


## UNIDO Environmental and Social (E&S) Screening Template

The UNIDO Environmental and Social Safeguards Policy and Procedures (ESSPP), are applicable to all UNIDO projects and programmes submitted to the AF, GEF and the GCF and all other UNIDO projects and programmes as relevant. It requires that UNIDO projects and programmes undergo environmental and social risk (E&S) assessments. This helps UNIDO decide whether a project or programme should be supported and, if so, the way in which environmental and social issues should be addressed in its development and implementation. To complete the E&S screening, basic understanding of the ESSPP is required. As such, project development teams are recommended to thoroughly review the ESSPP. ESS categorisation guidance is provided in Annex 1.

The objective of the **E&S Screening Template** is to help UNIDO project development teams in a two-step approach to (i) determine the appropriate environmental and social risk category of a proposed UNIDO project or programme, and (ii) assess whether the project's or programme's activities pose any specific risks covered by ESSPP OS 2 to OS 10.

Once the E&S screening template is completed, the project development team will be in the position to plan the resulting required environmental and social assessments (e.g., ESIA's and ESMPs, or ESMPs). The completed and signed **E&S Screening Template** should be attached to the concept draft<sup>1</sup> and/or project document submitted in accordance with UNIDO project cycle procedures.

<b>Title of the proposed project/programme:</b>	Introducing systemic resilience methodologies in infrastructure investment planning
<b>UNIDO Project Number:</b>	210285
<b>Proposed donor(s) for the project/programme:</b>	GEF-7
<b>Name and function of the submitter:</b>	Ms. Katarina Barunica Spoljaric Industrial Development Officer
<b>Department/Division of the submitter:</b>	EAE/ENE/ESI
<b>Proposed ESS category:</b>	C
<b>Signature &amp; Date of submitter:</b>	 08/06/2022
<b>Comments by Compliance Officer:</b>	According to the UNIDO Environmental and Social Safeguards Policy and Procedures (ESSPP), the proposed project is likely to have minimal or no adverse social and/or environmental impacts and as such has been categorized as a Category C project. While no further specific environmental and/or social assessment is required when preparing this project, the project will fully mainstream ESS considerations into its design. This will be achieved through the development of an Environmental and Social Management Framework (ESMF), a project-level tool that will form an integral part of the Systemic Risk Assessment and Investment Prioritization Tool (SRAT) envisioned under Output 1.4. The ESMF will guide the E&S risk screening and assessment of the pilot and subsequent

<sup>1</sup> Obligatory for all AF, GEF and GCF projects and advisable for any other projects receiving preparatory funding.

	<p>infrastructure investment projects. This approach will ensure that the pilot and subsequent investment infrastructure projects avoid, minimize, and/or mitigate any potential adverse E&amp;S impacts that may emerge from their interventions/activities across all stages of their respective project cycles (planning, implementation, post-implementation). The ESMF development will be supported through the application of the related national ESS regulatory requirements, the applicable UNIDO ESSPP Operational Safeguard guidance, as well as industry best-practices. PFC/PPC/PCD should be consulted on the ESMF development.</p>
<b>Signature &amp; Date of Compliance Officer:</b>	Ganna Onysko, 9 June 2022 <i>Ganna Onysko</i>

**TABLE 1 - Screening for E&S Impact Potential**

The aim of the environmental and social screening process is to determine if and what environmental and social review and management is required, quickly identifying those projects and programmes no potential environmental and social issues exist, so that only those with potential environmental and social implications will be required to undergo more detailed assessments.

**Please respond to the below questions with “No” or “Yes”, taking note of the guidance provided.**

<i>Guiding principles</i>	No	Yes	Guidance
1. Has a combined environmental and social impact assessment/review that covers the proposed project/programme already been completed by the National Partner, Project Execution Partner, or other donor(s) within the last year?	X		<b>If you answered “yes”</b> , please refer to the table in Annex E of the ESSPP to identify whether the existing documentation meets UNIDO’s ESSPP requirements. Please attach existing documentation and send to <a href="mailto:ess@unido.org">ess@unido.org</a> for further guidance.
2. Would the proposed project/programme potentially involve or lead to adverse impacts on the situation of women, men, girls and boys? This includes adverse impacts on gender equality, gender-based violence (GBV) and/or sexual exploitation and abuse (SEA).	X		For definitions of GBV and SEA, please refer to Annex I of the ESSPP. <b>If you answered “yes”</b> , kindly contact the UNIDO Gender Coordinator at <a href="mailto:gender-coordinator@unido.org">gender-coordinator@unido.org</a> as well as <a href="mailto:ess@unido.org">ess@unido.org</a> for further guidance.
3. Has a climate risk assessment for the proposed project/programme been carried out?	X		<b>If you answered “yes”</b> , please provide this assessment to <a href="mailto:ess@unido.org">ess@unido.org</a> . <b>If you answered “no”</b> , please refer to Table 3 and complete in line with guidance provided.
<i>ESS categorization</i>	No	Yes	Guidance
4. Is the proposed project/programme: <ul style="list-style-type: none"> <li>- Likely to infringe on the protection of a <b>critical habitat</b><sup>2</sup>?</li> <li>- Introducing or using potentially <b>invasive, non-indigenous alien species</b>?</li> <li>- Manufacturing, trading, and/or using pesticides and/or chemicals <b>subject to international action bans or phase-outs</b><sup>3</sup> (OS5)?</li> </ul>	X		<b>If you answered “yes”</b> , the proposed project will be categorized as “Category NO PROJECT”. It is <b>non-compliant with UNIDO’s ESSPP</b> .  National stakeholders and project proponents will be informed accordingly that UNIDO cannot support the development of this project.

