

# **ENVIRONMENTAL & SOCIAL POLICY**

Stichting Clean Energy and  
Energy Inclusion for Africa

(CEI Africa)

Determined by the Board of CEI Africa on 13-07-2023

Approved by the Supervisory Council of CEI Africa on 14-07-2022

## Version Control

Document history		
Version	Date	Description / amendments
1	19-5-2022	Version adopted by the Board and Approved by the SC
2	12-5-2023	Version amended to include reference to the Smart Outcomes Fund Component, updated Grievance Redress Mechanism, latest E&S processes, updated impact targets, and SFDR

## ENVIRONMENTAL & SOCIAL POLICY

The Stichting Clean Energy and Energy Inclusion for Africa ('The Foundation' or 'CEI Africa') was incorporated in Amsterdam in November 2021, and aims to improve the access of private households, smallholders, small and medium businesses and communal amenities in Sub-Saharan Africa to affordable and clean off-grid energy based on renewable sources – with a special focus on the financing of the expansion of privately developed and operated Green Mini-Grids ('GMGs'). To realize its mission, CEI Africa operates two promotional windows: the "Crowdlending for Energy Inclusion" ('CL Window') and the "Smart Outcomes Fund" ('SOF Window'). Within the SOF Window, the Smart Outcomes Fund Component ('SOF Component') has been added to the existing Results-Based Financing Component ('RBF Component') in 2023 as an outcome-based results-based financing ('RBF') for productive use of energy ('PUE') providers. With its windows, CEI Africa combines co-investing with crowdlending institutions and grant financing in the form of RBF to promote rural development through green off-grid electrification.

CEI Africa has developed this Environmental & Social Policy ('E&S Policy') which sets out objectives, procedures and guidelines to manage CEI Africa's environmental and social ('E&S') risks and its development impacts as well as to monitor and report CEI Africa's E&S risks and developmental impacts to its Contributors and other stakeholders. CEI Africa has also developed and implemented an Environmental and Social Management System ('ESMS') in accordance with this policy, which entails more detailed tools and templates.

The E&S Policy is a framework which integrates E&S risk management and reporting into CEI Africa's processes. It is a set of actions and procedures that are implemented concurrently with CEI Africa's broader risk management procedures.

The E&S Policy ensures that CEI Africa's activities including grant-financed and investment activities for the Foundation's purposes as defined in CEI Africa's articles of association comply with the E&S standards referred to in this E&S Policy.

CEI Africa commits to managing its activities in an environmentally and socially sound manner in line with good international practice by identifying the level of risk of each activity and - if the right risk mitigating measures are determined and in place - to minimize, mitigate and manage these risks adequately. If the activities and projects that have been selected to be supported by CEI Africa show gaps with regard to E&S risk management, E&S management and action plans are developed to close these gaps within a defined period. In case activities or projects are found to have material non-compliances or gaps regarding E&S risk management and relevant standards that cannot be solved with reasonable actions, CEI Africa will not support these projects and activities.

The Foundation Manager of CEI Africa analyzes potential E&S risks by conducting E&S due diligence of the Crowdlenders and Mini-Grid Developers it will work with to ensure the risks of the underlying activities and projects will be well-managed. CEI Africa ensures an adequate supervision and monitoring of the E&S performance of these underlying activities and projects ('investees' and 'grantees') during the term of the investments or grant-financed activities. The Foundation Manager ensures that its personnel has the right E&S capacity and expertise to manage its activities in line with this E&S Policy and the underlying ESMS.

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This E&S Policy will be implemented taking into account the relevant standards of the Sustainability Guideline (February 2022) of KfW Development Bank as updated from time to time. These include:

- National legislation;
- CEI Africa's Exclusion List;
- International Finance Corporation Performance Standards ('IFC PS');
- General and sector specific Environmental, Health and Safety ('EHS') Guidelines of the World Bank Group;
- World Bank Environmental and Social Standard 9 ('ESS9') for Financial Intermediaries; and
- Core Labor Standards of the International Labor Organization ('ILO').

This E&S Policy will regularly be reviewed by CEI Africa's Board and be adapted if necessary in line with CEI Africa's activities, with requirements by new Contributors or changes in the relevant laws or E&S standards this E&S Policy relates to.

### **Applicable laws and regulation**

The investment activities of CEI Africa (i.e. not including the SOF Window) and the Foundation Manager fall under the scope of the European Union ('EU') Regulation 2019/2088 on sustainability-related disclosures in the financial sector ('SFDR'). The sustainability claims made by CEI Africa align with the sustainable investment objective of Article 9 fund disclosures within the regulation, however data requirements to substantiate these claims cannot be met by CEI Africa at this point in time. This is due to the limited availability and reliability of data among target investees in Sub-Saharan Africa and CEI Africa's reliance on financial intermediaries (e.g. crowdlending platforms). CEI Africa will hence be classified as an Article 8 fund, whilst maintaining the ambition to become Article 9 in the future. This Policy outlines the Foundation's methodology, criteria and indicators used to manage its sustainability objective and promote ESG characteristics.

## Acronyms

BMZ	German Federal Ministry of Economic Cooperation and Development
DD	Due Diligence
E&S	Environmental and Social
EHS	Environmental, Health and Safety
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FRAP	Full Resettlement Action Plan
GC	Grant Committee
GMG	Green Mini-Grids
GRM	Grievance Redress Mechanism
IC	Investment Committee
IFC	International Finance Corporation
IFC PS	IFC Performance Standards
ILO	International Labor Organization
MSME	Micro, Small and Medium Enterprises
M, V & E	Monitoring, Verification and Evaluation
MWp	Mega Watt Peak
OGE	Off-Grid Energy
PUE	Productive Use of Energy
RAP	Resettlement Action Plan
RBF	Results-Based Financing
SEP	Stakeholder Engagement Plan
SOF	Smart Outcomes Fund
SHS	Solar Home System
TA	Technical Assistance
ToR	Terms of Reference
WBG	World Bank Group

## Definitions

<b>CL Window</b>	CEI Africa's promotional window "Crowdlending for Energy Inclusion," led by Persistent Energy.
<b>Consortium Partners</b>	Persistent Energy Capital L.L.C. as Foundation Advisor for the CL Window and GreenMax Capital as advisor to the Foundation Manager for the SOF Window.
<b>Contractual Partners</b>	Mini-Grid Developers and PUE providers in the SOF Window and Crowdlenders of the CL Window which will act as a financial intermediary to CEI Africa's direct grantees and investees.
<b>Crowdlender</b>	Crowdlenders are any crowdlending or crowdfunding platforms domiciled in an EU member state, EFTA member state or the United Kingdom of England and Wales (UK) incorporated and licensed in accordance with national laws, regulations or decrees and in line with Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 including Crowdlenders, crowd investing platforms or hybrid forms of the two. Reward based crowdfunding and donation-based crowdfunding are not eligible but may become eligible if determined so by the Board and approved by the Supervisory Council with no objection by the incorporator.
<b>Foundation Manager</b>	Triple Jump B.V. as Foundation Manager.
<b>Grantee</b>	Underlying grant-financed activities of the SOF Window.
<b>Investee</b>	Underlying investments of the CL Window.
<b>Lean Lending</b>	The CL Window's Lean Lending approach is where Crowdlenders under a framework agreement with CEI Africa can automatically draw small amounts (up to 250k) to on-lend to underlying investees.
<b>Mini-Grid Developer</b>	Mini-Grid Developers develop eligible GMGs, a set of small-scale electricity generators, based on renewable sources and possibly energy storage systems interconnected to a distribution network that supplies electricity from renewable sources to a localised group of customers and operates independently from the national transmission grid. GMGs developed by Mini-Grid Developers range in size from a few kilowatts ('kW's') up to 15 megawatts ('MW's'). GMGs may include back-up fossil fuel power, but if back-up generation is fossil fuel based, electricity generated with fossil fuels can account for maximum 25% of electricity consumed (on an annual basis), with the remainder generated from solar power and stored in batteries. In exceptional cases the Board, with approval from the Supervisory Council, may approve a higher percentage (up to a maximum of 50% fossil fuel back-up) if an action plan is in place to reduce the percentage over time to a maximum of 25%.
<b>RBF Component</b>	A results-based financing program for Mini-Grid Developers to develop eligible GMGs, led by GreenMax Capital.
<b>SOF Window</b>	CEI Africa's promotional window "Smart Outcomes Fund," led by GreenMax Capital which consists of the RBF Component and SOF Component.
<b>SOF Component</b>	An outcome-based RBF program for PUE within the SOF Window, led by GreenMax Capital.

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### **The Foundation**

CEI Africa, of which Triple Jump B.V. acts as Foundation Manager, Persistent Energy Capital L.L.C. as Foundation Advisor for the CL Window and GreenMax Capital as advisor to the Foundation Manager for the RBF Window.

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## **1. Introduction**

The Covid-19 pandemic has impeded and limited the financing at near market terms for GMGs as well as other climate friendly off-grid energy solutions in Sub-Saharan Africa. This is why the BMZ has asked KfW to establish CEI Africa in cooperation with like-minded donors and contributors.

The aim of the use of the initial contribution to CEI Africa is to improve the access of private households, smallholders, MSMEs and communal amenities in Sub-Saharan Africa to affordable and clean off-grid energy based on renewable sources – with a special focus on financing the expansion of GMGs and OGE companies and to contribute to the reduction of greenhouse gases.

To realize its mission, CEI Africa operates two windows: the CL Window and the SOF Window. With its windows, CEI Africa combines co-investing with crowd lending institutions and grant-financing in the form of RBF to promote rural development through green off-grid electrification. The E&S Policy represents one of several policies that govern the actions of CEI Africa. The E&S Policy is equal in importance to these other policies.

The E&S Policy processes will occur in parallel with credit due diligence, due diligence steps in the grant-financing and investment processes, legal due diligence, and other activities, and are equal in importance to these other processes in determining if and how grants and investments in both windows are made and managed.

## 2. Environmental and Social Policy

### 2.1 Principles

CEI Africa recognizes that the stewardship of the environment and the well-being of local communities are integral aspects of its grant-financed and investment activities. CEI Africa recognizes that its grant-financed activities ('grantees') as well as its promotional investments ('investees') benefit from following sound environmental and social practices.

CEI Africa will therefore carry out its business and operations in compliance with all applicable national environmental, occupational health & safety and social laws and regulations.

CEI Africa will prepare, implement and operate its activities in compliance with IFC Performance Standards (Appendix A) and the WBG's general and sector-specific EHS Guidelines.

CEI Africa will develop and regularly review and update its ESMS in conformance with IFC PS 1 and World Bank ESS9 (Appendix B), commensurate with its business nature and the risks associated with its activities based on an ESMS for Financial Intermediaries. For its internal operations, the Foundation Manager and its Consortium Partners will comply with IFC PS 2.

CEI Africa will also comply with CEI Africa's Exclusion List (Appendix C), which outlines categories of grant-financed activities and investments that will not be financeable by CEI Africa under any circumstances.

CEI Africa's Foundation Manager will ensure sufficient and suitably trained staff capacities for E&S issues.

The Foundation will ensure that the E&S Policy is fully communicated to, understood by, and implemented at all levels throughout CEI Africa, the Foundation Manager and its Consortium Partners, service providers to CEI Africa, its grantees and investees, and Contractual Partners, and will make the E&S Policy available publicly on CEI Africa's website. CEI Africa will address complaints about breaches of the E&S Policy promptly and use best efforts to satisfy all concerned parties, in line with its GRM Procedure (Appendix D).

CEI Africa will exclude any activities that are likely to result in high environmental and social risks ('Category A'). In the case that CEI Africa or the grantees of Mini-Grid Developers and investees of Crowdlenders are likely to result in moderate environmental or social impacts, CEI Africa and its Contractual Partners will conduct formal environmental and social risk assessments, and will take all possible steps to mitigate these risks.

Across all E&S risk categories of its grant making and its investment activities, CEI Africa commits to the following set of guiding principles:

- CEI Africa commits that each grant and investment by CEI Africa will be made in line with this E&S Policy and associated procedures.
- CEI Africa will ensure that each of its grantees, investees and Contractual Partners are evaluated on the basis of the standards on which this E&S Policy is built.
- CEI Africa will encourage the adoption of E&S standards, which align with the E&S Policy, by its grantees, investees and Contractual Partners.
- CEI Africa will contractually bind its grantees, investees and Contractual Partners to comply with the Applicable E&S Requirements as set out in Section 2.2 below.

