
- Reduction in technical and commercial losses, non-revenue water and illegal connections within the DMA

4.4.2 Potential Risks and Negative Impacts

The potential adverse environmental and social risks and impacts that could occur during implementation are related primarily to the infrastructure activities, which are currently only associated with the WSRP, specifically for work done as part of the DMA and Standpipe Demonstration Activity. In general, these are expected to be short-term, occurring during the construction period itself, and localized, occurring mainly within the DMA. The potential risks and impacts for the DMA and Standpipe Demonstration Activity identified to date are as follows:

General Risks:

- Inadequate consideration of environmental and social impacts and failure to apply IFC Performance Standards, MCC Environmental Guidelines and/or national legislation during the design or construction activities; and
- Lack of awareness and non-compliance of the consultant of effective environmental and social impacts and subsequent mitigation

Environmental Risks:

- Inadequate consideration of air and water pollution, soil erosion and contamination, and degradation of landscapes in earth movements, demolition activities, and disposal of excavated materials, construction waste and appropriate mitigation measures;
- Energy inefficiency and resource loss in construction activities and waste management.

Social Risks:

- Inadequate stakeholder engagement and consultation with affected persons and/or communities;
- Risks to communities from open trenches, proximity to construction machinery, noise, dust and other construction related impacts;
- Temporary disruptions in water supply or other services due to construction;
- Inadequate consideration of how the project impacts temporary or permanent use of private or community land
- Inadequate consideration of other resettlement impacts such as child abuse, domestic violence, civil strife, drug addiction
- Labor and working conditions requirements; and
- Adverse health and safety conditions for workers, due to poor planning or implementation of hazardous materials management.
- Adverse impacts to ongoing and future working relationships between utility, local government, and water customers because of inconsistencies in compensation provided to impacted residents

As the risks and impacts identified here are only potential, the scale of the actual risks associated with the DMA activity will be determined through the SLEPA scoping exercise described in Sections 4.2 and 4.3.

To ensure that any of the identified impacts do not reappear or the positive impacts/benefits are sustained, the program and the beneficiary institutions will develop and implement a robust environmental and social management programmes, which are discussed in the next section below.

5 ENVIRONMENTAL AND SOCIAL MANAGEMENT PROGRAMME

This section provides an overview of the relevant policies, procedures, plans, legal agreements and so on that are designed to achieve Threshold and Project objectives and to manage risks and impacts and enhance benefits. Particularly, it should refer to the clear and documented guidance on the permitting process with SLEPA (see description above).

The ESMS provides the overall framework for the management of environmental and social impacts of the THP and will be used to guide the capacity support and institutional development of GVWC, EWRC, ESDA and EGTC. The ESMS is also supported by several policies and procedures identified based on the IFC PS triggered for the THP as described in section 3 above. The management instruments that will ensure that MCCU meet its environmental and social performance goals include an ESMP, a Stakeholder Engagement Management Process (SEMP), a Grievance Redress Mechanism (GRM), a Resettlement Policy Framework (RPF) followed by the preparation of a Resettlement Action Plan (RAP), a HR Policy, an EPRP, and a CESMP. These management instruments will be prepared and implemented jointly by MCCU, GVWC, consultants and contractors. Below provides a description of each of these management instruments.

5.1 Environmental and Social Management Plans

ESMP will be developed to eliminate, offset or reduce adverse impacts to acceptable levels and identify the parties responsible for carrying out mitigation and monitoring activities for category B activities. They will describe the mitigation, monitoring and institutional measures to be taken during implementation of the Projects. It will further describe mitigation to be undertaken at the design (pre-construction), construction (implementation), operation, and, where appropriate, decommissioning stages of the activities. As noted in section 1.1, any mitigation or compensation measure to be applied will be critically analyzed to identify any inherent negative impacts of these measures. The identified impacts will also be mitigated accordingly. Also, the plan may contain a schedule and budget; if it does not, the Invitation for Bids (IFB) of the corresponding project or activity will require the bidders to include the costs of the mitigation in their bids and to ensure that the mitigation measures are scheduled within the project work program.

Currently, it is anticipated that only the DMA will require an ESMP. This will be developed by the GVWC Institutional Strengthening Consultant. This ESMP will be designed to manage the risks and impacts, as identified during the scoping stage (based on the ESHIA, if one is required). It will also include aspects such as health and safety and waste management.