<sup>2</sup> Please refer to Annex I for a definition of ‘critical habitat’ and other terms used in Table 1.

<sup>3</sup> For example, DDT, PCBs and other chemicals listed in international instruments such as the WHO Recommended Classification of Pesticides by Hazard (Classes IA, IB, or II); the Stockholm Convention on Persistent Organic Pollutants; or the Montreal Protocol.

<ul style="list-style-type: none"> <li>- <b>Causing involuntarily resettlement or physical and economic displacement</b> of populations, including Indigenous People?</li> <li>- Altering, damaging or removing any <b>cultural heritage and/or sites</b>?</li> <li>- Using <b>forced, trafficked or child labour</b>?</li> <li>- Employing <b>children</b> under the age of 18 in hazardous work?</li> </ul>			<p>Alternatively, further discussions and redesign of the project is required for the project to be reassessed for UNIDO support.</p>
<p>5. Is the proposed project/programme scope including:</p> <ul style="list-style-type: none"> <li>- Actual establishment and/or relocation of a <b>new large-scale facility</b> such as a large-scale manufacturing and/or processing plant, landfill site, dam above 15m in height, etc.?</li> <li>- Actual establishment and/or relocation of <b>industrial zones or industrial parks</b>?</li> <li>- Deploying <b>new large-scale</b> technology installations such as large-scale waste(water) treatment plants, large-scale power generation and distribution systems, etc.?</li> <li>- Activities that would <b>adversely or seriously affect</b> indigenous peoples (IP) – including those living in voluntary isolation – rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage inside and/or outside the project area?</li> <li>- Activities that require an <b>ESIA by national law/regulations</b>?</li> </ul>	X		<p>Please refer to Annex 1 for further details and examples.</p> <p><b>If you answered “yes”,</b> the proposed project will be categorized as “<b>Category A</b>”.</p> <p><b>Complete</b> Tables 2&amp;4 and attach to the UNIDO project documentation.</p>
<p>5. Is the proposed project/programme scope including:</p> <ul style="list-style-type: none"> <li>- <b>Upgrading/optimization of processes/introduction of alternative technologies</b> at an <b>existing facility</b> such as treatment and disposal of POPs at existing facilities, pilot resource efficient technology transfer and installation at existing facilities, etc.?</li> <li>- Deploying <b>new small-scale technology installations</b> such as limited bioenergy or other small- and medium-scale renewable</li> </ul>	X		<p>Please refer to Annex 1 for further details and examples.</p> <p><b>If you answered “yes”,</b> the proposed project will be categorized as “<b>Category B</b>”.</p> <p><b>Complete</b> Tables 2&amp;4 and attach to the UNIDO project documentation.</p>

energy installations, small-and medium scale agro- and food-processing installations, etc.?			
<p>6. Is the proposed project/programme scope including:</p> <ul style="list-style-type: none"> <li>- Development of <b>feasibility studies</b>,<sup>4</sup> <b>roadmaps, inventories, strategies, business plans, studies</b>, etc.?</li> <li>- Provision of <b>policy advice, capacity building / awareness raising</b>, etc.?</li> <li>- Organisation of <u>forums</u>, etc.?</li> <li>- Setting-up of <b>financial mechanisms, accelerators/incubators, business models</b>, etc.?</li> </ul>		X	<p>Please refer to Annex 1 for further details and examples; particularly regarding the requirements pertaining to mechanisms/schemes/models to be set-up.</p> <p><b>If you answered “yes”, the proposed project will be categorized as “Category C”.</b></p> <p><b>Complete</b> Tables 2&amp;4 and attach to the UNIDO project documentation.</p>

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<sup>4</sup> If a full feasibility study is to be developed for a planned Category A project, an ESIA needs to be included (if not already undertaken or to be undertaken by another project stakeholder).