- The E&S Policy will be reviewed annually and be updated if necessary or if required by the contributors of CEI Africa.
- Grantees will receive grants only and investees will be financed only when the financed activities and investments are expected to be designed, built, operated, and maintained in a manner consistent with the E&S Policy.
- Efforts are made to ensure that all grantees' and investees' activities financed by CEI Africa are and remain in compliance with the E&S Policy.
- CEI Africa commits to a process of continuous improvement in its ESMS design and implementation.
- CEI Africa will monitor and report on E&S performance of grantees, investees and Contractual Partners in a transparent, credible and timely manner to all relevant stakeholders.

## **2.2 E&S Requirements**

The Foundation Manager of CEI Africa will ensure that all grantees and investees are evaluated against the following E&S Requirements (if relevant) and only financed if found compliant or can reach compliance over a defined period of time by implementation of an ESAP and/or through targeted TA support:

- International standards, conventions, and agreements on EHS and labor best practices to which the grantees, the investees and the relevant nations are parties;
- International standards on the management of E&S risks to ensure that grantees and investees effectively avoid, manage, and mitigate against all E&S risks of their activities in accordance with environmental and social risk management procedures as defined in the following laws and standards:
  - IFC Performance Standards (Appendix A);
  - General and sector-specific EHS guidelines of the WBG;
  - ESS9 for Financial Intermediaries (Appendix B); and
  - Core labor standards of the ILO.
- CEI Africa's Exclusion List (Appendix C), which outlines categories of grant-financed activities and investments that will not be financeable by CEI Africa under any circumstances (KfW Group exclusion list and the IFC exclusion list—together presenting CEI Africa's Exclusion List); and
- National and local environmental, health, safety, and labor laws and regulations, including established requirements on public disclosure and engagement.

### 3. Environmental and Social Management System

The core component of implementing CEI Africa’s E&S Policy is the ESMS. The performance of a potential grantee or investee and its activities proposed to be funded by CEI Africa along specific dimensions of the applicable E&S requirements will determine whether the respective investment or grant-financed activity is suitable for commitment and funding by CEI Africa in terms of E&S risk. Specific risks that may be encountered within each dimension of the applicable E&S requirements are discussed later in this section.

As CEI Africa plans to invest in a large number of small deals or projects through intermediaries, CEI Africa will focus its E&S assessments on its Contractual Partners’ policies, procedures and implementation thereof to ensure all underlying risks at grantee and investee level are managed properly. In this way CEI Africa can concentrate its attention at grantee and investee level on the highest risks. CEI Africa will also exclude all Category A grant-financed activities and investments.

#### 3.1 E&S Risk Categorization

Potential Mini-Grid Developers of the RBF component, and Crowdlenders of the CL Window – also referred to as Contractual Partners – will all be evaluated on their ability to manage and mitigate E&S risks and subsequently categorized into one of four levels of risk (Indirect Financial Intermediary (‘FI’)/A, B+, B or C), which then informs subsequent mitigation actions and TA needs. Potential underlying grant-financed activities of the RBF Component and SOF Component, such as GMGs and PUE providers, and investments of the CL Window in OGE companies – also referred to as grantees and investees, will all be evaluated for E&S risks and subsequently categorized into one of four levels of risk (Direct A, B+, B or C), which then informs subsequent grant-financing, investment and mitigation actions. The division of risk categorization is highlighted in the following table.

*Table 1: E&S categorization of CEI Africa’s Contractual Partners, grant-financed and investment activities*

<b>Risk Category</b>	<b>Description</b>
<i>For Contractual Partners – Indirect FI categories</i>	
FI/A High Risk	Mini-Grid Developer or Crowdlender whose existing funding operations include clients classified with Category A. Institutions classified with FI/A need to have a full-fledged ESMS to manage their portfolio risks. In cooperation with these institutions, maximum B+ projects can be supported by CEI Africa.
FI/B+ Medium-high Risk	Mini-Grid Developer or Crowdlender whose funding operations (are expected to) include clients classified with maximum Category B+. These Institutions need to maintain or develop an ESMS in line with international standards and commensurate to the risks of funded operations.
FI/B Medium risk	Mini-Grid Developer or Crowdlender whose funding operations (are expected to) include clients classified with maximum Category B. These Institutions need to maintain or develop an ESMS in line with international standards and commensurate to the risks of funded operations.
FI/C Low risk	Mini-Grid Developer or Crowdlender whose funding operations (are expected to) include clients classified with maximum Category C. Institutions need to have a simple management approach to implement the basic E&S

Risk Category	Description
	requirements of CEI Africa, such as the exclusion list and working conditions of employees.
<i>For Grantees / Investees – Direct categories</i>	
A High Risk	<p>Grantee or Investee operations which are expected to have potentially high negative impacts or risks that are:</p> <ul style="list-style-type: none"> <li>▪ Multiple</li> <li>▪ Irreversible</li> <li>▪ Unprecedented</li> </ul> <p>Impacts may affect a larger area than just the facility under construction, the site or the project area.</p> <p>Category A projects will not be supported under CEI Africa.</p>
B+ Medium-high Risk	Grantee or Investee operations with potentially significantly adverse E&S risks and/or impacts that are generally beyond the site boundaries, sometimes irreversible and that can be addressed through relevant mitigation measures.
B Medium Risk	Grantee or Investee operations do not have considerable negative effects and have only manageable potentially negative effects or risks. Risks can be mitigated with countermeasures or standard solutions.
C Low Risk	Grantee or Investee operations will likely have negligible adverse E&S risks.

The indirect FI categories are applied when CEI Africa supports Mini-Grid Developers and Crowdlenders which on-lend CEI Africa’s funds to other companies or projects in the renewable energy sector. These Contractual Partners are classified into four risk categories (FI/A, FI/B+, FI/B or FI/C) depending on the risk level of their existing portfolio and clients financed, as well as the expected types of grantees and investees supported under CEI funding, following the same logic as for the directly funded grantees and investees. FI/A Contractual Partners would have an investment scope that includes Category A projects and therefore need a full-fledged ESMS to manage these risks. As CEI Africa doesn’t fund Category A projects, in cooperation with FI/A institutions, only Category B+, B and C projects can be financed. FI/B+ and FI/B Contractual Partners have an investment scope that includes Category B+ or Category B projects, respectively, with the latter being the case for most crowdending institutions. These need to develop and maintain an ESMS in line with international standards to ensure that only projects are funded that fulfill the E&S requirements of CEI Africa. Category FI/C investees would typically include institutions which finance companies with very limited or no E&S risks, such as distributors of solar lamps to private households or similar.

The following are examples of the direct categories:

**Category A** classified grantees or investees will be excluded. Examples of Category A operations include large GMGs ( $\geq 15$  MWp) and equivalent grant-financed activities or investments that require the involuntary resettlement of people or voluntary resettlement of more than 50 people, activities in protected areas or within animal migratory corridors, and biomass IPPs that result in significant deforestation or habitat degradation. Category A grantees or investees will be flagged at an early stage and excluded from further engagement with CEI Africa.

**Category B+** classified grantees or investees represent grant-financed activities or investments in which operations have potentially adverse E&S risks and/or impacts that are generally beyond the site

boundaries, sometimes irreversible but that can be addressed through relevant mitigation measures. Grantees and investees in this category require an ESDD to be conducted and may require a project-specific ESMP and ESAP to close any gaps. GMGs of 1 MWp to 15 MWp fall into this category, and require a full ESIA in line with country regulations and international standards, conducted by a third-party consultant, before starting construction. Biomass, hydropower or wind-powered GMGs that need to be constructed are also likely to fall into this Category, as these may have higher environmental impacts linked to their operations.

**Category B** classified grantees or investees represent grant-financed activities and investments in which operations are likely to cause fewer or lesser adverse environmental and social impacts than Category B+ activities. Likely impacts are few in number, site-specific, largely reversible, and readily minimized by applying appropriate management and mitigation measures or incorporating internationally recognized design criteria and standards. Grantees and investees in this category require an ESDD, and if applicable, an ESAP to close any gaps. GMGs between  $\geq 50$  kWp and 1 MWp will likely fall into this medium risk category, and will require a simplified ESIA as per the operating country's regulations, and a project-specific ESMP. SHS providers involving installation on the roof and productive use off-grid energy projects (e.g. solar-powered mills and pumps) would also likely fall into this category, and should comply with the GOGLA Consumer Protection Principles (Appendix E).

**Category C** represents grant-financed activities or investments by CEI Africa in which operations will likely have negligible adverse environmental and social risks. Potential investments in this category do not directly or indirectly affect the environment adversely and are unlikely to induce adverse social impacts. They do not require ESIA's; they only require E&S risk categorization and simplified E&S appraisals focusing on working conditions. GMGs <50 kWp, some SHS providers with limited manual work such as installation of SHS on the roof, and pico-solar providers are likely to fall into this category. These investments are likely to be funded through the CL Window's Lean Lending approach.

The following Tables 2 and 3 illustrate the different requirements per risk category for Contractual Partners, to be evaluated by CEI Africa, and grantees/investees, to be evaluated by Contractual Partners or in some cases by CEI Africa directly.

*Table 2: Illustration of the differing requirements for indirect FI risk categories*

Category FI/A High Risk	Category FI/B+ Medium-high Risk	Category FI/B Medium Risk	Category FI/C Low Risk
<p><i>Compliance of the FI with:</i></p> <ul style="list-style-type: none"> <li>▪ National Regulation,</li> <li>▪ IFC PS 1 and WB ESS9 for the ESMS (including a publicly accessible GRM)</li> <li>▪ IFC PS 2 for internal working operations</li> </ul> <p><i>Compliance of operations supported by the FI under CEI Africa funding:</i></p> <ul style="list-style-type: none"> <li>▪ CEI Africa Exclusion List</li> <li>▪ Local EHS and labor laws, and public disclosure requirements engendered therein</li> <li>▪ ILO fundamental conventions</li> <li>▪ Relevant General and sector-specific EHS guidelines of the WBG</li> <li>▪ Relevant IFC PS (always IFC PS 1 and 2)</li> </ul>			

Category FI/A High Risk	Category FI/B+ Medium-high Risk	Category FI/B Medium Risk	Category FI/C Low Risk
<i>Focus on:</i> conclusions of independent assessments and the level of implementation of the ESMS, capacity to manage high risk operations	<i>Focus on:</i> developing and maintaining ESMS and level of implementation, governance, capacity and willingness to manage high risk grantee/investee operations, ensuring grantee/investee capacity and compliance	<i>Focus on:</i> developing and maintaining ESMS and level of implementation, ensuring grantee/investee compliance	<i>Focus on:</i> developing simplified ESMS with capacity to identify grantee/ investee non-compliance, ensuring the grantee/investee has a plan to remedy the non-compliance in a reasonable time frame
<i>Required due diligence:</i> <ul style="list-style-type: none"> <li>▪ E&amp;S appraisal of the ESMS, GRM, waste management policy, HR policy and serious incident reporting procedure, commensurate with the severity of potential impacts and risks</li> </ul>			<i>Required due diligence:</i> <ul style="list-style-type: none"> <li>▪ Simplified E&amp;S appraisal of the management structures to steer existing E&amp;S risks and potential impacts of clients</li> </ul>
<i>Required outputs:</i> <ul style="list-style-type: none"> <li>▪ FI's ESMS, GRM, waste management policy, HR policy and serious incident reporting procedure in line with the above mentioned standards, to be implemented in a reasonable time frame (6-9 months after initial disbursement)</li> <li>▪ E&amp;S input into Eligibility check, Pre-Qualification memo, Preliminary IC memo, and separate E&amp;S Final IC memo</li> <li>▪ ToR for TA developing/strengthening the FI's ESMS (if needed)</li> <li>▪ ESAP (if needed)</li> <li>▪ E&amp;S clauses in legal documents</li> </ul>			

Contractual Partners are evaluated on the basis of their existing portfolios, as well as the expected operations that will be supported under CEI Africa funding. In the case that the Contractual Partner does not have an ESMS in line with the expected standards, one should be developed and implemented in a reasonable timeframe (within 6-9 months after initial disbursement). Should projects be proposed for investment or grants from CEI Africa during that timeframe, CEI Africa will conduct an E&S assessment on each project commensurate with the severity of potential impacts and risks. The ultimate goal of working with a Contractual Partner is to equip it to be able to properly assess and manage the risks of its underlying grantees and investees, comply with CEI Africa requirements and flag to CEI Africa when expected grant-financed activities or investments will be Category B+ risk.