Chapter 7 provides information on the ESMP's monitoring and reporting requirements.

Prior to completion of the implementation phase of the DMA activity, the GVWC institutional strengthening consultant will produce a final recommendations and program action report. This

report will provide guidance to GVWC on how to sustain and institutionalize all impacts and learning from the DMA. It will also provide direction on how to resolve any outstanding environmental, social, gender and health and safety issues related to the project. These plans could include operations and maintenance manuals for infrastructure.

5.2 Contractor Environmental and Social Management Plan

A CESMP will be required for construction works, currently this will be only be required within the DMA.

The DMA's CESMP will be developed to be based on the DMA's ESMP prepared by the Institutional Strengthening Consultant. Relevant requirements will be included in the requests for bids for the construction works. The Contractor will be required to produce, submit for approval, and then follow a relevant site-specific CESMP that will include any required auxiliary plans (such as a Site Management Plan, Waste Management Plan, Emergency Preparedness and Response Plan, Health & Safety Plan, etc.), in order to incorporate appropriate mitigation measures into the construction process. A sample ESMP is included in annex 8.

The CESMP will include checklists that identify and facilitate the contractor's implementation and monitoring of all applicable social, environmental and health and safety responsibilities. A section on gender integration should be included in the CESMP, including performance indicators, and showing any required coordination with the actions emanating from the Social & Gender Integration Plan.

Chapter 7 provides information on the CESMP's monitoring and reporting requirements.

5.3 Stakeholder Engagement Management Process (SEMP)

The SEMP is attached as annex 5. It aims to achieve the following strategic objectives:

- Ensure open and transparent communication between the THP and project stakeholders, through the following:
- Ensure activities are designed and delivered in collaboration with relevant stakeholders and provide outcomes that meet the objections of the THP, specifically:
- Prompt identification and resolution of complaints and encourage feedback from stakeholders on project activities and outcomes, through the following the Grievance Redress Mechanism

The SEMP provides information on the responsibilities of MCCU, the relevant institutions, consultants and sub-contractors in the development and implementation of stakeholder engagement plans and identifies and categorizes stakeholders for each project and sub-activities. The document also provides direction on how engagement should be planned, conducted and documented to facilitate learning and develop strong and positive relations with stakeholders.

As mandated by the MCC's Gender Policy, MCCU will ensure that both women and men have opportunities for meaningful participation throughout the consultative processes. Awareness

building on environmental and social issues (including gender) shall be part of the community engagement process.

For the DMA work, a Stakeholder Engagement Plan will be developed by the GVWC Institutional Strengthening Consultant using the SEMP as guidance. The aim of the SEMP is to build and maintain over time a constructive relationship with the DMA community. The nature and frequency of engagement will reflect risks associated with the project and its potential adverse impacts on the community.

5.4 Resettlement Policy Framework

Key ESMS Terms

Resettlement: Resettlement covers the broad range of potential impacts on residents and property owners caused by project activities and the mitigation/compensation actions associated with those impacts. Project activities can include construction, land acquisition, etc. that impact residents/property owners and their assets. These impacts are referred to in this ESMS as:

- *“physical displacement” (people must physically relocate their homes and/or business); and*
- *“economic displacement” (people lose income, property, or other assets due to project actions).*

Resettlement may involve providing for the actual relocation of people and their homes. It may also include economic compensation to people who do not have to relocate, but whose assets are impacted adversely by the project.”

Compensation: Payment in cash or in kind and given in exchange for physical or economic displacement.

A RPF has been prepared in compliance with IFC Performance Standards to avoid, mitigate, and manage resettlement anticipated under the DMA and Standpipe Pilot activities of the WSRP. The primary aim of the RPF is to set out a strategic response to the challenges of resettlement, including both physical and economic displacement, resulting from the Project.

The RPF is guided by the following principles:

- The Project will avoid resettlement where possible;
- Where resettlement is unavoidable the Project will ensure that every affected household or individual is moved or compensated in an expeditious manner and prior to displacement and/or the start of civil works;
- After relocation, every household or individual is at least well of, if not better than, before the process;
- The Project will ensure effective communication with affected individuals, households and other stakeholders throughout the resettlement/compensation process through a communication strategy;

- The opinion of affected persons and other stakeholders shall be sought through regular public consultations and incorporated into the resettlement planning, decision-making process, and implementation;
- The Project will assist with the physical relocation and provide support to resettled individuals and households during the transition period;
- The Project will monitor all aspects of the resettlement program to ensure the RPF meets its objectives.