**TABLE 2 - E&S Screening & Categorization Outcome**

**Based on the answers provided in Table 1, please select from the following:**

<input type="checkbox"/> <b>Category NO PROJECT</b>	The proposed project/programme is non-compliant with UNIDO's ESSPP OS2/OS3/OS5/OS6/OS8. Further discussions, alternative design, and reassessment of the project is required or further project development will be stopped.
<input type="checkbox"/> <b>Category A</b>	The proposed project/programme is likely to induce significant and/or irreversible adverse environmental and/or social impacts that are sensitive, diverse, or unprecedented. A full ESIA and ESMP will need to be completed during Project Formulation or Inception.
<input type="checkbox"/> <b>Category B</b>	The proposed project/programme is likely to have less adverse impacts on human populations or environmentally important areas than those of Category A projects. Likely impacts will be few in number, site-specific, and few if any will be irreversible. An ESMP will need to be completed during Project Formulation or Inception.
<input checked="" type="checkbox"/> <b>Category C</b>	The proposed project/programme is likely to have minimal or no adverse social and/or environmental impacts. No further specific environmental and/or social assessment is required during Project Formulation or Inception. Additional requirements may, however, still apply. <sup>5</sup>

<sup>5</sup> Please refer to Annex 1 for further details.

**TABLE 3 – Climate Risk**

Consideration of climate risk is an important aspect of project/programme design for the AF, GEF and GCF and may also be requested by other funding partners. As a minimum, the below questions would need to be answered at the project concept stage. Additional analysis can be provided during the preparatory phase. You may want to consult the following publications and tools:

**STAP guidance on climate risk screening<sup>6</sup>**  
**Climate Expert – specifically for SMEs and Industrial Zones<sup>7</sup>**  
**World Bank Climate and Disaster Risk Screening Tools<sup>8</sup>**

**Please respond to the below questions, taking note of the guidance provided.**

<p>(i) Has the <b>sensitivity to climate change</b>, and its impacts, been assessed?</p> <p>Consider to include:</p> <ul style="list-style-type: none"> <li>• Details of the historical (past to current) and the range of projected future climatic conditions in the project location.<sup>9</sup></li> <li>• Information on the overall vulnerability (the product of exposure, sensitivity and adaptive capacity) of targeted natural resources in the project area to climate change.</li> <li>• Information on the vulnerability and exposure of the local communities in the project area to a changing climate.</li> <li>• Information on the role of climate change as a driver to the problem being addressed, if applicable.</li> <li>• Details on how climate and non-climate stressors might interact to exacerbate climate risks.</li> </ul>	<p><b>Please provide details:</b></p> <p>The character of the project is normative. It focuses on introducing systemic resilience methodologies that consider Physical Climate Risks (PCRs) in governments investment planning exercises for infrastructure. Investments in infrastructure assets and networks – water and sanitation, energy, transport, housing are critical as they form the backbone of economies and societies. The growing impacts of climate change further challenge the integrity of existing and new infrastructure systems. Tackling the infrastructure needs of countries and the climate crisis will require significant amounts of financial resources. These challenges present an opportunity to embed and integrate systemic resilience methodologies in future infrastructure investments. Therefore, the project seeks to strengthen the regulatory framework addressing PCRs, piloting systemic resilience methodologies and building capacity amongst the beneficiaries in Antigua and Barbuda, and selected countries to increase the sensitivity to climate change in their government investments.</p>
<p>(ii) How will the <b>project’s objectives or outputs be affected</b> by climate risks <b>over the period 2020 to 2050</b>, and have the impact of these risks been addressed adequately?</p> <p>Consider to include:</p>	<p><b>Please provide details:</b></p> <p>Climate risks will not affect the implementation of the objective and outputs of the project. Each objective seeks to address the impact of climate risks, more specifically, PCRs in the short and long term. It targets authorities involved in the decision-making processes to upstream policies and practices around infrastructure investment planning</p>

<sup>6</sup> Available at: <https://stapgef.org/sites/default/files/publications/Climate%20Risk%20Screening%20web%20posting.pdf>

<sup>7</sup> Available at: <https://www.climate-expert.org/en/home/>

<sup>8</sup> Available at: <https://climatescreeningtools.worldbank.org/>

<sup>9</sup> Projected future climatic conditions and possible impacts include temperature, precipitation, drought, flood, sea-level rise, ocean warming, ocean acidification, shifting seasonal patterns, heatwaves, storm surges, winds, frequency and intensity of extreme events, etc.