Table 3: Illustration of the differing requirements for direct grantee / investee categories

Category A High Risk	Category B+ Medium-high Risk	Category B Medium Risk	Category C Low Risk
<i>Excluded</i>	<i>Compliance with:</i> <ul style="list-style-type: none"> <li>▪ CEI Africa Exclusion List</li> <li>▪ Local environmental, health, safety and labor laws, and public disclosure requirements engendered therein</li> <li>▪ ILO fundamental conventions</li> <li>▪ SEP, as appropriate</li> <li>▪ GRM, adapted to project context</li> <li>▪ GOGLA Consumer Protection Principles, if relevant</li> <li>▪ General and sector-specific EHS guidelines of the World Bank Group</li> <li>▪ All relevant IFC PS (always IFC PS 1 and 2)</li> </ul>		
<i>Excluded</i>	<i>Focus on:</i> assessing grantee / investee capacity to manage E&S risks and mitigate potential E&S impacts	<i>Focus on:</i> identifying grantee / investee non-compliance, and ensuring the investee has a plan to remedy the non-compliance in a reasonable time frame	
<i>Excluded</i>	<i>Required due diligence:</i> <ul style="list-style-type: none"> <li>▪ E&amp;S appraisal, commensurate with the severity of potential impacts and risks</li> </ul>	<i>Required due diligence:</i> <ul style="list-style-type: none"> <li>▪ Simplified E&amp;S appraisal (working conditions, GRM, if relevant)</li> </ul>	
<i>Excluded</i>	<i>Required outputs:</i> <ul style="list-style-type: none"> <li>▪ If direct: E&amp;S input into Eligibility check, Pre-Qualification memo, Preliminary IC memo, and separate E&amp;S Final IC memo</li> <li>▪ ESIA or exemption from such, if relevant</li> <li>▪ ESMP, if relevant</li> <li>▪ ESAP, if relevant</li> <li>▪ SEP in the form of a community MOU, if relevant</li> <li>▪ E&amp;S clauses in legal documents</li> <li>▪ Where gaps identified, explore option of TA support</li> </ul>		

Direct grant-financed activities and investments will be evaluated by Contractual Partners and/or CEI Africa in the cases of co-investments with Mini-Grid Developers or Crowdlenders. In the cases where Contractual Partners are assessing grantees or investees (excluding the CL Window’s lean-lending approach), the Contractual Partners should share the output documents with CEI Africa for review and approval.

### 3.2 CEI Africa’s E&S Risk Profile

CEI Africa is overall expected to maintain a low to moderate level of E&S Risk, since it predominantly targets grantees or investees of consumer-facing corporates that provide affordable, green electricity access and related services based on renewable energies, as well as small GMGs. Table 4 sets out specific E&S risks to be expected for the projects as set out in CEI Africa’s Result Based Financing Handbook, the SRBF Operating Manual, the respective addendums thereof for Phase 1 of the SOF Component, and investment categories as set out in CEI Africa’s Investment Policy for the CL Window.



Table 4: Illustrative and non-exhaustive matrix of potential environmental and social risks across the two main types of grantees and investees

Topic	Potential Risks	
	SHS / PUE	GMGs
<b>Environmental and Social Assessment</b>	<ul style="list-style-type: none"> <li>▪ Potential deepening of gender inequality among widowed or divorced women households given lower access to credit and collateral</li> </ul>	<ul style="list-style-type: none"> <li>▪ Solar and solar plus battery: May result in replacement of culturally, historically, religious, or archeologically significant areas or indigenous areas</li> <li>▪ Hydro: May result in flooding of and damage to culturally, historically, religious, or archeologically significant areas or indigenous areas; may result in loss of artisanal fishing income and food sources</li> <li>▪ Biomass: May result in further exploitation of children or others traditionally designated as biomass collectors; may result in decreased food security due to replacement of food cultivation with biofuel cultivation (either woody or herbaceous).</li> </ul>
<b>Involuntary Resettlement and Land Acquisition</b>	<ul style="list-style-type: none"> <li>▪ Minimal to no risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ May result in the displacement of households or communities</li> </ul>
<b>Biodiversity and Ecosystem Services</b>	<ul style="list-style-type: none"> <li>▪ Potential destruction of land and riparian habitats near battery or appliance disposal sites</li> <li>▪ Potential disruption to nocturnal animals due to light pollution and increased industrial (small business) activity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Solar, solar plus battery, and wind: Small likelihood of bird fatalities due to high temperatures above solar panels or running into wind turbine; potential destruction of habitat that had been cleared for the project, including disruption of grazing lands and food for pollinators</li> <li>▪ Hydro: Potential habitat loss for fish and other riverine and riparian species that rely on unobstructed river flow for reproduction or for food sources</li> <li>▪ Biomass: May result in the loss of native, endemic, and/or endangered plant species if they are collected and used as fuel</li> </ul>
<b>Pollution Prevention and Control</b>	<ul style="list-style-type: none"> <li>▪ Potential soil and water pollution from refilling and disposing of SHS batteries and PUE equipment, panels, wiring, and certain lights and appliance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Solar and solar plus battery: Potential soil erosion after land clearing; Potential contamination of groundwater and drinking water from spills of herbicides, dielectric fluids, dust suppressants</li> <li>▪ Hydro: Potential water pollution from right-of-way activities and from sediment build-up as a result of small dams or other structures altering flow</li> <li>▪ Biomass: Potential construction site and general (operational) waste generation; soil erosion from site preparation or right-of-way activities; potential water contamination from effluent</li> </ul>
<b>Labor Conditions, Health and Safety</b>	<ul style="list-style-type: none"> <li>▪ Potential health impacts due to refilling and disposing of SHS batteries and PUE equipment, where used</li> <li>▪ Potential risk from unsafe installation conditions</li> <li>▪ High potential for counterfeit products and loss of consumer trust</li> </ul>	<ul style="list-style-type: none"> <li>▪ All: Potential safety hazards from heavy equipment use during construction and from exposure to electrical hazards</li> <li>▪ Solar and solar plus battery: Potential for burns, explosions, and other safety hazards associated with petroleum fuels for solar hybrid projects</li> <li>▪ Biomass: May result in heavy air pollution and subsequent health impacts from biomass combustion</li> </ul>

Topic	Potential Risks	
	SHS / PUE	GMGs
Climate Change	<ul style="list-style-type: none"> <li>Minimal to no negative impacts, other than minimal impacts from transportation and construction emissions</li> </ul>	<ul style="list-style-type: none"> <li>Solar, solar plus battery, wind: May result in greater climate vulnerability of affected communities if land used was previously used for food cultivation, and no alternative employment or income source results from increased access to electricity; may result in net negative climate impacts if solar hybrid projects rely more on the petroleum fuel for generation than on solar components; the manufacturing and transporting of energy systems can be carbon intensive</li> <li>Hydro: Minimal to no negative impacts, other than minimal transportation and construction carbon emissions</li> <li>Biomass: May result in net negative climate impacts (i.e. greater emissions) if using native trees for fuel and the previous fuel source was cleaner-burning or released fewer emissions</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li>ESG risks may be present in the value chain, e.g. exposure to forced labor in the manufacturing of panels in China</li> </ul>	<ul style="list-style-type: none"> <li>All: ESG risks may be present in the value chain, e.g. exposure to forced labor in the manufacturing of panels in China</li> </ul>

In terms of e-waste management, CEI Africa will subscribe to the principles as set out in Appendix F, E-Waste Management and Recycling Principles.

Grantees and investees should have or commit to creating a comprehensive waste management policy and plan within their broader environmental and social risk management documentation, which will be agreed in underlying legal documentation. If grantees and investees do not have a waste management policy and plan at the time of receiving CEI Africa funding, CEI Africa may support the grantee / investee to prepare one in a reasonable timeframe (within 6-9 months after disbursement) through TA support. The grantee / investee can also use GOGLA’s sample policy as a basis for its own waste management policy and plan.

CEI Africa’s grantees and investees will adhere to their operating countries’ national or regional e-waste management legislation governing the treatment of e-waste, regarding collection, transportation, handling and safe disposal of e-waste, including batteries and PV panels and other materials in their supply chain and logistics, retail and generation/distribution infrastructure.

The grantees and investees will focus on two activities to ensure that they remain compliant in each country of operations. These activities are:

- **Maintain awareness of national e-waste legislation:** The grantee / investee will track and maintain an updated repository of national and regional e-waste and waste legislation, including national applications of Basel and Bamako conventions which regulate the regional and international shipment of waste.
- **Create, adhere and update national standard operating procedures (SOPs):** Each grantee / investee will develop national E-Waste Standard Operating Procedures for their operations, defining e-waste flows and proper handling based on national legislation.

CEI Africa will ensure that grantees and investees will seek out recycling partners wherever they are available – recognizing that in some off-grid markets, facilities are nascent or yet to be developed. Where no suitable e-waste processing partner can be identified, grantees and investees should ensure safe storage of e-waste within their facilities and explore other options such as safe disposal or

transboundary shipment. Grantees and investees should review the availability of e-waste processors at least annually. Development and implementation of take back systems and initiatives for solar equipment and batteries will be supported by CEI Africa.

## 4. Impact Assessment

### 4.1 Impact Objectives

CEI Africa seeks to have a positive E&S impact. For the CL Window, the premise is that debt finance provided to Crowdlenders helps to increase the efficiency and affordability of African businesses supporting electricity access at the consumer level. On the SOF Window consisting of the RBF Component and SOF Component, grant financing helps to promote rural development by incentivizing private Mini-Grid Developers and PUE providers to invest their own equity in the expansion of decentralized, green rural electrification. CEI Africa's approach is, on the one hand, grant-financing based on a reverse auction mechanism in the form of RBF and social impact incentive financing, and on the other hand, debt financing in cooperation with Crowdlenders predominantly secured by receivables and inventory, to companies supporting distribution, financing and operation of off-grid energy solutions. This approach translates into four broad impact objectives:

- **Increased access to finance** for Africa's emerging off-grid energy-access businesses who provide access to sustainably operated, GMGs, to commercial and industrial green off-grid energy solutions, to SHS, to PUE appliances (e.g. solar powered mills, pumps and cooling systems) and pico solar systems, as well as closing the equity gap by incentivizing Mini-Grid Developers and other emerging off-grid energy access business in Africa through grant financing using result based and social impact incentive financing to invest equity into the expansion of decentralized off-grid energy solutions;
- Expansion of off-grid renewable energy providers and solutions;
- Increased renewable energy access for MSMEs and households without access to stable on-grid power supply; and
- Additional economic, social and environmental benefits resulting from increased energy access.

#### ***Increased Access to Finance for Off-grid Energy Access Businesses***

Over the last few years, new capex subsidy models for GMGs have been adopted. RBF is a tool that gives money to GMGs based on certain milestones being met. It typically provides a fixed grant per customer connected to the GMG, with the amount depending on the quality of the connection. Under this scheme, Mini-Grid Developers are in charge of selecting the sites, acquiring all permits and licenses, establishing contact with the community, designing the system and implementing it. The grant enables the developer to make their own equity investments in the expansion of GMGs financially viable. However, they may need to raise bridge finance to cover the period before the RBF is paid out.

The level of grant support should be high enough to make projects viable for investors and affordable for end users, while not too high or broad in focus to crowd out private capital. The support should be flexible enough to meet the changing needs of developers and easy to manage to keep down transaction costs. Grants and subsidies will also be available for expansion of existing projects as well as for developing new ones. This is why CEI Africa determines the conditions for any new round of RBF tenders based on local conditions.

The off-grid energy access sector has been growing until the advent of the Covid-19 pandemic. The prevailing business model requires high levels of working capital to fund inventory and customer receivables and bridge finances to prefinance RBF tenders. The total amounts of funding required across Africa are estimated to be anywhere between USD 1 – 6 billion over the next five years. Most

funding is currently provided by institutional investors, most of whom can be classified as development finance institutions or public donors. The COVID-19 pandemic has furthered limited the availability of funding and has generally increased risks.

The amounts required by the industry over the next few years far outstrip the funding expected from the institutional investors only. CEI Africa mobilizes new types of funding by also co-investing with Crowdlenders that mobilize private retail financing for green off-grid energy in Africa. To reach this aim, CEI Africa will support Crowdlenders to further develop their own E&S standards and processes and by offering de-risking instruments.

### ***Expansion of Off-grid Renewable Energy Providers and Solutions and Increased Renewable Energy Access***

Large parts of Africa remain without access to reliable grid-power, resulting in energy poverty of many rural low-income households and, more broadly, in significant costs and lost business opportunities to African economies. GMGs, off-grid SHS as well as small scale off-grid commercial systems have the potential of delivering reliable renewable electricity to retail customers and MSMEs, and are therefore fundamental in driving economic development across Africa.