Although the scope of resettlement impact is likely to be marginal and can be reduced to potentially insignificant levels, MCCU is committed to a resettlement process that is designed to improve the local conditions and economic opportunities in the communities to be affected by the project.

5.5 Disclosure

Disclosure of relevant project information helps stakeholders understand the risks, impacts and opportunities of a project. Where neighboring communities may be affected by risks or adverse impacts from the project, MCCU, consultants, and contractors will provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any associated risks and potential impacts. Disclosure will occur before the project construction commences, and continue on an on-going basis.

5.6 Grievance Redress Mechanism

Together with the Stakeholder Engagement plan, MCCU has developed a GRM that shall be applied in the case of a complaint or grievance that is related to or results from implementation of MCCU project activities as well as by MCCU staff and contractors (Appendix 10). The GRM is intended to support traditional local-level mechanisms for complaint resolution and legal administrative approaches to complaint resolution at all levels. It will also document complaints or grievances from the public or other stakeholders, and how these are resolved. This umbrella GRM is to be complemented, when necessary, by internal GRMs for specific Activities and projects where necessary.

The GRM is intended to assist in resolving grievances or complaints raised regarding environmental and/or social issues arising from the projects/investments, and does not apply to the following complaints even if they are related to project activities:

- (i) Internal MCCU human resources complaints which are to be resolved per the MCCU HR policy and Internal regulations, (ii) Procurement and contractual complaints between MCCU and its vendors or contractors which are normally handled by the MCCU Procurement Departments, (iii) Lawsuits which fall under the mandate of the MCCU Board.

The DMA and Standpipe Demonstration Activity, will require the development of two specific Stakeholder Engagement Management Process and Grievance Redress Mechanism, one for the overall activity and one for resettlement related to the activity. These will be developed by the

GVWC Institutional Strengthening consultant, with support and advice from MCCU and will follow the overall THP Stakeholder Engagement Management Process and Grievance Redress Mechanism.

5.7 Emergency Preparedness and Response Plan

The EPRP, found in Appendix 6, is intended to encompass all potential hazards and emergency situations that may take place during the implementation phase of the Project. The plan will consist of two sections. The first section provides general guidelines for emergency planning and preparedness procedures for Consultants and Contractors. It provides the main objectives and identifies key possible hazards during the implementation of the Project which should be considered in the development of the Contractors' plans. It also serves as a guiding document for the Supervision Consultant while overseeing compliance of Contractor activities. The second section represents MCCU's own Emergency Preparedness and Response Plan. It also serves as a template structure for Contractor's planning. The emergency preparedness and response activities will be periodically reviewed and revised, as necessary, to reflect changing conditions.

5.8 Contractor Emergency Preparedness and Response Plan (CEPRP)

In addition to the CESMP, the Contractor is also required to produce, submit for approval to the GVWC institutional strengthening consultant, GVWC and MCCU, a CEPRP. The CEPRP will incorporate appropriate emergency preparedness and response mitigation measures into the construction process.

5.9 Human Resources (HR) Policy

The HR Policy provides a guide to employees of the MCCU on the procedures, regulations, standards of proper conduct, grievance recourse mechanism etc. Specifically, it is designed to:

- Provide orientation to employees on HR matters;
- Provide guidelines, operational rules, and procedures;
- Establish clear expectations between employer and employees; and
- Explain the regulations that govern the conditions of employment, and duties and rights of employees and the employer per the Labor laws of Sierra Leone and the Governing documents guiding the implementation of the Threshold Program.

It is anticipated that the HR policy will be finalized in December 2016 and at this stage it will be annexed to the ESMS.

6 Organizational Capacity and Competency

Organization capacity and competency of this ESMS is discussed under the following categories:

- MCCU ESMS organizational capacity and competency
- Organizational capacity and competency of national institutions and beneficiary entities relevant to the implementation of THP.

6.1 MCCU ESMS Organization

The MCCU has a very capable team to develop, implement and monitor the ESMS.

The organigram and team member's roles and responsibilities are outlined below in figure 1 and table 5.