<ul style="list-style-type: none"> <li>• Information on how the targeted project components (e.g., forests, wetlands, rivers, semi-arid croplands, parks, mangroves, chemicals, fishery, etc.) will be impacted by climate change and the level of severity.</li> <li>• Specific information on how different levels of projected climate change impacts, including climate variability, in the project location can affect the efficacy of proposed interventions?</li> <li>• Information on how the proposed interventions may contribute to reducing the vulnerability to climate risks.</li> <li>• Evaluation of the possibility that the proposed interventions increase vulnerability to climate risks or lead to maladaptation, and measures for preventing this.</li> </ul>	<p>and prioritization. It also focuses on demonstrating the feasibility, value, and attractiveness of using systemic resilience methodologies in infrastructure planning and investment cycles. It will build capacity within the relevant stakeholder institutions to continuously update and use the systemic resilience approaches in their decision-making process. In the long term, the project aims to develop and structure an investment vehicle, alongside other public and private financiers, that will deploy capital based on the use of these systemic resilience approaches that address climate risks.</p>
<p>(iii) Have <b>resilience practices and measures</b> to address projected climate risks and impacts <b>been considered</b>? How will these be dealt with?</p> <p>Consider to include:</p> <ul style="list-style-type: none"> <li>• How proposed climate risk management options address the identified current and projected climate risks.</li> <li>• Details of the resilience enhancement practices, measures, and technologies proposed to manage identified current and projected climate risks.</li> <li>• Evaluation of how to manage adaptively and project implementation proceeds.</li> <li>• Information on the feasibility, effectiveness, tradeoffs, and co-benefits of the proposed climate risk management option, and its alignment with project objectives and expected outcomes.</li> </ul>	<p><b>Please provide details:</b></p> <p>The project introduces resilience practices to tackle climate change risks and their impacts. The project's flagship methodology will introduce the Systemic Resilience Assessment and Investment Prioritization Tool. This tool models infrastructure networks (e.g., transport, energy, water), overlaying with climate impacts like floods, droughts, landslides, and identifies points of multi-modal network failures, service disruptions, and the resulting macroeconomic losses. This approach is currently being pioneered in <b>Jamaica</b> and points to some early lessons. Through this exercise, the methodology also identifies where adaptation options could be useful to shore up responses to climate risks, and the associated costs and benefits of these options.</p>



(iv) What **technical and institutional capacity**, and **information**, will be needed **to address climate risks** and resilience **enhancement measures**?

Consider to include:

- Details of the technical and institutional capacities needed to address identified climate vulnerabilities and design resilience enhancement measures.
- Information on the financial implications of the proposed climate vulnerability management option.
- Mechanisms for evaluation of the success of mechanisms to reduce vulnerability and improve resilience.

**Please provide details:**

The project stakeholders will provide technical and institutional support in the form of personnel and computational equipment where the systemic resilience methodologies will support and inform their decision making bodies. Project beneficiaries such as ministries and planning institutes will facilitate data, statistics and any additional inputs that will enhance the adaptation of the Systemic Resilience Assessment and Investment Prioritization Tool for each national and subnational context.

The results of the analysis of investment planning as per Output 1.1 will inform the project management if transference of technology and training of technical personnel in using the methodologies is required. Also, project stakeholders will provide the required information to address climate risks such as local data, statistics and liaise with planning institutes to promote the introduction of the adapted methodologies and metrics that address physical climate risks.

The Planning Institute of Jamaica (PIOJ) is piloting the Systemic Resilience Assessment and Investment Prioritization Tool. The team has been able to customize the tool, mapping the exposure of the country's energy, water, and transport infrastructure networks to current and future PCRs (to a 20-year timeframe), and supported the identification of investment priorities based on this exposure and on a mapping of where social and economic value are concentrated.

**TABLE 4 - Identification of E&S Risks (OS-specific questions)**

Project/Programme-Specific Questions	Yes	No	Relevant Safeguards to be Triggered & Additional guidance	If answered “yes”, detail the specific project activities and potential E&S impacts that pertain to this OS <sup>10</sup>
1. Could the project/programme directly or indirectly undertake any activities located in natural habitats?		<b>X</b>	OS 2: Protection of Natural Habitats and Biodiversity.  <i>For further details please refer to:</i>	
2. Could the project/programme directly or indirectly use natural resources, e.g., plantation forestry, commercial harvesting, agriculture, livestock, fisheries and aquaculture?	<b>X</b>		- <i>The relevant section in Annex 1</i> - <i>ESSPP OS 2</i> - <i>ESSPP Annex I (for definition of natural habitats)</i>	The project aims to strengthen systemic resilience of infrastructure. This could have direct and indirect impacts on natural resources, depending on the recommendations made to improve the resilience of infrastructure. Should potentially negative impacts be identified, the project will consider them as part of Environmental and Social Management Framework (ESMF) development, which may subsequently mandate the need to develop an environmental and social management plan (ESMP), as means to mitigate the potential negative impacts of the project activities.
3. Could the project/programme potentially involve land acquisition?		<b>X</b>	OS 3: Involuntary Resettlement and Land Acquisition  OS 10: Community Health, Safety and Security	
4. If the project/programme involves land acquisition, would this potentially require a conversion of the land use category?		<b>X</b>	<i>For further details please refer to:</i> - <i>The relevant section in Annex 1</i> - <i>ESSPP OS 3 and OS 10</i>	

<sup>10</sup> This might include both environmental and social opportunities that could be seized to strengthen the project, as well as risks that need to be managed. Information provided will inform the development of the TOR for the ESIA and/or ESMP.