Off-grid energy's success in Africa has been driven until 2019 by declining prices for solar panels, improved battery capacity and new payment technologies. It remains to be seen if the price increases due to the Covid-19 pandemic and other factors will reverse soon. The emerging energy-access sector has the potential of leapfrogging conventional models of domestic power delivery with far reaching benefits to the environment as well as country-wide electricity distribution costs (fewer high cost connections to be spread across utility customers).

Grants and investments by CEI Africa will directly increase energy-access by providing the necessary funding as well as TA support where necessary.

### ***Additional Economic, Social and Environmental Benefits***

Improving energy access, in terms of the availability, reliability and quality of power based on renewable energy, for households and equivalent consumers, unlocks substantial secondary benefits. For many stakeholders in the sector, these benefits are as important as the primary market development, especially where the benefits accrue to base-of-the pyramid or other target populations.

CEI Africa will seek to monitor and, where possible, quantify the environmental, economic and social benefits of the activities supported.

## **4.2 Result Matrix and Impact Framework**

CEI Africa's Result Matrix (Appendix G) shows how the results will be achieved. A framework is derived to provide the analytical basis for assessing whether and how CEI Africa is meeting its objectives, each measured by several indicators. The framework is based on CEI Africa's strategy and best practice impact assessment as used for entities comparable to CEI Africa in the green energy access sector.

In general, CEI Africa focuses on metrics that are quantitative, but recognizes that certain assumptions have to be made for indicators, in particular related to certain market development parameters and the additional benefits of improved energy access, e.g. reduced/avoided greenhouse gas emissions. CEI Africa will itself not conduct separate industry studies to assess these impact indicators and will

instead rely on and promote market best practice and information provided by its Contributors, lead donors and development finance institutions in the energy access space. In certain circumstances, CEI Africa may use grant funds for third-party reviews to support and further develop its impact reporting.

### 4.3 Impact Scenarios

Excluding the SOF component, CEI Africa has the following impact targets by 2038 as per CEI Africa's Result Matrix:

TARGETS 2021- 2038 as per Result Matrix				
	CL Small offgrid	CL Mini-grid	RBF Mini-grid	Total
Mini-grids #	n/a	67	120	<b>187</b>
Connections #	37.500	12.000	21.100	<b>70.600</b>
Mobilized (private) capital (EUR M)	15	5	6,4	<b>26,4</b>
Installed capacity (MWp)	4,7	6,1	7,2	<b>18</b>
CO2te reduction p.a.				<b>57.510</b>
Beneficiaries #	190.000	60.000	105.600	<b>355.600</b>

Taking a hypothetical portfolio of grant-financed projects in CEI Africa's RBF Component of the SOF Window and a hypothetical portfolio of investments in CEI Africa's CL Window and indicators relative to the four objectives presented above, CEI Africa generates a set of high level impact indicators. Over the course of CEI Africa's life (expected until December 2038), these performance scenarios can be updated to reflect the activities of CEI Africa and changes in the wider operating context.

Table 5: Impact projections 2022-2038 for the CL Window and RBF Component of the SOF Window

IMPACT PROJECTIONS 17 YRS (2022-2038)					
Indicator #		CL Small offgrid	CL Mini-grid	RBF Mini-grid	Total
1a	Mini-grids #	n/a	285	84	<b>184</b>
1b	Connections #	456.279	51.790	28.866	<b>536.935</b>
2	Mobilized (private) capital (EUR M)	70	71	26,3	<b>167</b>
3	Installed capacity (MWp)	3,8	5,2	2,9	<b>12</b>
4	CO2te reduction p.a.	14.926	8.535	6.285	<b>29.746</b>
5	Beneficiaries #	2.509.536	264.907	158.762	<b>2.933.206</b>

The impact model is linked to CEI Africa's financial model and based on the following main assumptions, sourced from GOGLA, AMDA and the Consortium Partners own estimates.

Cumulative invested capital USD	2038
CL window off-grid	50.579.683
CL window mini-grid	47.234.683
RBF window	16.828.800

GOGLA Parameters	
Discount for loss	3%
Discount for repeat sales	7%
Household size	5.5
Average CO2te per kerosen lamp	0.431
Replacement ratio of kerosen lamps	0.4

CL Parameters		Source
CL OG CAPEX/Unit USD	100	CEI Africa
CL MG CAPEX/connection USD	912	CEI Africa
CL OG Average Wp per unit	8,25	Global Market Report
CL MG Average Wp per connection	100	AMDA 2019 report
Average Wp per MG	48.000	CEI Africa
# MG per SPV	5	CEI Africa

RBF Parameters		Source
Avg # MGs per SPV receiving RBF	5	CEI Africa
CAPEX/connection (USD)	912	CEI Africa
RBF Subsidy per Connection (USD)	583	CEI Africa
Average connection per mini-grid	346	CEI Africa
Average Wp per MG	48.000	CEI Africa
Leverage ratio (mobilized capital)	1	CEI Africa
Of which debt	70%	CEI Africa
Of which equity	30%	CEI Africa

As the SOF Component of the SOF Window was developed separately from the CL Window and RBF Component of the SOF Window, the impact indicators and targets were also calculated separately, with the input of third-party consultants.

*Table 6: Impact projections for the SOF Component of the SOF Window up to 2027*

Indicators	2027
Smart Outcome incentives deployed	€11 m
Number of mini grids financed to deploy PUE	70
Number of stand-alone off-grid energy enterprises financed to deploy PUE	20
Number of PUE equipment or appliances deployed	10,500
Number of people impacted with improved access to affordable, reliable and modern PUE equipment (disaggregated by gender)	57,750
No. of people with first time access to PUE equipment	38,115
Number of women reached with PUE equipment	17,325
Amount of CO2 emissions avoided (Tonnes)	21,226
Amount of private capital leveraged	€ 20.5m
TA provision	€ 0.8 m
Number of project countries reached by the SIINC incentives	18
% of end-users reporting significant positive change in quality of life as a result of PUE technology/ equipment	51%
% change in income for end-users attributed to access to technology/equipment	None

The projections are based on a number of assumptions:

- 5.5 average household size (based on GOGLA impact metrics)
- 5 average no. of people supported by a rural businesses (based on research)
- The size of anticipated smart outcomes component funding (EUR 18.5M)
- Anticipated range of incentives to OGE (based on research)
- 30% of people that access PUE are women (based on industry standard and advice from the gender advisor)

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- 66% of end-users accessing technology/equipment for the first time with no prior access (based on 60 Decibels benchmark)
- 10% of PUE sales is to MSMEs (based on GOGLA impact metrics)

In calculating the Carbon Emissions, CEI Africa considered a 75% renewable energy contribution. CEI Africa also assumed that the PUEs are powered by generators with a 75% capacity load and they use fossil fuels mainly petrol and diesel. With an average Carbon Emission being 2.5Kg per litre of petrol/diesel used and equipment productivity of 40 hours per week to generate the annual consumption.



## 5. Implementation

### 5.1 Oversight and Responsibilities

CEI Africa applies its E&S Policy as an integral part of its processes outlined for the SOF Window including RBF Component and SOF Component in the respective RBF Operating Manuals and its addendum for the SOF Component, as well as through the investment screening and due diligence process for the CL Window. CEI Africa also applies the E&S Policy to any TA of advisory measures financed by grants of CEI Africa to support grantees, investees or Consortium Partners, or to promote market developments or research. This is shown through the different functions of the Foundation Manager and its Consortium Partners below:

*Table 7: Process flow of different functions of Foundation Manager and Consortium Partners*

Consortium Partner	Sourcing	Due Diligence	Investment Recommendations	Contracting	Portfolio Management
<b>Triple Jump</b> (Foundation Manager, E&S lead)	Define E&S eligibility criteria and E&S assessment templates  Conduct initial E&S screenings, ESDDs and E&S assessments		Write E&S and impact memo for IC and includes investment conditions, ESAP and TA recommendation (if applicable)	Define E&S clause in legal template  Negotiate ESAP (if applicable)	E&S and impact monitoring and reporting  Management of GRM  Support TA projects (if applicable)  E&S support to grantees / investees
<b>GreenMax Capital</b> (SOF Window lead including RBF Component and SOF Component lead) and <b>Persistent Energy</b> (CL Window lead)	Relationship manager  Provide clear timelines  Facilitate E&S data gathering  Support E&S assessments throughout investment/grant process  Integrate E&S input into investment/grant memos			Ensure E&S clauses and ESAP (if applicable) are included in legal agreements	Overall relationship management and monitoring  Gather E&S and impact monitoring data

The Foundation Manager will ensure that during the whole project and investment cycle and during the life time of CEI Africa:

- CEI Africa’s Foundation Manager has a dedicated E&S person responsible to maintain oversight on the development of the ESMS and E&S performance of the Foundation and operationally implement the ESMS;
- The E&S Policy and ESMS tools and templates are kept up to date;
- CEI Africa has implemented a GRM satisfactory to the Board, the Supervisory Council and CEI Africa’s incorporator, which is accessible to the general public and in particular to persons affected by projects funded by CEI Africa, and to the workforce engaged in the implementation of such projects; and
- Projects are only supported if they conform to the E&S requirements of CEI Africa.

While the main focus of CEI Africa is supporting off-grid solar household providers, Mini-Grid Developers and PUE providers, CEI Africa recognizes that generation assets underpinning certain

GMGs may be reviewed by CEI Africa using different technologies (wind, hydroelectricity, biomass) that entail higher E&S risks. The Foundation Manager commits to always applying good international practices as set out in the IFC Performance Standards and seek third-party expert advice when required to ensure these projects are appropriately assessed for E&S risks.

External consultants may be engaged at specific points in the grant-financing or investment process (i.e. for Category B+ and FI grants or investments, as needed) to provide objective, expert perspectives on E&S risk evaluation and performance. For a sample terms of reference and required qualification of external consultants, please see Appendix H.

## 5.2 Procedures Across the Investment Cycle (CL Window)

In the CL Window, the Foundation Manager will follow a streamlined and thorough process to originate, screen, approve, and implement deals with investees. The process, outlined below, consists of four main stages.

*Table 8: Illustrative procedures across CEI Africa’s investment activities and E&S risk measures in the CL Window*

	Stage 1: Eligibility stage	Stage 2: Preliminary IC stage	Stage 3: Internal & Final IC Approvals and Financial Close	Stage 4: Implementation & Portfolio Management
<b>CEI Africa CL Window activities</b>	Deal sourcing  Assessment of minimum eligibility  Investment Memorandum prepared with initial findings for prospective investees or Crowdlenders	DD across all potential risk types  Subject to DD outcome of E&S and other risk categories, drafting of preliminary investment proposal for the IC	Submission of final investment proposal to the IC  Approval from IC  Sign-off on deal terms and structure by IC	Issuing of investment notice, including all risk-related clauses and conditions  CEI Africa investment in target investee or conclusion of framework agreement with Crowdlender for co-investments  Active monitoring of portfolio investments
<b>E&amp;S Measures</b>	Screening against E&S Policy, exclusion list  Review Crowdlender or investee ESMS and E&S policies  Preliminary identification of Crowdlenders’ or investees’ E&S risks and their initial categorization, with TA needs to fill any gaps	Identification of E&S risks as well as evaluation of compliance with all local laws, regulations, relevant international standards and opportunities  Drafting of likely risk mitigation measures, if needed  Input into investment memo	Separate E&S and impact IC memo  Further comprehensive DD based on preliminary IC stage findings: define final mitigation needs, investment conditions, ESAP and TA recommendations	Active monitoring of E&S status, including audits and annual reporting  Issuance of annual E&S performance updates to the CEI Africa’s Board  Continuous updating of ESMS based on grievances and issues as they occur

<b>E&amp;S Risk Outputs</b>	Contribution to investment memorandum outlining initial assessment of E&S risks		As defined in tables 2 and 3  E&S clauses for insertion into investment agreements	Annual report on E&S risks, mitigation, and progress to date, and impact achieved  Serious incident reporting
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### 5.3 Procedures Across the Grant-Financing Cycle (SOF Window including RBF Component and SOF Component)

In the SOF Window (and RBF Component and SOF Component thereof), the Foundation Manager will follow a streamlined and thorough process to pre-qualify Mini-Grid Developers and PUE providers, approve their site applications (where applicable), and to grant-finance projects and activities. The RBF Component and SOF Component activities, outlined below, consists of four main stages.