The Water Sector Project Director (WSPD) has responsibility for oversight of environmental and social issues, working with other teams to ensure that environmental and social issues are incorporated into all aspects of MCCU operations, and that required resources are made available for environmental and social management.

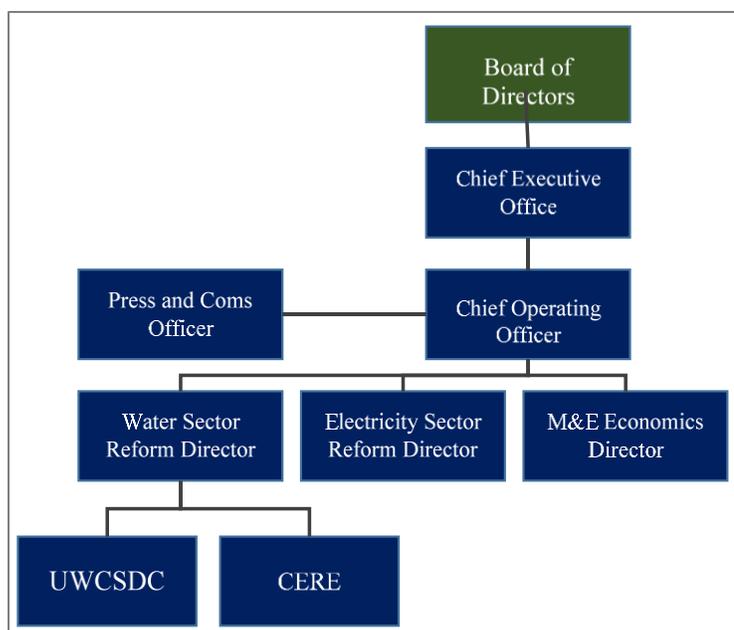


Figure 1: MCCU's ESP Team Organigram

Table 4: MCCU ESMS members and responsibilities

Name	Designation	Role	Responsibility
Ndeye Koroma	Chief Executive Officer	Member	Accountable for upholding the Environmental and Social policy and ensure that THP is implemented per the ESMS
Ansumana Swarray	Water Sector Project Director	ESMS Coordinator	Development and day to day management of ESMS, which includes <ul style="list-style-type: none"> • ESMS Policy • Identification of environmental and social risks and impacts • Development of management programmes (ESMP, CEMP, EPRP, etc.)
Abdul Bangura	Chief Operating Officer	Member	Responsible for development and implementation of HR Policy, and contribute to

			the development of Emergency Preparedness and Response Plan (EPRP)
Sanira Deen	Electricity Sector Project Director	Member	Contribute to the identification of environmental and social risks; management plans and EPRP specific to the energy sector project.
Rashida Dumbuya	Community Engagement & Resettlement Expert (CERE)	Member	Contribute to the identification of environmental and social risks; lead the development and implementation of the RPF and RAP. Contribute to the development of SEMP
To be Recruited	Gender Expert	Member	Contribute to the identification of social risks and the development and implementation of the SEMP, Social and Gender Integration Plan (SGIP) and GRM
Thekeka Conteh	Monitoring & Evaluation Director	Member	Lead the development and implementation of the ESMS monitoring plan
Maria Dillon	Urban WASH, Social and Community Devt Consultant (UWSCDC)	Member	Contribute to the identification of environmental and social risks; contribute to the development and implementation of RAP; Lead the development of SEMP, GRM; Contribute to SGIP, EPRP

The MCCU ESMS team also works with the IEs and their respective Environmental and Social Performance (ESP) teams as well with consultants and contractors and respective project stakeholders.

The WSPD leads the coordination of ESMS development and implementation for all THP Projects. The WSPD receives support from the organization’s management and direct assistance from the UWSCDC and the CERE.

The MCCU ESMS team has overall responsibility for managing environmental and social performance issues for all THP-funded activities and monitors the implementation of all projects to ensure compliance of the IEs and their consultants with this ESMS.

6.2 National Institutions and Beneficiary Entities

The organizational capacity and competency of the beneficiary entities and other relevant national institutions is discussed here on project and sectoral basis. Generally, environmental management and social protection systems are weak and not instituted in most of the national institutions and beneficiary entities of the THP.