**TABLE 4 - Identification of E&S Risks (OS-specific questions)**

Project/Programme-Specific Questions	Yes	No	Relevant Safeguards to be Triggered & Additional guidance	If answered “yes”, detail the specific project activities and potential E&S impacts that pertain to this OS <sup>10</sup>
			- <i>ESSPP Annex I (for definition of land use categories)</i>	
<p>5. Could indigenous peoples (IP), including those living in voluntary isolation, be present in the project/programme’s area of influence and would the project/programme have any impact on their livelihoods, lands, etc.?</p> <p>Will the IP be direct beneficiaries/ stakeholders in the project/programme?</p>		<b>X</b>	<p>OS 4: Indigenous People  OS 6: Cultural Heritage  OS 10: Community Health, Safety and Security</p> <p><i>For further details please refer to:</i></p> <ul style="list-style-type: none"> <li>- <i>The relevant section in Annex 1</i></li> <li>- <i>ESSPP OS 4, OS 6, and OS 10</i></li> <li>- <i>ESSPP Annex A: Practical Guide for OS 4 – Indigenous People, which details assessment and consultation requirements that are to be considered.</i></li> <li>- <i>ESSPP Annex I (for related definitions)</i></li> </ul>	
<p>5. Could the project potentially apply or promote the use of pesticides?</p>		<b>X</b>	<p>OS 5: Pest Management</p> <p><i>For further details please refer to:</i></p> <ul style="list-style-type: none"> <li>- <i>The relevant section in Annex 1</i></li> <li>- <i>ESSPP OS 5</i></li> </ul>	

**TABLE 4 - Identification of E&S Risks (OS-specific questions)**

Project/Programme-Specific Questions	Yes	No	Relevant Safeguards to be Triggered & Additional guidance	If answered “yes”, detail the specific project activities and potential E&S impacts that pertain to this OS <sup>10</sup>
			<p>- <i>ESSPP Annex I (for related definitions)</i></p> <p><i>Note: If a project manufactures, trades, and/or uses pesticides and/or chemicals subject to international action <b>bans or phase-outs</b>, it will be categorized as NO PROJECT.</i></p>	
<p>6. Could any cultural heritage and/or sites be present in the project area or area of influence? Would the project directly deal with such resources?</p>		<p><b>X</b></p>	<p>OS 6: Cultural Heritage</p> <p><i>For further details please refer to:</i></p> <ul style="list-style-type: none"> <li>- <i>The relevant section in Annex 1</i></li> <li>- <i>ESSPP OS 6</i></li> <li>- <i>ESSPP Annex I (for definitions of cultural heritage)</i></li> </ul>	
<p>7. Will the project involve building of new or rehabilitating of existing dams?</p>		<p><b>X</b></p>	<p>OS 7: Safety of Dams</p> <p>OS 8: Labour and Working Conditions</p> <p>OS 9: Resource Efficiency and Pollution Prevention</p> <p>OS 10: Community Health, Safety and Security</p>	

**TABLE 4 - Identification of E&S Risks (OS-specific questions)**

Project/Programme-Specific Questions	Yes	No	Relevant Safeguards to be Triggered & Additional guidance	If answered “yes”, detail the specific project activities and potential E&S impacts that pertain to this OS <sup>10</sup>
			<p><i>For further details please refer to:</i></p> <ul style="list-style-type: none"> <li>- The relevant section in Annex 1</li> <li>- ESSPP OS 7, OS 8, OS 9, OS 10</li> <li>- ESSPP Annex B: Practical Guide for OS 7 – Safety of Dams</li> <li>- ESSPP Annex I (for related definitions)</li> </ul> <p><i>In the case of SHP projects, please explicitly state that run-of-the-systems will be used, if applicable.</i></p>	
<p>8. Could the working environment pose a potential threat to technical staff (e.g. gas leakage, PCB oil spillage, exposure to chemicals and/or other hazardous materials, electric shocks, use of potentially hazardous tools, machinery and equipment, exposure to heights, etc.)?</p>		<p><b>X</b></p>	<p>OS 8: Labour and Working Conditions</p> <p><i>For further details please refer to:</i></p> <ul style="list-style-type: none"> <li>- The relevant section in Annex 1</li> <li>- ESSPP OS 8</li> </ul>	
<p>9. Could the project directly and/or through a third party: (i) generate or cause generation of solid, liquid or gaseous waste/emissions; (ii) use, cause use of, or manage the use, storage or disposal of hazardous materials and chemicals, including pesticides; (iii) significantly consume</p>		<p><b>X</b></p>	<p>OS 8: Labour and Working Conditions</p> <p>OS 9: Resource Efficiency and Pollution Prevention</p>	

**TABLE 4 - Identification of E&S Risks (OS-specific questions)**

Project/Programme-Specific Questions	Yes	No	Relevant Safeguards to be Triggered & Additional guidance	If answered “yes”, detail the specific project activities and potential E&S impacts that pertain to this OS <sup>10</sup>
or cause consumption of water (> 5,000 m <sup>3</sup> /day), energy, or other resources?			<i>For further details please refer to:</i> - <i>The relevant section in Annex 1</i> - <i>ESSPP OS 8 and OS 9</i>	
10. Could the project pose risks and have potential negative impacts to the health, safety and security (e.g., potential risks associated with project-related civil works, potential for community exposure to water-borne, water-based, water-related, and vector-borne diseases, and communicable diseases) of the project-affected communities during its lifetime?	<b>X</b>		OS 10: Community Health, Safety and Security  <i>For further details please refer to:</i> - <i>The relevant section in Annex 1</i> - <i>ESSPP OS 10</i>	The project could have bearing on project-related civil work depending on the resilient infrastructure measures provided through application of the Systemic Resilience Assessment and Investment Prioritization Tool. Should potentially negative impacts be identified, the project will consider them as part of Environmental and Social Management Framework (ESMF) development, which may subsequently mandate the need to develop an environmental and social management plan (ESMP), as means to mitigate the potential negative impacts of the project activities.