*Table 9: Illustrative procedures across CEI Africa’s grant-financed activities and E&S risk measures in the SOF Window*

	<b>Stage 1: Pre-Qualification Stage</b>	<b>Stage 2: Site-Specific Stage</b>	<b>Stage 3: Grant Agreement Contracting</b>	<b>Stage 4: Project Implementation, Verification &amp; Disbursement</b>
<b>CEI Africa SOF Window including RBF Component and SOF Component activities</b>	Assessment of eligibility of Mini-Grid Developer or PUE provider  Pre-Qualification Memorandum prepared with initial findings for Mini-Grid Developer or PUE provider, presented to GC	Review of site-specific project application, DD  For pre-qualified Mini-Grid Developer or PUE provider, drafting of grant proposal for the GC	Submission of grant proposal to the GC  Approval from GC  Sign-off on deal terms and structure by GC	Carrying out a baseline survey for the SOF Component  Review connection details and meter data on Odyssey  Verify outcomes through surveys  Review claims report  CEI Africa disburses to target grantee  Active monitoring of portfolio grants
<b>E&amp;S Measures</b>	Screening against E&S Policy, exclusion list  Review prospective Mini-Grid Developer or PUE provider Pre-Qualification questionnaire, ESMS and E&S policies  Identification of Mini-Grid Developer or PUE provider E&S risks and gender fit, with TA needs to fill any gaps	Review Pre-Qualified Mini-Grid Developer or PUE provider site-specific project application  Comprehensive identification of E&S risks of GMG/PUE sites as well as evaluation of compliance with all local laws, regulations, relevant international standards and opportunities	Investment conditions, ESAP included in grant agreement  For SOF component PUE providers: Facilitate impact baseline survey conducted by external M, V & E consultant	Active monitoring of E&S status, including audits and annual reporting  For SOF component PUE providers: Facilitate impact verification surveys conducted by external M, V & E consultant to ensure the impact has been achieved as per the agreed indicators  Issuance of regular E&S performance updates to the CEI Africa’s Board

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		Separate E&S and impact IC memo, defining final mitigation needs, investment conditions, ESAP and TA recommendations		Continuous updating of ESMS based on grievances and issues as they occur
<b>E&amp;S Risk Outputs</b>	Contribution to pre-qualification memorandum outlining initial assessment of E&S risks	As defined in tables 2 and 3  E&S clauses for insertion into grant agreements		Annual report on E&S risks, mitigation, and progress to date, and impact achieved  Serious incident reporting

## **6. Monitoring and Reporting**

The Investment Policy outlines CEI Africa's approach for the monitoring and reporting of investments through the CL Window. The RBF Handbook outlines CEI Africa's approach for the monitoring and reporting of projects grant-financed through the RBF component of the SOF Window. The SOF Component addendum to the RBF Operations Manual outlines CEI Africa's approach for the monitoring and reporting of PUE activities grant-financed through the SOF Component of the SOF Window. This section outlines those areas most relevant to the E&S Policy. Monitoring and reporting refers to the measurement of E&S risk and of impact for CEI Africa's investments and grant-financed activities on an ongoing basis.

### **6.1 Monitoring**

The Foundation Manager commits to monitoring all active grantees and investees for E&S performance, including using its expertise and insights from previous experiences to identify opportunities for proactive risk mitigation and achievement of positive impacts beyond those already planned. The Foundation Manager and its Consortium Partners will work with the grantees and investees to collect data on E&S and impact metrics on an annual basis to inform CEI Africa's Board of the E&S and impact statuses of all grantees and investees. The annual report, including an aggregated reporting on the E&S statuses of all grantees and investees, as well as impact performance, will be provided to the Supervisory Council and to CEI Africa's contributors.

CEI Africa will contractually ensure that in the case of severe E&S incidents and breaches of conduct (such as those listed in Appendix I), the grantee or investee must inform CEI Africa within twenty-four hours of occurrence. CEI Africa will ensure that the Supervisory Council is informed of any severe E&S incidents and breaches of conduct within 48 hours after CEI Africa has received the relevant information. The Supervisory Council will, after consulting the Board, decide on the communication to the Contributors, who must be informed within 5 working days after CEI Africa has learned of the incident in case of severe E&S incidents and breaches of conduct that may have negative impacts, including negative reputational impacts on any Contributor.

The extent of monitoring will correspond to the grantee's or investee's risks, likely impacts, and compliance requirements, and will be adjusted over time according to performance and feedback from grantees, investees and Contractual Partners. Upon documenting and analyzing monitoring results, CEI Africa will identify any necessary corrective or preventive measures to the Contractual Partner's ESMS or the grantee's or investee's ESMP as well as to CEI Africa's own E&S policies and procedures to ensure continued relevance and effectiveness.

### **6.2 SOF Component impact M, V & E process**

CEI Africa seeks to conduct high quality, robust, and cost-effective monitoring, evaluation, and verification of the SOF Component, with the aim to:

- Provide critical insights into customers' experiences, impact, satisfaction, feedback, and profile.
- Synthesize indicators into a calculation to determine incentive payments to be disbursed to grantees.
- Provide insights into the impact of access and usage of productive use of energy for women particularly, as well as insights into what business models are most effective at reaching women and maximizing impact.

- Inform on necessary improvements to the SOF Component to best achieve program objectives.
- Allow grantees to focus on what they do best – delivering access to energy by ensuring that the burden for reporting on each company is minimal.

To that end, CEI Africa will contract a third-party M, V & E consultant to conduct impact verification surveys in three rounds:

1. Baseline: for participating PUE providers whose site-specific applications are in the final stages. This data will be used to set realistic targets for impact outcomes throughout the fund life.
2. Two rounds of follow up surveys: to verify outcomes/impact at 6 months and 12 months following confirmation through the claims reports that the PUE equipment has been installed.

The consultant will be required to complete carrying out the surveys and submit a report to CEI Africa on the results at the 6 months and 12 months milestones. This data will be fuelled into CEI Africa’s annual impact report.

The impact indicators that will be measured and verified by the M, V & E consultant are the following:

*Table 10: Impact indicators to be measured for the SOF Component*

Indicators for Payment of Incentive Grants		Indicator	
No. of people reached with PUE technology/ equipment	Sales x household / business size		
First access to PUE technology/ equipment	% of end-users accessing technology/equipment for the first time		
Women's empowerment	% change in women's time spent on household chores and duties attributed to access to technology/equipment		
Indicators for Livelihoods Impact		Indicator	Benchmark
Quality of life improvements for end-users	% of end-users reporting significant positive change in quality of life as a result of PUE technology/ equipment	51%	
Enhanced livelihoods (Increased economic activities by households and rural businesses)	% change in income for end-users attributed to access to technology/equipment	None	
Indicators for Additional Impact		Indicator	
Women reached with PUE equipment	% of customers where women have access to and control over productive assets		
Avoided GHG emissions	Amount of CO <sup>2</sup> avoided		
Private investments leveraged	Amount of private investments leveraged using the Smart Outcomes incentives		

### 6.3 Reporting

The Foundation Manager commits to regular reporting on E&S and impact performance to CEI Africa’s contributors. Annual E&S and impact reporting to contributors will be based on the requirements of CEI Africa’s contributors, focusing on the developments of the last calendar year (January to December). The report will be in accordance with a format to be developed by the Foundation Manager which will be determined by the Board and be approved by the Supervisory Council. The annual report will focus on two levels: (i) CEI Africa’s internal processes/procedures and (ii) CEI Africa’s financed portfolio. On CEI Africa’s internal processes/procedures, updates will be given on general developments of the ESMS. On CEI Africa’s portfolio, the report will provide an overview of E&S risks areas and performance across all grant-financed projects and investments in aggregate, a summary of

serious incidents that have occurred, and a status update on E&S action plans. The report will also give a snapshot of the impact achieved. E&S updates will also be included in the semi-annual technical progress reports.

## 7. External Relations: Grievance Redress Mechanism

### 7.1 Foundation Manager GRM

The Foundation Manager will ensure that members of the public have a channel to easily provide comments or express grievances. CEI Africa seeks to provide a clearly defined grievance redress mechanism (GRM) that ensures grievances are appropriately addressed and are used to prevent similar complaints in the future. The methods of doing so are highlighted in the table below, while the full procedure is outlined in Appendix D, Grievance Redress Mechanism Procedure.

*Table 11: Summary of Foundation Manager’s GRM for CEI Africa*

Consideration	Method
Provide public with the means to easily communicate grievances, including anonymous ones.	CEI Africa’s website provides an email address that members of the public may use to file complaints confidentially. This information will be shared with KfW as the incorporator in order to ensure 3 <sup>rd</sup> party oversight of all complaints received ( <a href="mailto:complaints@triplejump.eu">complaints@triplejump.eu</a> ).
Implementation of a clearly defined process that includes assignment of responsibility and monitoring of outcomes	The Foundation Manager will maintain a log book to monitor progress towards resolution of all complaints. The E&S person responsible will review and record any complaints received. He/she is also responsible for working with any relevant staff or stakeholders to investigate the complaints, determine the necessary response, and report on and document the outcome.
Ensure grievances are used as a source of continual learning	The E&S person responsible will periodically compile all grievances in order to improve operations and proactively prevent future grievances.

### 7.2 Grantee and Investee GRM

All Contractual Partners are required to create a GRM when receiving funding from CEI Africa if they do not already have one in place. Specifically, the GRM must be credible, independent, accessible to stakeholders at all times during the grantee’s or investee’s activities, and have the capacity to receive, process, and resolve affected individuals’ or communities’ grievances regarding the environmental or social performance of a grantee’s or an investee’s project or activities funded by CEI Africa. All responses to grievances must be recorded and included in the grantee’s and investee’s E&S reports and CEI Africa’s E&S reports.

To establish a GRM, the Contractual Partner should allocate staff, financial resources, and equipment. GRMs are generally designed as part of the ESMS for Contractual Partners that expect to have portfolios with Category B+ activities, and as such should be in place within a reasonable timeframe (within 6-9 months after disbursement). TA support can be used to help develop a GRM if needed.



## **8. ESMS Review and Continuous Improvement**

An effective ESMS is dynamic, responsive to changing circumstances, and continuously improved through iteration and feedback. CEI Africa has developed and implemented an ESMS in accordance with this Policy, which entails more detailed tools and templates.

CEI Africa and its Foundation Manager commit to soliciting feedback annually from its Consortium Partners, the Supervisory Council and its Contributors about the perception of CEI Africa's E&S performance. This will be done during the annual meeting of Contributors. Similarly, CEI Africa will survey a sample of grantees, investees, end-beneficiaries, and impacted communities (where relevant) in regular interval starting after the first year to understand areas of success as well as concerns that have not been addressed. Feedback from these sources will then be reviewed by the Board of CEI Africa, and revisions will be made to CEI Africa's ESMS to improve future performance of Contractual Partners, grantees and investees already part of the portfolio, as well as future Consortium Partners, grantees and investees.

If severe incidents or breaches of this E&S Policy occur, the Foundation Manager will suggest to the Board rapid changes to the Policy. The Board commits to consult with the Supervisory Council, and after changes are agreed, ensure that the appropriate changes to the ESMS are implemented swiftly by the Foundation Manager, and changes to this Policy – if required – are determined by the Board and approved by the Supervisory Board with no objection by KfW in line with CEI Africa's Articles of Association.

## Appendix A. IFC Performance Standards

The IFC is the private sector arm of the WBG and the largest global development institution focused on private sector development in developing countries. The IFC's approach to and standards on E&S sustainability, particularly the IFC PS, have become a benchmark for private sector investing in emerging markets, with many DFIs and investors formally adopting or incorporating the IFC's standards and guidelines in their own E&S policies and procedures. The Equator Principles are based on the policy frameworks established by the IFC.

The IFC has published a set of Guidance Notes corresponding to the PS with explanations on the requirements of the PS and good sustainability practices to improve project performance. Furthermore, the WBG publish EHS Guidelines as technical reference documents for implementation of the PS, with examples of Good International Industry Practice (GIIP) for environmental, occupational health and safety and community health and safety management and performance. In addition to General EHS Guidelines, which includes guidelines specific to construction and decommissioning of projects, various Industry Sector EHS Guidelines have been published. Relevant guidelines include those for Electric Power Transmission and Distribution<sup>1</sup>, Geothermal Power Generation<sup>2</sup> and Wind Energy<sup>3</sup>.