The key national institutions and beneficiary entities of the ESRP are:

- The Ministry of Energy (MOE): Provides strategic oversight to the Energy Sector
- Electricity Distribution and Supply Authority (EDSA)

- Electricity Generation and Transmission Company (EGTC)

EDSA and EGTC were part of the former National Power Authority (NPA), however due to the poor management and service delivery of NPA, the GoSL unbundled it to create these new agencies in 2014. Even though most staff of EDSA and EGTC were employees of NPA, these utilities require massive capacity building and institutional strengthening in every aspect of utility management and service delivery.

The key national institutions and beneficiary entities of the WSRP are:

- Ministry of Water Resources (MoWR): The Ministry of Water Resources is responsible to provide water sector leadership and ensure the implementation of the water policy directives. MoWR also oversees and monitors the operations of the utilities and all agencies under the Ministry through its technical wing, the Water Directorate.
- GVWC: The responsible utility for water treatment, transmission and supply in Freetown.

and the key national institution of the RSP is the Electricity and Water Regulation Commission (EWRC).

6.3 ESMS Resources

The WSPD (or other designated staff) will work with MCCU management to ensure that adequate resources have been committed to allow for the effective implementation of the ESMS policy and procedures. Some of the funds for the implementation of ESMS are integrated in some of the THP projects. For instance, under the WSRP, separate fund is committed for environmental and social performance contingencies. Some will also be covered under the GVWC conditions assessments and institutional strengthening activities. MCCU HR and EPRP issues are covered under the general MCCU administrative budget of the THP. Similarly, all implementing entities, consultants, and contractors will be required to assign budgetary and personnel resources sufficient to carry out the requirements of their environmental and social action plans (ESMPs, H&S plans, resettlement plans, and any other action plan that is required to comply with the MCC Environmental Guidelines and the IFC Performance Standards).

The required budgetary provisions should cover the following:

- Environmental and social studies and impact assessments, including permitting fees
- Environmental and social management costs
- Cost of environmental and resettlement issues and monitoring
- Capacity Building for the MCCU and other stakeholders
- Engagement of Environmental and Social Specialists (if any)
- Environmental and Social Due Diligence investigations (if any)
- Monitoring and evaluation

6.4 Capacity Building and Training

As mentioned in section 6.2, environmental management and social protection systems are weak and not instituted in most of the national institutions and beneficiary entities of the THP. The projects and the ESMS Team of MCCU must play a great role to build the capacities of these institutions and implementing entities in sound environmental management, health and safety, good working conditions of their staff.

6.4.1 MCCU ESMS Staff

To achieve and maintain the level of expertise required for the implementation of this ESMS, the MCCU ESP team will coordinate a training program for all relevant MCCU employees, consultants, contractors, sub-contractors and sub-consultants, using the ESMS and its appendixes. Training will be primarily on-the-job, complemented by workshops and, when appropriate, classroom instruction. To maintain the appropriate level of awareness and competence, training activities will be repeated periodically and all new employees will be given a summary of ESP requirements when they join MCCU.

Members of the MCCU ESP team will participate in ESP colleges upon invitation by MCC. Other national or international conferences and workshops on environmental and social safeguards, particularly those of IFC, will be good opportunities for the MCCU to improve their skills in related to effective ESMS implementation and environmental and social performance of the THP. The WSPD will work with the MCCU Chief Executive Officer (CEO) to identify appropriate conferences and provide the necessary budget. An immediate training requirement identified for all MCCU staff are first aid, health, safety and fire management, and defensive driving.

6.4.2 National Institutions and Beneficiary Entities

Institutional support and capacity building targeting the four institutions will be provided directly by MCCU and indirectly through consultancies. The following summaries the support that will be provided to each institution:

Water Sector Reform Project

Presently, the MoWR does not have operational environmental and social management guidelines and plans in place even though these are part of the provisions of the 2010 National Water and Sanitation Policy. The WSRP will support the MoWR to develop a roadmap for Urban WASH, which will identify gaps and challenges in policy implementation, including considerations related to environmental and social management.