## **Annex 1: UNIDO ESSPP – Key guidance**

Environmental and social sustainability is fundamental to the achievement of development outcomes and is systematically mainstreamed into UNIDO’s project cycle through consistent application of an environmental and social screening and assessment procedure. Opportunities to strengthen the environmental and social sustainability of projects need to be identified and realized. A precautionary approach shall be applied, and potential adverse impacts and risks need to be avoided or minimized if possible and mitigated if not.

UNIDO’s Integrated Safeguards Policy Statement (ISPS) sets out the Organization’s commitments to and responsibilities for ensuring environmental and social sustainability, and its pledge to reducing the risk of non-compliance with UNIDO’s environmental and social safeguards. UNIDO is committed to ensuring that its projects comply with the Organization’s safeguards by assessing environmental, climate change and social risks and impacts as early as possible in the project cycle, disclosing relevant information and providing effective monitoring and supervision of agreed environmental and social management and mitigation measures during project implementation. If the Organization finds that the environmental or social impacts of any of its proposed projects are not likely to be adequately addressed, it may choose not to proceed with the project.

UNIDO assists its Member States with technical assistance type projects, which largely provide capacity building, training and awareness raising, strategic planning, policy reform, institution strengthening, technology conversion and rehabilitation services. Investment projects supported by UNIDO are predominantly demonstration-scale interventions, such as pilot demonstrations of specific technologies. On occasion, UNIDO also engages in the (co-) development of inclusive and sustainable industrial parks. Within the context of its technical assistance projects and operations, UNIDO is committed to full compliance with the following safeguard standards:

### **OS 1: Environmental and Social Assessment**

OS 1 is an overarching safeguard providing the framework for the required environmental and social screening and assessment that all UNIDO projects should undergo. This OS also determines whether proposed projects could potentially involve activities or components that pose any specific risks covered by OS 2 to OS 10 and whether any of these Operational Safeguards need to be triggered.

### **OS 2: Protection of Natural Habitats and Biodiversity**

This OS recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. Depending on the nature and scope of proposed activities, UNIDO may engage in projects targeting or located in *critical habitats*<sup>11</sup>, so long as these projects do not infringe on the protection of the critical habitats. Moreover, UNIDO does not engage in any projects that introduce or use potentially invasive, non-indigenous alien species. UNIDO uses a precautionary and ecosystem-centred approach to natural resource conservation and management to ensure opportunities for environmentally sustainable development. The safeguard reflects the importance of biodiversity and the value of key ecosystems to the population, emphasizing the need to respect, conserve and maintain the knowledge, innovations and practices of indigenous

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<sup>11</sup> For a definition of the term ‘critical habitat’ and the other terms used in Annex 1, please refer to ESSPP Annex I.

and local communities, and to protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements.

### **OS 3: Involuntary Resettlement and Land Acquisition**

The objective of this OS is to avoid physical and economic displacement as a result of project-related land use. This safeguard ensures that projects potentially involving land acquisition resulting in involuntary physical and/or economic displacement are either re-designed to include viable alternatives or are not approved for further development by UNIDO.

### **OS 4: Indigenous People**

UNIDO ensures that, consistent with the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples and other international instruments relating to indigenous peoples,<sup>12</sup> projects are designed and implemented in a way that fosters full respect for indigenous peoples, including those living in voluntary isolation, and for their dignity, human rights, and cultural uniqueness so that they (a) receive culturally appropriate social and economic benefits; and (b) do not suffer adverse effects during the development process.<sup>13</sup>

### **OS 5: Pest Management**

UNIDO ensures that, in any project applying or promoting the use of pesticides, the environmental and health risks associated with pesticide use are minimized and managed, and that safe, effective, and environmentally sound pest management is promoted and supported. The principles of integrated pest management<sup>14</sup> and integrated management of vectors and intermediate hosts<sup>15</sup> are applied, to the extent feasible. UNIDO does not support the use of any pesticides, products or chemicals specified under the Stockholm Convention on Persistent Organic Pollutants or classified by the World Health Organization (WHO) as Classes IA, IB, or II. Additionally, UNIDO ensures that its projects follow the minimum standards described in the *Code of Conduct on the Distribution and Use of Pesticides* of the Food and Agriculture Organization of the United Nations (FAO).