### Overview of the IFC Performance Standards

#### ***PS 1: Assessment and Management of Environmental and Social Risks and Impacts***

PS 1 underscores the importance of managing environmental and social performance throughout the life of a project. A good management system appropriate to the size and nature of project operations promotes sound and sustainable environmental and social performance, and can lead to improved financial, environmental and social development outcomes. The management system should incorporate the following elements, as relevant: (i) policy; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review.

The objectives of PS1 are to:

- Identify and evaluate environmental and social risks and impacts;
- Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize and, where residual impacts remain, compensate / offset for risks and impacts to workers, Affected Communities and the environment;
- Promote improved environmental and social performance through the effective use of management systems;
- Ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately; and
- Promote and provide means for adequate engagement with Affected Communities on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

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1 [EHS Guidelines for Electric Power Transmission and Distribution, 2007](#)

2 [EHS Guidelines for Geothermal Power Generation, 2007](#)

3 [EHS Guidelines for Wind Energy, 2015](#)

CEI Africa will ensure that investee's and grantee's ESMS contain all elements as defined by IFC PS 1, and as appropriate to the nature and scale of operations and associated risks and impacts.

***PS 2: Labor and Working Conditions***

PS 2 recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with protection for basic rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient to the sustainability of the enterprise. Failure to establish and foster a sound worker-management relationship can undermine worker commitment and retention and can jeopardize an investment.

PS2 sets out the standards that must be adhered to with regard to direct workers, where there is a clear employment relationship and complete control over their working conditions and treatment. Obligations with regard to the labor and working conditions, specifically health and safety, of workers employed by third parties and those within the primary supply chain are also set out in this PS. The requirements set out in this PS have been in part guided by a number of international conventions negotiated through the International Labor Organization and the United Nations.

The primary objectives of this PS are to:

- Promote the fair treatment, non-discrimination and equal opportunity of workers;
- Establish, maintain and improve the worker-management relationship;
- Promote compliance with national employment and labor laws;
- Protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties and workers in the company's supply chain;
- Promote safe and health working conditions, and the health of workers; and
- Avoid the use of forced and child labor.

CEI Africa will comply with the Fundamental Conventions of the ILO. If the ILO Fundamental Conventions have not been fully ratified in a country where a project financed by CEI Africa is implemented, CEI Africa will take appropriate measures to enable alternative means in the scope of the project financed by CEI Africa to safeguard labor conditions in the intention of the said ILO conventions

***PS 3: Resource Efficiency and Pollution Prevention***

PS 3 recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels. PS 3 requires the implementation of measures to improve efficiency in the consumption of resources (e.g. energy and water), focusing on core business activities. Ambient conditions must be considered and pollution prevention and control technologies and practices applied that are best suited to avoid or, where avoidance is not feasible, minimize or reduce adverse impacts on human health and the environment, while remaining technically and financially feasible and cost-effective.

The objectives of PS3 are to:

- Avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.
- Promote more sustainable use of resources, including energy and water.
- Reduce project-related greenhouse gas emissions.

CEI Africa will ensure compliance with the IFC PS3.

***PS 4: Community Health, Safety and Security***

PS 4 recognizes that, in addition to benefits such as employment, services and opportunities for economic development, development activities, equipment, and infrastructure can also increase the potential for community exposure to risks and impacts arising from accidents, structural failures, and releases of hazardous materials. Communities may also be affected by impacts on their natural resources, exposure to diseases, and the use of security personnel. While acknowledging the public authorities' role in promoting the health, safety and security of the public, this PS addresses the Fund Manager's responsibility to avoid or minimize the risks and impacts to community health, safety and security that may arise from development activities. The level of risks and impacts described in this Performance Standard may be greater for projects located in conflict and post-

The objectives of PS4 are to:

- Anticipate and avoid adverse impacts on the health and safety of Affected Communities from both routine and non-routine circumstances.
- Ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to Affected Communities.

CEI Africa will ensure compliance with the IFC PS 4 requirements, as and where relevant.

***PS 5: Land Acquisition and Involuntary Resettlement***

Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and social stress in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided or at least minimized. However, where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented. In many countries, there are national legislation that guide the resettlement (and compensation) process. However, project proponents are required to ensure that any resettlement undertaken on their behalf also meets the requirements as set out in in this PS.

The requirements of PS5 aims to:

- Avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.
- Avoid forced eviction.
- Anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by providing compensation for loss of assets at replacement cost and ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.
- Improve, or restore, the livelihoods and standards of living of displaced persons.

CEI Africa will ensure that RAPs and/or LRPs are compiled for all cases of involuntary resettlement, regardless of the number of people affected. CEI Africa will ensure compliance with the IFC requirements in cases of government-led resettlement.

***PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources***

PS 6 recognizes that protecting and conserving biodiversity – the variety of life in all its forms, including genetic, species and ecosystem diversity – and its ability to change and evolve, is fundamental to sustainable development. The components of biodiversity, as defined in the Convention on Biological Diversity, include ecosystems and habitats, species and communities, and genes and genomes, all of which have social, economic, cultural and scientific importance. This PS reflects the objectives of the Convention on Biological Diversity to conserve biological diversity and promote use of renewable natural resources in a sustainable manner. PS 6 addresses how project proponents can avoid or mitigate threats to biodiversity arising from project operations as well as sustainably manage renewable natural resources. Where projects pose risks to biodiversity or ecosystem services (including where there are knowledge gaps), this PS requires the adoption of practices that integrate conservation needs and development priorities in order to:

- Protect and conserve biodiversity.
- Maintain the benefits from ecosystem services.
- Promote the sustainable management of living natural resources.

CEI Africa will ensure compliance with the IFC PS 6 requirements, as and where relevant.

***PS 7: Indigenous Peoples***

PS 7 recognizes that Indigenous Peoples are often among the most marginalized and vulnerable communities among a population. The ability of Indigenous Peoples to defend their rights to and interests in land and natural or cultural resources is often restricted by their economic, social and/or legal status. They are often more vulnerable to the adverse impacts associated with development than non-indigenous communities.

Private sector developments may create opportunities for Indigenous Peoples to participate in and benefit from development-related activities that may help them fulfil their aspiration for economic and social development. In addition, the recognizes that Indigenous Peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development.

The objectives of this Performance Standards are to:

- Ensure respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.
- Anticipate and avoid adverse impacts on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.
- Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.
- Establish and maintain an ongoing relationship based on Informed consultation and participation with Indigenous Peoples.
- Ensure Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples in specific circumstances.
- Respect and preserve the culture, knowledge, and practices of Indigenous Peoples.

CEI Africa will ensure compliance with the IFC PS7.

***PS 8: Cultural Heritage***

PS 8 recognizes the importance of cultural heritage for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this PS aims to protect irreplaceable cultural heritage. In addition, the requirements of this PS on a project's use of cultural heritage are based in part on standards set by the Convention on Biological Diversity.

The objectives of this Performance Standard are to:

- Protect cultural heritage from the adverse impacts of project activities and support its preservation.
- Promote the equitable sharing of benefits from the use of cultural heritage.

CEI Africa will ensure compliance with IFC PS8.

## Appendix B. World Bank ESS9 for Financial Intermediaries

Source: [ESFFramework.pdf \(worldbank.org\)](#)

### Introduction

1. ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector development and enhancing the role of domestic capital and financial markets.
2. Financial Intermediaries (FIs) are required to monitor and manage the environmental and social risks and impacts of their portfolio and FI subprojects, and monitor portfolio risk, as appropriate to the nature of intermediated financing. The way in which the FI will manage its portfolio will take various forms, depending on a number of considerations, including the capacity of the FI and the nature and scope of the funding to be provided by the FI.
3. FIs are required to develop and maintain, in the form of an Environmental and Social Management System (ESMS), effective environmental and social systems, procedures and capacity for assessing, managing, and monitoring risks and impacts of subprojects, as well as managing overall portfolio risks in a responsible manner.

### Objectives

- To set out how the FI will assess and manage environmental and social risks and impacts associated with the subprojects it finances.
- To promote good environmental and social management practices in the subprojects the FI finances.
- To promote good environmental and sound human resources management within the FI

### Scope of Application

4. This ESS applies to Financial Intermediaries (FIs) that receive financial support from the Bank. FIs include public and private financial services providers, including national and regional development banks, which channel financial resources to a range of economic activities across industry sectors. Financial intermediation also includes provision of financing or guarantees by FIs to other FIs. For the purposes of this ESS, the term "FI subproject" refers to projects financed by FIs with support from the Bank. Where the project involves on-lending by the FI to another FI, the term "FI subproject" will include the subprojects of each subsequent FI.
5. The requirements of this ESS apply to all FIs that receive support from the Bank, either directly from the Bank or the Borrower, or through the Borrower or other FIs, as follows:
  - (a) Where Bank support is provided to the FI to fund clearly defined FI subprojects, the requirements of this ESS will apply to each of the FI subprojects;
  - (b) Where Bank support is provided to the FI for a general purpose, the requirements of this ESS will apply to the entire portfolio of the FI's future subprojects from the date on which the legal agreement becomes effective;
  - (c) Where an FI receiving support from the Bank provides financing or guarantees to other FIs, the FI will apply the requirements of this ESS and will cause each subsequent FI to apply the requirements of this ESS.

## Requirements

6. FIs will put in place and maintain an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis. The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of FI subprojects, the types of financing, and the overall risk aggregated at the portfolio level. Where the FI can demonstrate that it already has an ESMS in place, it will provide adequate documented evidence of such an ESMS, indicating which elements, if any, will be enhanced or modified to meet the requirements of this ESS.
7. The FI's ESMS will include the following elements: (i) environmental and social policy; (ii) clearly defined procedures for the identification, assessment and management of the environmental and social risks, and impacts of subprojects; (iii) organizational capacity and competency; (iv) monitoring and review of environmental and social risks of subprojects and the portfolio; and (v) external communications mechanism.
8. Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.
9. The FI will review and adjust, in a manner acceptable to the Bank, its ESMS from time to time, including when the environmental and social risk profile of its portfolio changes significantly.
10. The FI will comply with any exclusions in the legal agreement and apply relevant national law for all FI subprojects. In addition, the FI will apply the relevant requirements of the ESSs to any FI subproject that involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.
11. An FI may be required to adopt and implement additional or alternative environmental and social requirements, depending on the nature of the FI, its activities, the sector or countries of operation, and the environmental and social risks and impacts of the potential FI subprojects.
12. The FI will provide a safe and healthy working environment. Accordingly, relevant aspects of ESS2 will apply to the FI itself. The FI will have in place and maintain appropriate labor management procedures, including procedures relating to working conditions and terms of employment, non discrimination and equal opportunity, grievance mechanisms, and occupational health and safety. The FI will provide adequate documented evidence of such procedures.

## Environmental and Social Policy

13. The environmental and social policy of the FI will be endorsed by the FI's senior management and will include organizational commitments, objectives, and metrics with regard to the FI's environmental and social risk management. The policy will clearly state applicable requirements for FI subprojects, and will include the following: (a) All FI subprojects will be prepared and implemented in accordance with relevant environmental and social national and local laws and regulations; (b) All FI subprojects will be screened against exclusions in the legal agreement; (c) All FI subprojects will be screened for environmental and social risks and



impacts; and (d) All FI subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.

**Environmental and Social Procedures**

14. The FI will put in place and maintain clearly defined environmental and social procedures which reflect and implement the FI's Environmental and Social Policy. The procedures will be proportionate to the nature of the FI and the level of potential environmental and social risks and impacts associated with the FI subprojects.

**Monitoring and Reporting**

15. The FI will monitor the environmental and social performance of the FI subprojects in a manner proportionate to the risks and impacts of the FI subprojects, and provide regular progress reports to the FI's senior management. This will include periodic review of the effectiveness of the FI's ESMS.