GVWC has minimal capacity related to environmental and social management, however in late 2016 it established a “Community Water Services Department” to “get experience” before the THP consultancy support is provided by MCCU. Generally, there is also no formal health and safety system, procedures, or training in place at GVWC, with health and safety equipment such as face masks, uniform, vests, helmets, etc. only occasionally provided. A company-wide environmental and social protection, and health and safety training needs assessment is required

as part of the development of the institution's strategic plan. This analysis will be done as part of the GVWC Institutional Strengthening consultancy. The consultancy will make recommendations for how GVWC can specifically build their capacity on these issues and will help GVWC to establish an ESMS based on the principles of the MCCU ESMS. Until GVWC's system is developed, the program will rely on the MCCU ESMS to implement all THP funded activities.

Two major consultancies will support GVWC and both will address the gaps in relation to environmental and social protection and health and safety within the institutions. The Condition Assessment, System Mapping and Hydraulic Modelling Consultancy will support GVWC to determine appropriate procedures for health and safety and provide the necessary resources for GVWC to adhere to these. Resources will include both skills and equipment, including appropriate footwear, gloves, hard hats, safety glasses, safety vests, and ear plugs, and will be provided to GVWC to ensure these procedures are adhered to and sustained once the consultancy is completed. At the same time, the GVWC institutional Strengthening Consultancy aims to strengthen GVWC's capacity to perform core business functions and comply with emerging regulatory requirements through the following aims:

- Ensure that all operations, governance systems, capital investments, and financial planning considers issues related to the environmental sustainability of the water supply system
- Provide support to GVWC to address all environmental, social, health and safety concerns within the Freetown system
- Provide technical assistance to GVWC for developing environmental, social and health and safety systems so that GVWC can more sustainably and safely manage issues that come up in daily operations, in small-scale capital improvements to the DMA, as well as larger capital improvements in the GVWC network funded by other donors.
- Support GVWC to institutionalize the management of community or publicly managed water points and ensure that all aspects of GVWC service delivery consider and address the needs of customers who access water through a communal or publicly managed water point. These include gender-inclusive and pro-poor approaches to design, construction, tariff-setting, business practices, investments, and customer interaction.

Energy Sector Reform Project

Capacity support will be provided to MoE related to management of the environmental and social protection practices to allow them to fulfill their oversight functions. This will help MoE to undertake sector monitoring of its agencies and utilities.

Regarding the two utilities, EDSA and EGTC, EDSA has small environmental footprint but current working conditions of the staff, and health and safety management practices are very poor and need to be institutionalized and strengthened. EGTC on the other hand, has a large

environmental foot print due to their electricity and energy generation activities and the current working condition of the staff, and health and safety practices of EGTC is also very poor.

Within the THP both EDSA and EGTC will be supported to undertake an organizational assessment, with reference to their mandate and strategic vision. The assessments will establish the current levels of human capacity, organizational infrastructure and technical systems that characterize the utilities. The assessments will consider health and safety practices including existence of and compliance with relevant policies and guidelines, organizational practices, and incident tracking, and environmental safeguards and practices including existence of and compliance with relevant policies. This will include an assessment of the risks and benefits in relation to environmental impacts and risks in their operations with a specific focus on pollution in the areas of noise, smoke, disposal of oils, discarded spare part disposal, storage of fuel and disposal method, amongst others. The assessments will be used to develop capacity building programs for both utilities that will address the gaps identified in the assessments.

EWRC

Like EDSA and EGTC, EWRC is a newly established agency to regulate the operations of the electricity and water utilities. The RSP of the THP is geared to operationalize and build the capacity of the commission to perform its functions. In addition to the day to day operations of EWRC, the commission will also develop regulations, guidelines and performance standards of the utilities and other associated businesses in both the water and energy sector.

The EWRC Regulatory Strengthening and Tariff Development Support Consultancy will assess the institution's needs and capacity constraints with reference to their strategic plan, including health and safety, environmental management and quality of service and supply issues, inspections and quality control monitoring and reporting, and the development of specifications and standards in relation to EWRC regulatory oversight. EWRC will undergo an assessment of environmental and social protection, and health and safety in order to develop a capacity building program.

6.4.3 DMA and Kiosk Pilot

All trainings and skills in DMA in relation to environmental and social protection and health and safety will be conducted in partnership with GVWC to promote a learning by doing approach and be consistent with the procedures and standards provided by this document. The trainings required to manage environmental and social issues in the DMA will be determined by the GVWC institutional strengthening consultant with approval from MCCU, however will include at a minimum the following:

- For all construction contracts, training will take place during the mobilization of the construction contractor to ensure their key staff have adequate knowledge of environmental, social, health and safety management principles and awareness of their environmental and social contractual requirements prior to the commencement of works.