### **OS 6: Cultural Heritage**

UNIDO recognizes the vital importance of cultural heritage<sup>16</sup> for current and future generations. This OS is designed to ensure that effective and active measures are taken to avoid support for projects involving the alteration of, damage to or removal of any type of tangible or intangible cultural heritage. Should such

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<sup>12</sup> Including the International Labour Organization Convention 169 on Indigenous and Tribal Peoples (1989); United Nations Declaration on the Rights of Indigenous Peoples (2007); UNDG Guidelines on Indigenous Peoples' Issues (2008); United Nations Permanent Forum on Indigenous Issues (under the Economic and Social Affairs Department), Inter-Agency Support Group on Indigenous Issues, and United Nations International Decade of the World's Indigenous Peoples Plan of Action.

<sup>13</sup> For definitions of 'indigenous peoples' and 'indigenous peoples living in voluntary isolation', please refer to Annex I. For further details, please see: <http://www.oas.org/en/iachr/indigenous/docs/pdf/Report-Indigenous-Peoples-Voluntary-Isolation.pdf>.

<sup>14</sup> For a definition of 'integrated pest management', please refer to ESSPP Annex I.

<sup>15</sup> For a definition of 'integrated management of vectors and intermediate hosts', please refer to ESSPP Annex I.

<sup>16</sup> For a definition of 'cultural heritage', please refer to ESSPP Annex I.



potential adverse impacts on a type of cultural heritage be identified during the development period, UNIDO management will decide, in consultation with national counterparts, either to relocate the project to a different site or to stop any further project development.

### **OS 7: Safety of Dams**

The objective of this OS is to ensure quality and safety in the design, construction, operation, and maintenance of new dams and in the rehabilitation of existing dams. UNIDO does not usually engage in large-scale water management infrastructure investment projects that involve the construction or rehabilitation of large and complex dams, i.e. dams of height above 15 meters.

### **OS 8: Labour and Working Conditions**

The objective of this OS is to ensure that UNIDO supported projects comply with national labour laws, and with the objectives of the International Labour Standards of the International Labour Organization (ILO), which include: (i) to promote fair treatment, non-discrimination, and equal opportunity for workers; (ii) to promote compliance with national employment and labour laws, which comply with the mentioned standards; (iii) to protect workers, including vulnerable categories of workers such as children, women, and migrant workers; (iv) to promote safe and healthy working conditions and the health of workers; and to avoid the use of forced labour, trafficked labour or child labour.

### **OS 9: Resource Efficiency and Pollution Prevention**

While UNIDO's ESSPP is governed by a precautionary approach and most UNIDO projects aim to foster resource efficiency and/or pollution prevention, this OS ensures the adoption of a project-level approach to resource efficiency, cleaner production processes and pollution management, in line with internationally disseminated technologies and practices.<sup>17</sup> The objective of this OS is, therefore, to avoid or minimize the adverse impacts of pollution on human health and the environment by avoiding or minimizing project-level wastes, emissions, and pollution. Additionally, the OS strives to promote a more sustainable use of resources, including materials, energy, land and water.

### **OS 10: Community Health, Safety and Security**

This OS recognizes that project activities, equipment, and infrastructure can increase the exposure of project-affected communities and beneficiaries to health, safety and security risks and impacts, and ensures that these health, safety, and security risks and impacts are avoided or minimized and that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles. The objective of this OS, therefore, is to anticipate and avoid adverse impacts on the health, safety and security of project-affected communities and beneficiaries during the project lifetime from both routine and non-routine circumstances.

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<sup>17</sup> As reflected in internationally recognized standards such as the World Bank Group's *Environmental, Health, and Safety Guidelines*, available at <http://www.ifc.org/chsguidelines>. These standards contain performance levels and measures that will normally be acceptable and applicable to projects. When national regulations differ from these levels and measures, the project will achieve whichever are more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the project will provide full and detailed justification for any proposed alternatives, provided that such alternatives are consistent with the ESSPP.

## **OS 11: Information Disclosure and OS 12: Accountability and Grievance System**

Framework Operational Safeguards, OS 11 and OS 12, provide overarching frameworks on UNIDO's information disclosure requirements and the accountability and grievance system. As such, they are not directly relevant for completing E&S Screening. However, OS 11 and OS 10 are applicable to all UNIDO projects, even those with minimal or no adverse environmental or social impacts. The requirements of these operational safeguards also apply to UNIDO project executing entities.

### **ESS Categorization Guidance**

Project<sup>18</sup> categorization is based on a combination of project type, characteristics of potential impacts, and sensitivity of the receiving environment, i.e. planned project site. In the meantime, the following provides an indication of how UNIDO projects might be categorized and a framework for the screening decision. However, many factors come into play during screening, and the below should not be used as the sole basis for decision-making. Project concept screening results in the determination of one or more of the following categories:

**Category A:** A proposed project is classified as Category A if it is likely to induce significant and/or irreversible adverse environmental and/or social impacts that are sensitive, diverse, or unprecedented, or that affect an area broader than the sites or facilities subject to physical works.