## Appendix C. CEI Africa Exclusion List

Foundation Clean Energy and Energy Inclusion for Africa (CEI Africa) will not finance any of the activities listed below:

### Exclusions

Contractual Partners will not finance the following projects within the cooperation with CEI Africa:

1. Production or trade in any product or activity subject to national or international phase-out or prohibition regulations or to an international ban, for example:
  - a. certain pharmaceuticals, pesticides, herbicides and other toxic substances (under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability"),
  - b. ozone depleting substances (under the Montreal Protocol),
  - c. protected wildlife or wildlife products (under CITES / Washington Convention)
  - d. prohibited transboundary trade in waste (under the Basel Convention).
2. Investments which could be associated with the destruction<sup>4</sup> or significant impairment of areas particularly worthy of protection (without adequate compensation in accordance with international standards).
3. Production or trade in munitions, weapons and critical components thereof (nuclear weapons and radioactive ammunition, biological and chemical weapons of mass destruction, cluster bombs, anti-personnel mines, enriched uranium).
4. Production or trade in alcoholic beverages (excluding beer and wine).<sup>5</sup>
5. Production or trade in tobacco.<sup>3</sup>
6. Gambling, casinos and equivalent enterprises.<sup>3</sup>
7. Production or trade in radioactive material. This does not apply to the procurement of medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded.
8. Production or trade in unbound asbestos. This does not apply to the purchase or use of cement linings with bound asbestos and an asbestos content of less than 20%.
9. Destructive fishing methods or drift net fishing in the marine environment using nets in excess of 2.5 km.
10. Nuclear power plants (apart from measures that reduce environmental hazards of existing assets) and mines with uranium as an essential source of extraction.
11. Prospection, exploration and mining of coal; land-based means of transport and related infrastructure essentially used for coal; power plants, heating stations and cogeneration facilities essentially fired with coal, as well as associated stub lines.<sup>6</sup>
12. Non-conventional prospection, exploration and extraction of oil from bituminous shale, tar sands or oil sands.

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4 "Destruction" means (i) the destruction or severe deterioration of the integrity of an area caused by a major and prolonged change in the use of land or water, or (ii) the alteration of a habitat which leads to the inability of the affected area to perform its function.

5 This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

6 Investments in power transmission grids with significant coal-based power feed-in will only be pursued in countries and regions with an ambitious national climate protection policy or strategy (NDC), or where the investments are targeted at reducing the share of coal-based power in the relevant grid. In developing countries, heating stations and cogeneration facilities (CHP) essentially fired with coal can be co-financed in individual cases based on a rigid assessment, if there is a particularly high sustainability contribution, major environmental hazards are reduced, and if there demonstrably is no more climate-friendly alternative.

**All Contractual Partners**, except those engaged in activities specified below\*, must apply the following exclusions, in addition to the Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor<sup>7</sup>/harmful child labor.<sup>8</sup>
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade in wood or other forestry products other than from sustainably managed forests.

\* When investing in **microfinance** activities, Contractual Partners will apply the following items in addition to the Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

\* **Trade finance projects**, given the nature of the transactions, Contractual Partners will apply the following items in addition to the Exclusion List:

- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
- Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.

### Supplementary Guidelines

In selected sectors, the Contractual Partner ties its financial commitment under the cooperation with CEI Africa to the following qualitative conditions:

- Outside the EU and the OECD high income countries, large agricultural or forestry enterprises producing palm oil or wood must either comply with recognized international certification systems (RSPO or FSC) or equivalent regulations to ensure sustainable cultivation conditions, or must be in the process of achieving compliance.
- Large dam and hydropower projects use the recommendations of the World Commission on Dams (WCD) as orientation.<sup>9</sup>
- Projects for non-conventional prospection, exploration and extraction of gas will disclose in accordance with international standards,
- that no material groundwater drawdown or contamination is to be expected,
- that measures for resource protection (in particular water) and recycling are taken,
- that suitable technology is used for safe drilling, which includes integrated bore piping and pressure testing.

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

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

9 Dams with a height of at least 15 meters measured from the foundation or dams with a height between 5 and 15 meters with a reservoir volume of more than 3 million cubic meters.

## Appendix D. Grievance Redress Mechanism Procedure

The following text is available publicly on CEI Africa's website: <https://cei-africa.com/grievances-and-complaints/>

This page provides guidance on how to make a report or complaint to CEI Africa in relation to projects funded by CEI Africa (the "Foundation") concerning alleged misconduct or malpractice in breach of the principles set out in the CEI Africa E&S Policy by Contractual Partners, grantees, investees, borrowers, or recipients of such funding (the "Foundation Partners"), ("Complaint" or "Complaints" in plural).

### External Complaints Handling Process

#### *Who can make a Complaint?*

Individuals, groups, communities or other stakeholders who believe they have been or have the potential to be adversely affected by the alleged misconduct or malpractice in breach of the principles set out in the CEI Africa E&S Policy by a Foundation Partner in relation to projects funded by the Foundation ("Third Party Complainant").

#### *How can a Complaint be made?*

A Complaint can be made by email or phone:

- Email: [complaints@triplejump.eu](mailto:complaints@triplejump.eu)
- Phone: +31 20 5120620

Please ensure that your Complaint includes the following information:

1. Your name and contact details
2. Identification of the Foundation Partner and project funded by the Foundation (e.g. name of grantee or investee company, Mini-Grid Developer, Crowdlender, or project) to which the report or complaint relates
3. Information regarding the misconduct or malpractice that is alleged to violate the CEI Africa E&S Policy
4. Information regarding any harm caused by the alleged misconduct or malpractice, provided in as much detail as possible, including an explanation of whether you are directly affected
5. Any documents that support the allegation of misconduct or malpractice
6. Information on any steps taken prior to this report or complaint to address the alleged misconduct, malpractice or harm
7. Whether or not your identity should be kept confidential
8. Information on what you hope to achieve with your report or complaint: in other words, the redress or resolution sought

#### *What happens when a Complaint is filed?*

CEI Africa will acknowledge receipt of the Complaint and determine the eligibility for investigation. Complaints that do not relate to, or do not allege misconduct or malpractice in breach of the principles set out in the CEI Africa E&S Policy by a Foundation Partner in relation to projects funded by the Foundation, will not be eligible.

If a Complaint is deemed ineligible, the Third Party Complainant will be notified within 10 working days. If the Complaint is deemed eligible, Third Party Complainant will be notified within 10 working days and CEI Africa will reiterate the below process for handling the Complaint.

*How is an eligible Complaint handled?*

CEI Africa will initiate an investigation of the misconduct or malpractice alleged in the Complaint, and coordinate with the relevant internal teams to gather facts, determine whether there may have been a breach of the CEI Africa E&S Policy, and consider whether further action is required (“Investigative Process”). The duration of the Investigative Process will be determined on a case-by-case basis. The nature and timeframe of the Investigative Process may depend on a range of factors, including (without limitation): (i) the seriousness of the allegation; (ii) the extent to which CEI Africa has access to relevant information or documents; (iii) the existence of litigation, law enforcement action, or regulatory interventions in relation to the same or related allegations; and (iv) the willingness of other relevant parties (such as Contractual Partners or grantees/investees) to cooperate with CEI Africa’s Investigative Process.

Throughout the Investigative Process, CEI Africa will endeavor to keep the Third Party Complainant informed and updated unless, in its reasonable opinion, this is inappropriate. In some cases, CEI Africa may need to consult an external adviser or investigator to assist with the Investigative Process. In all cases, a formal written response will be provided to the Third Party Complainant on the outcome of the Investigative Process.

In the event that the Third Party Complainant is not satisfied or does not agree with the outcome or solution proposed following the Investigative Process, a second cycle of investigation may be conducted with Foundation involvement as deemed fit by the Foundation and, if required, a final third cycle will be conducted with external mediation, with costs for such mediation to be divided between the Foundation, Third Party Complainant, and if applicable a third party who may also be addressed in such Complaint.

CEI Africa is committed to transparency in the complaint handling process, but external parties should be aware that the ability to provide detailed information on the steps CEI Africa has taken in response to reports or complaints may be limited by: the nature of the investigative work; the Foundation’s legal obligations to the Foundation Partners or other third parties; our legal and regulatory duties under applicable law; and the need for confidentiality over our investigative process.

*Will confidentiality of Complaints be applied?*

Relevant details of the Complaint, and the identity of Third Party Complainant, will only be shared with CEI Africa staff directly involved in the review of the Complaint and the relevant Consortium Partners and/or professional advisors. Relevant details of eligible Complaints may also be shared with CEI Africa’s Board and Supervisory Council. It may be the case that details of the Complaint may also need to be shared with the Foundation Partners and/or with other third parties, including law enforcement authorities or regulators, pursuant to applicable law, which may make it difficult to protect the anonymity of the external party making the Complaint. In these circumstances, we will notify this with the Third Party Complainant.

## Appendix E. GOGLA Consumer Protection Code

Source: <https://www.gogla.org/consumer-protection>

Applicable for consumer facing projects, especially those with pay-as-you-go lending / leasing structures (e.g. SHS, pico-solar).

### TRANSPARENCY

- The company shares clear and sufficient information on the product, service, payment plan and personal data privacy practices to enable consumers to make informed decisions.
- The company shares relevant and timely information before, during and after sales.
- The company communicates in a language and manner consumers can understand.

### RESPONSIBLE SALES AND PRICING

- The company takes adequate care to ensure consumers can afford to pay for the product and / or service without becoming overburdened.
- The company ensures consumers' characteristics are taken into account in the price, payment structure and fees of the product and / or service.

### GOOD CONSUMER SERVICE

- The company ensures availability of technical and after-sales service support, including warranty and post-warranty service for a reasonable period of time.
- An accessible, effective and timely mechanism for complaints and problem resolution is in place.
- The company instructs consumers on proper use and care, and any health and safety risks, related to the product usage or disposal.
- The company considers measures to enable continued operability of the product in the event of the failure of the company.

### GOOD PRODUCT QUALITY

- The company ensures the product / system is appropriate, good quality, safe and performs as advertised.
- The company ensures the user interface / payment platform is appropriate for consumers.
- The company takes reasonable measures to ensure product longevity (including ease of operation and maintenance, repairability and durability).

### DATA PRIVACY

- The company applies good practices and comply with relevant laws and regulations governing consumer data privacy.
- The company only collects, use, retain and share personal information that is necessary for the stated consumer service and legitimate interests of the business.
- The company ensures consumer data is kept secure and confidential.

### FAIR AND RESPECTFUL TREATMENT

- The company ensures fair and respectful treatment of current and prospective consumers, with adequate safeguards in place against corruption and abusive treatment.
- The company promotes inclusive practices and do not discriminate, for example, by gender, religion or ethnicity.

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- The company seeks consumers' views and feedback on the design and delivery of the product, service and payment plan.

## Appendix F. E-Waste Management and Recycling Principles

One of the major challenges facing the off-grid energy access sector as it moves beyond the useful life of first-generation products is the safe and environmentally sustainable treatment of electronic waste (e-waste) derived from grantees' / investees' products or infrastructure.

Given the relative immaturity of the sector, local and international regulations and general market best practice are still very much in development so we cannot subscribe to a ready-made set of principles. Instead, CEI Africa will take three steps to maximize the role of CEI Africa in promoting responsible e-waste management and recycling as follows:

- The Foundation Manager commits to participate in industry activities to harmonize and enhance waste management policies for GMGs with sector organizations like AMDA and for smaller off-grid-energy solutions based on renewable energy through pro-active membership in the GOGLA e-waste working group, and make every effort to be aware of international best practice from a wider range of stakeholder/sector-linked initiatives and apply and promote these across its portfolio;
- CEI Africa's grantee / investee companies must ensure compliance with national and where applicable international regulations governing the treatment of e-waste including batteries and PV panels and other materials in their supply chain and logistics, retail and generation/distribution infrastructure;
- CEI Africa's grantee / investee companies must have a comprehensive waste management policy and plan within their broader E&S risk management documentation<sup>10</sup>. If grantee / investee companies do not have a waste management policy and plan at the time of receiving CEI funding, CEI Africa may support the grantee / investee to prepare one in a reasonable timeframe (within 6-9 months after disbursement) through TA support. The waste management policy and plan should generally prefer local service provider or solutions, noting that environmental and health and safety related performance needs to be assessed carefully in this regard. In case no local service provider or solution can be identified for this task, exports to specialized plants might also be organized via an international service provider. The waste management policy and plan should, where applicable, incorporate the following major underlying elements of the energy access product range:
  - Batteries will be collected for either second-life application or sound recycling and disposal in accordance with international environmental and social standards and best-practice;
  - Electrical equipment (transformers, PCBs) will either be reused on other developments/projects or recycled;
  - PV panels will be removed from the fixed aluminum frames and tracker systems and then transported to approved recycling facilities, as per National Waste Regulation and international best practice;
  - Fixed aluminum frame and tracker system structures will be removed, reused or recycled;
  - Cable runs (where applicable) will be removed and recycled;
  - For buildings, all reusable material will be removed, the structures demolished, and the rubble transported to a municipal waste site.