This training will include a brief introduction to policy and legal requirements, environmental and social documents developed for the project (the ESMS, the guidance ESMP, the Operation Health and Safety Guidelines and the Water Management Plan), the responsibilities of various entities and communication among them, environmental and social mitigation, required permits and approvals, monitoring and reporting requirements, information disclosure and communication.

- In addition to general classroom training, special sessions will be organized for groups of workers dealing with machinery and equipment, workers involved in handling of hazardous materials and waste, drivers, people working in confined spaces, etc. Furthermore, depending on the nature of planned works, on-the-job instructions and guidance for workers will be provided by the site supervisors of the construction contractors daily. This training will be led by the GVWC institutional strengthening design Consultant with support as needed from GVWC, MCCU ESP team and MCC staff and consultants and it is the responsibility of the construction contractor to ensure information received at the training is disseminated to all required staff and workers.
- Training and orientation on environmental and social management and health and safety will be provided to the water kiosk operators prior to commencement of their works. This training will be organized and delivered by the GVWC institutional strengthening consultant in partnership with GVWC.

All training materials will be submitted to the relevant parties for approval prior to actual delivery of training.

7 MONITORING AND REPORTING

Monitoring and reporting on the implementation of the ESMS is part of MCCU overall monitoring of the THP. The MCCU Monitoring and Evaluation (M&E) Plan will include ESMS monitoring indicators and tools. For implementation of institutional strengthening activities, the capacity of implementing entities on environmental and social and health and safety will be built, the development of this capacity and its effectiveness will be monitored and reported by the M&E Director of MCCU. For the DMA Activity, in addition to the monitoring support provided by the MCCU M&E Director, ESMS team, the design consultant and the contractor will also be responsible for monitoring and reporting.

7.1 Review of Environmental and Social Requirements Compliance

MCCU is committed to reporting on the environmental and social performance of all its Projects, with ongoing evaluation of the implementation of all MCC and SLEPA environmental and social requirements as reflected in ESMPs, CESMPs and their checklists.

Environmental and social monitoring and reporting is a very important component of ESP management. It verifies effectiveness of proposed mitigation measures given in environmental and social plans during the implementation and operational phases of the project. The monitoring and reporting system will identify the parameters to be monitored, the monitoring activities to be implemented, their location, time and frequency. Monitoring will include supervision and surveillance to determine and improve the way contractors and subcontractors are addressing the environmental and social provisions and requirements of their contracts. Supervisors will specifically ensure that the required CESMPs are developed, reflected in clear checklists that facilitate internal monitoring, are implemented and updated as necessary.

To facilitate enforcement, development of and adherence to ESMS, ESMPs and CESMPs and their checklists will be incorporated into all contracts for all relevant consultants, contractors, sub-contractors and sub-consultants, with pre-determined consequences for failure to comply.

7.2 Responsible Parties for Environmental and Social Monitoring

7.2.1 Monitoring arrangements with beneficiary institutions

As stated above, monitoring and reporting on environmental and social capacity development and its effectiveness within the four institutions will form part of the overall THP M&E plan. After the capacity building plans of the institutions are finalized, the M&E Director of the MCCU will support the institutions to determine monitoring indicators and their means of verifications for incorporation into the THP M&E plan. Information gathering on the specific indicators is the responsibility of the associated Director, and these will be sent to the M&E Director for analysis and tracking.

7.2.2 DMA and Kiosk Pilot

Both the ESMP and the CESMP will have an internal and external monitoring system and the responsibilities in relation to the development and implementation of monitoring systems are as follows:

- The Environmental and Social team of MCCU will monitor overall compliance of all activities carried out under the THP, including the ESMP and CESMP of the DMA and kiosk pilot.
- GVWC institutional strengthening consultant, in partnership with GWVC, is responsible to develop the ESMP and its associated monitoring and reporting system and approve and monitor all CESMPs.
- Construction contractors and any relevant sub-consultants and/or sub-consultants are responsible to develop the CESMP and its associated monitoring and reporting system.