Projects that would usually be identified as Category A are large-scale infrastructure development investment projects supported by multilateral and regional development banks. The projects or components included in this list could potentially have adverse impacts and normally warrant the subsequent conducting of an Environmental and Social Impact Assessment (ESIA) and an agreement on a proper Environmental and Social Management Plan (ESMP):

- Projects involving resettlement of populations;
- Projects with construction of new dams of height above 15 meters;
- Projects on large-scale aquaculture and mariculture;
- Projects on large-scale energy production and distribution facilities;
- Resource recovery facilities projects (e.g. large-scale mining operations, large-scale recycling plants);
- Large-scale agro-industry projects;

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<sup>18</sup> When reference is made to 'project', this also encompasses 'programme'.

- Large-scale afforestation/reforestation, including logging operations, use of Mangroves and wetlands projects;
- Large-scale forest industry operations projects, such as sawmills and pulp and paper mills;
- Projects that establish new and/or relocate industrial zones and/or industrial parks;
- Projects that establish new and/or relocate large-scale manufacturing, processing and/or treatment plants (e.g. wastewater, POPs, etc.);
- Projects that may have potentially significant adverse impacts on physical cultural resources;
- Large-scale natural resource extraction activities such as farming, irrigation, mining or fishing; and
- Activities that require an ESIA by national law are also classified as A.

**Category B:** Category B projects often differ from Category A projects only in scale. They are likely to have less adverse impacts on human populations or environmentally important areas than those of Category A projects. Likely impacts will be few in number, site-specific, and few if any will be irreversible. In most cases impacts can be readily minimized by applying appropriate management and mitigation measures or incorporating internationally recognized design criteria and standards.

The following projects and components may have environmental and/or social impacts that would result in less serious risks, and warrant the development of ESMPs instead of ESIA:

- Energy efficiency and energy conservation projects;
- Projects with rehabilitation of dams of height above 15 meters;
- Small- and medium-scale agro-industries projects;
- Small- and medium-scale irrigation and drainage projects;
- Projects on small and medium-scale aquaculture, including small and medium-scale industrial and artisanal fisheries;
- Renewable energy projects (incl. new hydroelectric dams 15 metres or below in height);
- Rural electrification projects, including mini-grids;
- Limited bioenergy projects;
- Climate adaptation projects;

- Chemicals and waste recovery, recycling and destruction projects (e.g. projects dealing with phase-out and handling of persistent organic pollutants, ozone depleting substances, e-waste, mercury and other heavy metals, etc.) at existing facilities;
- Small- and medium-scale reforestation/afforestation projects;
- Small- and medium-scale rural water supply and sanitation projects; and
- Projects that may have potentially minor adverse impacts on physical and cultural resources.

**Category C:** A proposed project is classified as Category C either if it is likely to have minimal or no adverse social and/or environmental impacts (e.g. studies, mapping, strategy development, business plan development, feasibility study development, policy advice, inventory work, and awareness raising / capacity building activities) and/or has only a minor budget allocation.<sup>19</sup> Moreover, projects that centre on the setting-up of financial mechanisms, accelerators/incubators, business models and the like are classified as Category C.<sup>20</sup> All Category C projects that develop full feasibility studies for Category A projects will need to include an ESIA within the feasibility study, unless an ESIA, meeting the standards of ESSPP, has been or will be undertaken by another project stakeholder.

No further specific environmental and/or social assessment is required for a Category C project beyond the ESS screening. It is, however, important to note that Category C projects, particularly those with procurement components, may still have potential environmental and social sustainability considerations. These should be addressed as part of the regular project design activities and through UNIDO's procurement processes, as applicable.

**Category "NO PROJECT":** (i) is likely to infringe on the protection of a critical habitat;<sup>21</sup>; (ii) introduces or uses potentially invasive, non-indigenous alien species; (iii) uses banned pesticides and/or chemicals, (iv) causes involuntary resettlement or physical and economic displacement; (v) is likely to alter, damage, or remove any cultural heritage and/or sites; or (vi) uses forced, trafficked, or child labor. Projects categorized as NO PROJECT cannot be supported by UNIDO, since they are not in compliance with UNIDO's Standards. Further discussions with stakeholders are required to re-design and/or relocate the project in order to re-categorize the project. Failing this, the proposal will not be considered for further development.

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<sup>19</sup> Please note that projects shall neither be divided into two or more separate projects nor deliberately under-budgeted for the purpose of meeting this criterion.

<sup>20</sup> However, the design of selection criteria for such mechanisms/schemes/models should include ESS considerations, in line with the requirements set out in the ESSPP, while the selected financial intermediaries are expected to have their own environmental and social management systems in place in order to address any identified ESS risks. This ensures that resulting proposal, investment, and project submissions towards the said mechanisms/schemes/models undergo separate environmental and social screenings and assessments..

<sup>21</sup> For exact definition please refer to ESSPP Annex I.