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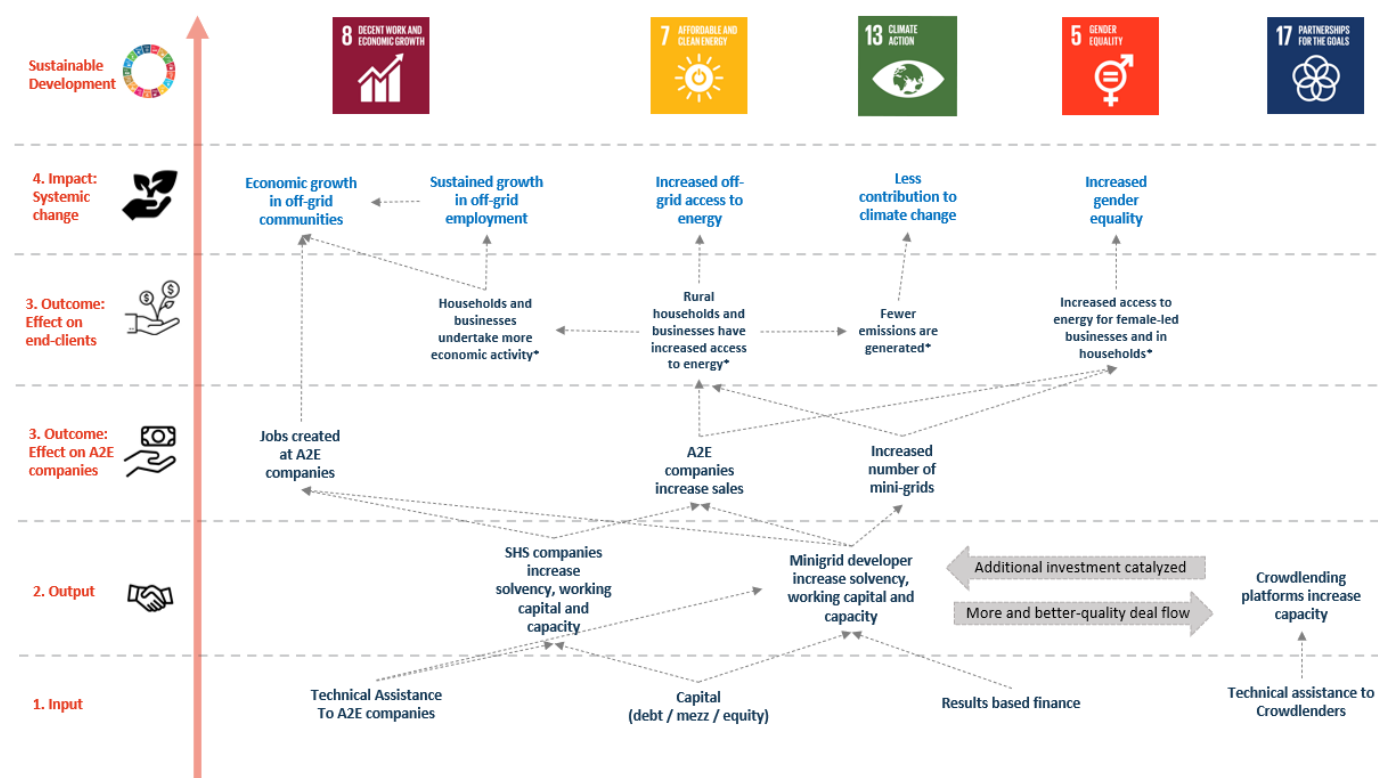
<sup>10</sup> Where companies do not have a waste management policy and plan, the fund may proceed if a TAF CIP has been prepared to support a company to prepare a waste management policy and plan.



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The grantee / investee may use GOGLA's Sample E-Waste Management and Recycling Policy as a basis, taken from GOGLA's E-Waste toolkit, available here: <https://www.gogla.org/e-waste>.

## Appendix G. Result Matrix and Impact Indicators



CEI Africa uses different indicators to measure its performance on the CEI Africa’s impact objectives. The indicators are derived from best practice impact assessment as used for activities by comparable foundations and entities in the energy access sector.

Table 12: Summary of CEI Africa’s Impact Indicators for the CL Window and RBF Component of the SOF Window

Metric	Indicator	Methodology
<b>Impact Objective 1: Increased access to finance for GMGs and off-grid energy providers</b>		
Mobilized (private) capital	<ul style="list-style-type: none"> <li>Mobilized private retail investments via crowdlending</li> <li>Mobilized private equity mobilized via RBF</li> <li>Mobilized private institutional capital via private contributions to CEI Africa directly</li> </ul>	<ul style="list-style-type: none"> <li>Direct collection of data from Crowdlenders</li> <li>Direct collection of data from developers</li> <li>Data collected directly by CEI Africa</li> </ul>
<b>Impact Objective 2: Expansion of renewable energy providers and solutions</b>		
Number of GMGs and off-grid companies financed	<ul style="list-style-type: none"> <li>Number of GMGs financed</li> <li>Number of off-grid companies financed</li> <li>% of capital invested going to local owned energy providers</li> </ul>	<ul style="list-style-type: none"> <li>Direct collection of data</li> <li>Direct collection of data</li> <li>Direct collection of data</li> </ul>

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Number of connections (GMGs) and units sold (offgrid)	<ul style="list-style-type: none"> <li>▪ Number of connections (GMGs)</li> <li>▪ Number of off-grid units sold</li> </ul>	<ul style="list-style-type: none"> <li>▪ Direct collection of data through Odyssey platform, attributed to CEI</li> <li>▪ Direct collection of data from investees, attributed to CEI</li> </ul>
Installed capacity based on renewable sources	<ul style="list-style-type: none"> <li>▪ MWp installed off-grid electricity capacity based on renewal energy financed through CEI</li> </ul>	<ul style="list-style-type: none"> <li>▪ Direct collection of data through Odyssey platform and investee reports, attributed to CEI</li> </ul>
<b>Impact Objective 3: E.g. Increased Renewable Energy Access</b>		
Off-grid renewable energy access	<ul style="list-style-type: none"> <li>▪ Number of people with improved access to renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Based on number of connections and product sold, applying GOGLA formula and discounts for repeat sales and loss</li> </ul>
<b>Impact Objective 4: E.g. Additional Environmental, Economic and Social Benefits</b>		
Avoided CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>▪ Tons of CO<sub>2</sub>e avoided through the use of units sold and connections financed by CEI</li> </ul>	<ul style="list-style-type: none"> <li>▪ Based on number of connections and product sold, applying GOGLA formula (for small off-grid energy) and separate suitable formula to be agreed for GMGs.</li> </ul>
Jobs created and supported at financed companies	<ul style="list-style-type: none"> <li>▪ Number of FTE employees and agents at energy providers financed</li> <li>▪ Number new jobs created at energy providers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Direct collection of data</li> <li>▪ Direct collection of data</li> </ul>
Gender equality	<ul style="list-style-type: none"> <li>▪ % of investees meeting the 2x criteria</li> </ul>	<ul style="list-style-type: none"> <li>▪ Direct collection of data</li> </ul>

### Market Assumptions

Indicators specific to each grant / investment can be integrated with wider assumptions about products and consumers in order to create a broad set of feedback on the potential impact that CEI Africa will have across Sub-Saharan Africa.

The following impact assumptions may be used by CEI Africa and periodically updated, amended, and expanded over the life of CEI Africa (until 2038) or tailored to a specific geography, grantee, investee or product:

*Table 13: Summary Impact Assumptions for the CL Window and RBF Component of the SOF Window*

Input	Benchmark	Unit
Units not used	3%	Ratio
Units upgraded	10%	Ratio
Size of typical household	5.5	people
Business use of products	10%	Ratio
Replacement ratio	2x	Ratio
Average usage of status quo product	4	Hours per day
Average light of status quo product	20	Lumens
Average annual operating cost of SQ	79.10	USD equivalent
Annual GHG emission of SQ source	370	tCO <sub>2</sub> e
Embodied GHG of solar product	7.64	tCO <sub>2</sub> e
<i>(sources: GOGLA, SE4All, IRIS)</i>		

## **Appendix H. Sample ToRs for E&S Due Diligence Consultants**

If deemed necessary by the Board and the Supervisory Council or if required by (and paid for by) a Contributor, the template below can be used as a guide for developing a Terms of Reference (ToR) for a Consultant to perform certain aspects of the E&S appraisal of prospective grant-financed projects, investments, or Contractual Partners of CEI Africa, as well as ongoing supervision of the portfolio of grant-financed projects and the investment portfolio.

### ***Introduction***

The purpose of this Terms of Reference is to ensure that the Consultant performs the environmental and social (E&S) review of a project that will potentially be grant funded or of the prospective investment, and later, the ongoing evaluation and supervision of activities according to CEI Africa's environmental and social management policies and procedures.

CEI Africa is committed to promoting sustainable development through off-grid renewable energy generation and distribution, which contributes to economic growth, social development and environmental conservation. CEI Africa realizes this aim by carrying out appropriate E&S due diligence of proposed and committed investments or projects to be financed by a grant, e.g. through result based financing or social incentive financing. CEI Africa will ensure that all grantees and investees it funds comply with CEI Africa's Environmental and Social Policy (ESMS).

### ***Consultant Qualifications***

The Consultant must have substantial experience in the E&S review in the African energy sector, with particular focus on the support of finance activities (minimum 8 years). They must be thoroughly knowledgeable of CEI Africa's E&S policy and procedures. The experts must have appropriate knowledge and understanding of E&S management aspects in line with the requirements of the relevant international standards (IFC Performance Standards, World Bank Group EHS Guidelines, KfW Sustainability Guidelines etc.).

### ***Scope of Work***

The Consultant will conduct the E&S appraisal of a prospective grantee / investee, as well as the ongoing supervision of E&S performance of all grantee / investee activities consistent with CEI Africa's E&S policy and procedures.

For **new appraisals**, the four tasks include:

1. *Preliminary Review*: Review all available information and documentation related to grantee's / investee's environmental and social impacts and risks. Prepare a list of additional information and/or questions that will be needed to continue the appraisal.
2. *Site Visit and Further Review*: Conduct site inspections, review facility based records, and interview key staff, including both sponsor personnel and relevant stakeholders (regulatory officials, community leaders, suppliers, and customers).
3. *E&S Performance Gaps and Necessary Corrective Actions Analyses*: Analyze grantee's / investee's, Crowdfunder's or Mini-Grid Developer's environmental and social performance in relation to CEI Africa's Environmental and Social Policy. Identify gaps and any corresponding corrective actions that will be necessary. Prioritize these and recommend acceptable and justified implementation schedules.
4. *Due Diligence Documentation*: Prepare a report summarizing the results of the E&S due diligence. The report shall include a summary of the impacts and risks associated with the

grantee's/ investee's activities, including the related performance gaps and corresponding correction actions that will be necessary in order for CEI Africa to provide grant funding or to invest.

For **supervision** of CEI Africa's grant-financed project portfolio or CEI Africa's investment portfolio, the three tasks include:

1. *Review Monitoring Reports*: Review periodic documentation submitted by the grantee / investee regarding implementation of any corrective actions included as conditions of investment or for grant making, as well as overall environmental and social performance. Also, review information submitted by the sponsor concerning significant incidents or fatalities. Identify any follow-up corrective actions that might be necessary.
2. *Site Visit and Further Review (Optional)*: Where directed by CEI Africa, conduct a site visit to confirm E&S performance and/or to investigate incidents. Identify any follow-up corrective actions that might be necessary.
3. *Supervision Documentation*: Prepare a report summarizing the findings of the supervision activity.

### **Schedule**

The Consultant shall submit a draft [*Due Diligence/Monitoring*] Report by [*insert date*]. The final Report shall be submitted within 2 weeks after receiving comments from CEI Africa on the draft report. All reports should be written and prepared in English and delivered in electronic and hard copy.

## **Appendix I. Serious Incidents Requiring Immediate Reporting**

In the event that any of the below incidents occurs at a CEI-funded grantee / investee site or at the site of a Contractual Partner, the grantee / investee or Contractual Partner must report the incident to CEI Africa within twenty-four hours of occurrence, including a description of remediation measures already taken and to be taken. A template for reporting has been developed and is part of the ESMS.

- Fires or explosions;
- Significant fuel/Chemical spills;
- Significant pollution discharges above limits of normal operation;
- Major work-related injuries (including employees, contractors and/or members of public);
- Work-related fatalities (including by employees, contractors and/or members of public);
- Incidents significantly affecting the health of employees, contractors or members of public;
- Regulator enforcement actions/notices;
- Major security breaches;
- Strikes or employee unrest;
- Incidents requiring operations to be substantially curtailed or shut-down; and
- Significant community unrest or public relations incidents.