The monitoring procedures and systems for the ESMP and CESMPs will be designed to allow for: (i) identification of non-compliance with any one of the environmental, social and health and safety measures identified in the ESMP/CESMP, and the steps taken to correct the non-compliance, (ii) ensure timely and proper implementation of mitigation measures as identify in the environmental and social documents, (iii) verify the effectiveness of prevention and control strategies, and (iv) review the effectiveness of the internal monitoring systems.

The internal and external monitoring systems should include the following procedures:

- Monitoring and site inspection visit to ensure timely and proper implementation of mitigation measures identified in environmental and social documents. The frequency of monitoring visits will depend on the nature of the project activity.
- Use of checklists to identify incidence of non-compliance with any one of the environmental, social and health and safety measures identified in the CESMP, and record steps taken to correct the non-compliance.
- Develop and implement an EHS monitoring plan to verify the effectiveness of prevention and control strategies.
- Announced and unannounced visits to check compliance with the corresponding CESMP checklist, review the contractor's internal monitoring process, review the supervision consultant's monitoring reports, and highlight any undetected incidents of noncompliance that were not highlighted by the supervision consultant.

7.3 Reporting requirements

As stated above the environmental, social and health and safety capacity and effectiveness of the four institutions will be monitored by the THP's overall M&E plan. On a quarterly basis, the M&E Director will report against progress made and review and revise the indicators where necessary.

7.3.1 The DMA and Kiosk Pilot

Within the DMA, the following are the responsibilities for GVWC's institutional strengthening consultant in partnership with GVWC and the relevant contractors, sub-contractors and sub-consultants:

- Prepare and submit for approval to MCCU an ESMP for the DMA along with any other relevant documentation. The ESMP will be accompanied by checklists that facilitate communication of respective responsibilities for environmental, social and health and safety to all staff and workers, and that will be used to monitor compliance with all ESMP requirements.
- Report to MCCU on training activities, health and safety incidents observed or chance finds discovered.
- Develop and submit to MCCU and GVWC the monthly progress reports, including a summary of environmental and social activities carried out during the reporting period, providing details of observations made during site inspections, an analysis of the quality of each contractor's internal monitoring, and a review of all documents and reports. The reports will also identify the number, nature, and frequency of incidents of non-compliance with items on the approved checklists, as well as the corrective measures taken.
- Review all the reports developed by the Contractor and endorse them prior to authorizing implementation of respective activities.

The contractor, sub-consultants and/or sub-contractors who are required to develop a CESMP will have the following responsibilities:

- Prepare and submit for approval to the GVWC's institutional strengthening consultant and GVWC a site-specific CESMP along with any other relevant documentation. The CESMP will be accompanied by checklists that facilitate communication of respective responsibilities for environmental, social and health and safety to workers in all areas, and that will be used to monitor compliance with all CESMP.
- Report to GVWC's institutional strengthening consultant and GVWC on training activities, health and safety incidents observed or chance finds discovered.
- Monthly progress reports will be submitted for review and approval. The reports will identify the number, nature, and frequency of incidents of non-compliance with items on the approved checklists, as well as the corrective measures taken.

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8 ESMS Review and Enhancement

The ESMS document will be approved by MCCU's Chief Executive Officer. The MCCU Board will be informed on the approval process. This document and all its approved annexes will be published on the MCCU's webpage. It is anticipated that the ESMS will need to be updated and enhanced periodically, as needed, to address changing conditions, regulatory requirements or practical implementation issues. Management will use the information in the Annual reports to decide on needed improvements and direct the ESMS team to implement these.

9 Appendix

The following appendices below will be attached as a separate document to this ESMS document.

Appendix 1: Environmental and Social Management Plan

Appendix 2: Analysis of Sierra Leonean Laws, Regulations, ratified Conventions, and IFC Performance Standard.

Appendix 3: Legal and Regulatory Framework on Permitting and Licensing Requirements.

Appendix 4: MCCU Human Resources (HR) Policy.

Appendix 5: Stakeholder Engagement Plan, Consultation, and Grievance Redress Mechanism.

Appendix 6: Resettlement Policy Framework.

Appendix 7: Emergency Preparedness and Response Plan (EPRP).

Appendix 8: Contractor Emergency Preparedness and Response Plan (CEPRP).

Appendix 9: Contractor Environmental, Social and Management Plan,

Appendix 10: Checklist for Operational ESP Monitoring