

Environmental and Social Management Plan (ESMP) annexed to the Financing Agreement (FA)

Cabeolica Phase II Expansion Project, P-CV-F00-002

General considerations

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

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

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
Periodic E&S implementation report to the Bank		Bank's ESP and OS1	100% of submitted reports in time and in good standard meeting Bank's requirements.	Cabeolica quarterly Environmental and Social Implementation Reports to the AfDB.
			100% of submitted reports in time and in good standard meeting Bank's requirements.	Annual External E&S Audit reports during construction by an external company no later than the end of the first quarter of the following year. An Annual External E&S Audit report during the first year of operation by an external company no later than the end of the first quarter of the following year.
1	Recruitment of E and S specialists as part of the Project implementation unit	Disclosed ESIA, OS1	Cabeolica: A permanent resource Environmental, Social and Administration Manager (MESA) in place. EPC Contractor: An appropriately trained HSE specialist (covering E&S as applicable) supporting the project during construction phase.	Three weeks before construction starts
2	Establishment of the Project Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS10 and National requirements	Evidence of GRM disclosure through Cabeolica website. Evidence of implementation in form of grievance log / tracker (other mechanism)	Throughout project implementation.
3	Payment of compensation and reinstallation of affected people	SO10	NA	NA
4	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	Evidence that the site-specific E&S requirements are included in bidding documents, RFPs and contracts.	As applicable for relevant proposals and before proposals are launched
5	Submission of high-risk activity's Contractor ESMP (<i>C-ESMP</i>) to Bank clearance	Bank's ESP and OS1	NA	NA
6	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and	Evidence that the GRM is in place and that Cabeolica GRM incorporated into Contractor's CCESMP	Prior to construction works. Implementation maintained by the Contractor throughout construction

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

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
			Access to Information Policy	
7	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	All permits required for specific activities as per national legislation obtained prior to the activity commencing. Permits register maintained and evidence available.	Before the start of activities where permit approvals are required.
8	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	Submission of E&S documents as applicable	When applicable
9	Engagement with concerned stakeholders of each relevant specific E&S activity	OS1, OS10, Bank's Disclosure and Access to Information Policy	Operationalization of the Stakeholder Engagement Plan (SEP).	Ongoing as required by SEP through construction activities and regular follow up during remaining phases
10	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	EPC Phase: Each subcontractor will develop and implement Emergency Preparedness and Response procedures (ERP).	Three weeks before construction
			Operation: Cabeolica will implement ERP.	During the operation of the Project.
11	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Submission of updated grievance log sheet included in E&S periodic reports.	Throughout project implementation.
12	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	NA	NA
13	Capacity building of key project implementers	OS1	Submission of evidence as applicable for EPC Contractors. Training logs for specific training: - GRM mechanism - STD, VAC, - Hygiene health and safety on construction sites - Training and workshops related to SEP: GRM, dealing with local populations, etc.	When applicable during construction activities

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			<ul style="list-style-type: none"> - Safety risks associated with works. - Waste management. - Environmental effects, good practices and preventive and corrective measures to be adopted 	
14	Implementation of ESMS/ESAP ³	OS1 and OS9, national requirements	<p>Existing ESMS Manual and Procedures, and ESMS - ESAP implemented, monitored and audited by external entities. Updated will be included in the quarterly reports.</p> <p>Annual audit reports applicable to construction phase and first year of operation by external entities.</p>	Throughout the construction and operation phases
14.1	<i>Approval of any required E&S management procedure</i>	Ditto	<p>ESMS Manual signed by Cabeolica Management.</p> <p>Disclosure of the document in Cabeolica webpage</p>	Prior to construction phase
14.2	<i>Establishment of the E&S unit</i>	Ditto	<p>A permanent resource Environmental, Social and Administration Manager (MESA) in place</p>	Available throughout all project phases
14.3	<i>Capacity Building of the E&S Unit</i>	Ditto	<p>Submission of evidence as applicable for EPC Contractors. Training logs for specific training related to BESS:</p> <ul style="list-style-type: none"> - BESS essential elements, - Standards and regulations, - Mitigation hazards and mitigation, - Waste management, - Decommissioning requirements. 	Throughout all project phases
14.4	<i>Processing the Value Chain E&S due diligence</i>	Ditto	<p>Request suppliers provide evidence of a supplier code of conduct covering E&S items (as applicable) at either a company or project level.</p>	When required and upon signature of any contract with a supplier

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

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			Evidence of adherence by EPC Contractors to relevant ILO for workers.	When required
15	Suspending works in the event of EOHS risk or incident, immediately notify the Bank, and resume works only upon no-objection of the Bank.	Bank's ESP	Report of incidents and actions taken (where applicable). Submit to the Bank the report of incidents with corrective measures to be implemented after the investigation. Evidence of suspension of works, when applicable.	Immediately and no later than 72 hours after the occurrence
16	Prepare the root-cause analysis (RCA) of any fatal EOHS incident and implement the Corrective Action Plan (CAP).	Bank's ESP and OS1	Nº of RCA prepared and CAP implemented (as applicable)	Cabeolica will share the RCA prepared and, if deemed necessary by the Bank, to submit a root-cause analysis (RCA) report, prepared by an independent OHS expert, to be cleared by the Bank for the implementation of the CAP
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	Proof of distribution to the public: Annual Sustainability report published on Cabeolica webpage	Submitted after approval by Cabeolica's board of the Annual Sustainability Report