

Cities and Villages Development
Bank (CVDB)
Environmental and Social
Management System (ESMS)

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1 Introduction

The Cities and Villages Development Bank (CVDB) is one of the main institutions in Jordan supporting municipalities and investment infrastructure. As its name suggests, it provides banking services to municipalities as well as technical support services. As a national institution CVDB adheres to the current Jordanian law as it relates to Environmental and Social Performance Standards. The main national law related to environmental protection is the Law of Environmental Protection, No. 52 of 2006, went into effect Oct. 16, 2006.

The provisions under this Law include the requirement to protect the environment and all of its elements; the requirement to set policies for the protection of the environment and the preparation of plans for such policies; the requirement to monitor elements of the environment; the requirement to set principles for the handling of harmful substances; approval for the establishment of natural reserves, national parks, and their management and supervision; the requirement to issue environmental emergency plans; and the monitoring and inspection of projects and facilities to ensure that they are in compliance with Jordanian standard specifications. As per the law, the Ministry of Environment (MoEnv) is responsible for setting Jordan's environmental protection policy, monitoring activities, coordinating national efforts for environmental protection, and preparing environmental contingency plans.

While the Jordanian government has an extensive web of laws and regulations pertaining to environmental protection and management, CVDB is committed implementing its own internal policy and system to meet international standards. CVDB's mission "to provide the necessary funding, banking services, technical support and capacity building to municipalities and other parties implementing community development projects; and to enhance private sector partnership" – CVDB is also committed to ensuring its support is done in an environmentally and socially responsible manner.

CVDB's Environmental and Social (E&S) Policy was approved by CVDB's Board on 22 December 2020 and establishes the basis for the design of CVDB's Environmental and Social Management System (ESMS). This ESMS is a vehicle that integrates the E&S Policy into the business processes of the CVDB. It is a set of actions and procedures that are implemented concurrently with CVDB's broader risk management processes.

The ESMS is designed to ensure that CVDB operates in compliance with its E&S Policy. It also helps CVDB avoid and manage projects with potential environmental and social risks by conducting effective screening of projects. Its basic purpose is: **to support CVDB and its staff to ensure the avoidance or minimisation and management of potential negative environmental and social impacts of its work while also looking to maximise the environmental and social benefits.**

This ESMS details the i) environmental and social policy framework; ii) the review procedures across CVDB's portfolio and iii) accountabilities and responsibilities.

1.1. About CVDB

Cities and Villages Development Bank is a banking company based out of Cities and Villages Development Bank Building, Amman, Capital Governorate, Jordan. Owned by the Jordanian Municipalities (30% of CVDB capital), the Government of Jordan (69% of CVDB capital), and the Central Bank of Jordan (1% of CVDB capital), the Bank provides financing and banking services, consulting, technical support and capacity building to local authorities and interested

parties through service and investment development projects and encouraging partnerships between the public and private sector to improve the reality of local communities.

1.2. Objectives and Purpose of ESMS

This ESMS has been designed to ensure CVDB adheres to the IFC performance standards when carrying out any projects funded by the Green Climate Fund (GCF) or as applicable other multilateral or bilateral donors. The management system outlined includes the steps for screening, assessment, monitoring and evaluation, public consultation and disclosure. It also aims to clearly delineate the roles and responsibilities of staff members to ensure efficiency, transparency, and accountability.

2. ESS and Requirements

In addition to this manual, CVDB has several other policies, laws, and provisions that it adheres to in respect of both national and internationally-funded projects. This manual has been developed to complement these regulations, and to elaborate and connect them where needed.

2.1. National Level

CVDB is bound by the laws and regulations of the Jordanian government, which include adhering to the Environmental Protection Law, No. 52 of 2006 (doc. 6.1.1, English translation). The provisions under this Law include: (i) the requirement to protect the environment and all of its elements; (ii) the requirement to set policies for the protection of the environment and the preparation of plans for such policies; (iii) the requirement to monitor elements of the environment; (iv) the requirement to set principles for the handling of harmful substances; (v) approval for the establishment of natural reserves, national parks, and their management and supervision; (vi) the requirement to issue environmental emergency plans; and (vii) the monitoring and inspection of projects and facilities to ensure that they are in compliance with Jordanian standard specifications.

In addition to the law, Jordan has enacted an Environmental Impact Assessment Regulation No. 37 of 2005. The EIA regulation requires that project proponents hire a national consulting firm to conduct the EIA and prepare an EIA report. It also assigns full authority to the Ministry of Environment through its Department of Licensing and Guidance to arrange for screening, control and follow-up on the EIA process and its implementation. The approval of an EIA is a pre-requisite for any subsequent license or permit by any or all other relevant authorities that may be required prior to construction. All development projects, regardless of EIA classification, must adhere to the air emission, water, wastewater reuse; industrial and municipal discharge Jordanian standards.

All national projects will be screened against the four risk categories, ranked A-D to evaluate, categorize, monitor, and report, whereas projects funded through the GCF and other international donors as applicable will follow a three-tier risk categorization process to align with international standards.

2.2. International Level

To respond to international projects and regulations, CVDB has adopted an E&S framework for any GCF funded projects as well as multilateral and bi-laterally funded projects as applicable. To comply with the GCF requirements, CVDB has adopted an organization-wide E&S policy that adheres to the IFC's performance standards.

Therefore the main focus of this E&S management system is international projects, and as such the guidelines, procedures, roles, and responsibilities outlined herein are applicable to any international projects.

As outlined above, for nationally funded projects, CVDB will continue to follow national policies and procedures.

3. Environmental and Social Sustainability Framework

CVDB has adopted IFCs Performance Standards on Environmental and Social Sustainability¹ to ensure alignment with international best-practice. The eight performance standards are as follows:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- Performance Standard 2: Labor and Working Conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Community Health, Safety, and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Performance Standard 7: Indigenous Peoples²
- Performance Standard 8: Cultural Heritage

Performance Standard 1 establishes the importance of (i) integrated assessments to identify the environmental and social impacts, risks, and opportunities of projects; (ii) effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them; and (iii) the management of environmental and social performance throughout the life of the project.

Performance Standards 2 through 8 establish objectives and requirements to avoid, minimize, and where residual impacts remain, to compensate/offset for risks and impacts to workers, Affected Communities, and the environment. While all relevant environmental and social risks and potential impacts should be considered as part of the assessment, Performance Standards 2 through 8 describe potential environmental and social risks and impacts that require particular attention.

CVDB's ESMS has been developed to align directly with IFC's performance standards. As per IFC's standards, an effective ESMS is a dynamic and continuous process initiated and supported by management, and involves engagement among CVDB, its workers, local

¹IFC, [Performance Standards on Environmental and Social Sustainability](#) (2012), last accessed June 26, 2021.

² Jordan does not have indigenous groups in a "traditional" sense. Minority and indigenous groups include Palestinians, Bedouins of Jordanian origin, Circassians, Armenians, and Bani Murra. In addition, there are significant refugee populations – primarily Palestinian, Syrian, Iraqi, Yemeni, Sudanese, and Somali in origin. (<https://minorityrights.org/country/jordan/>)

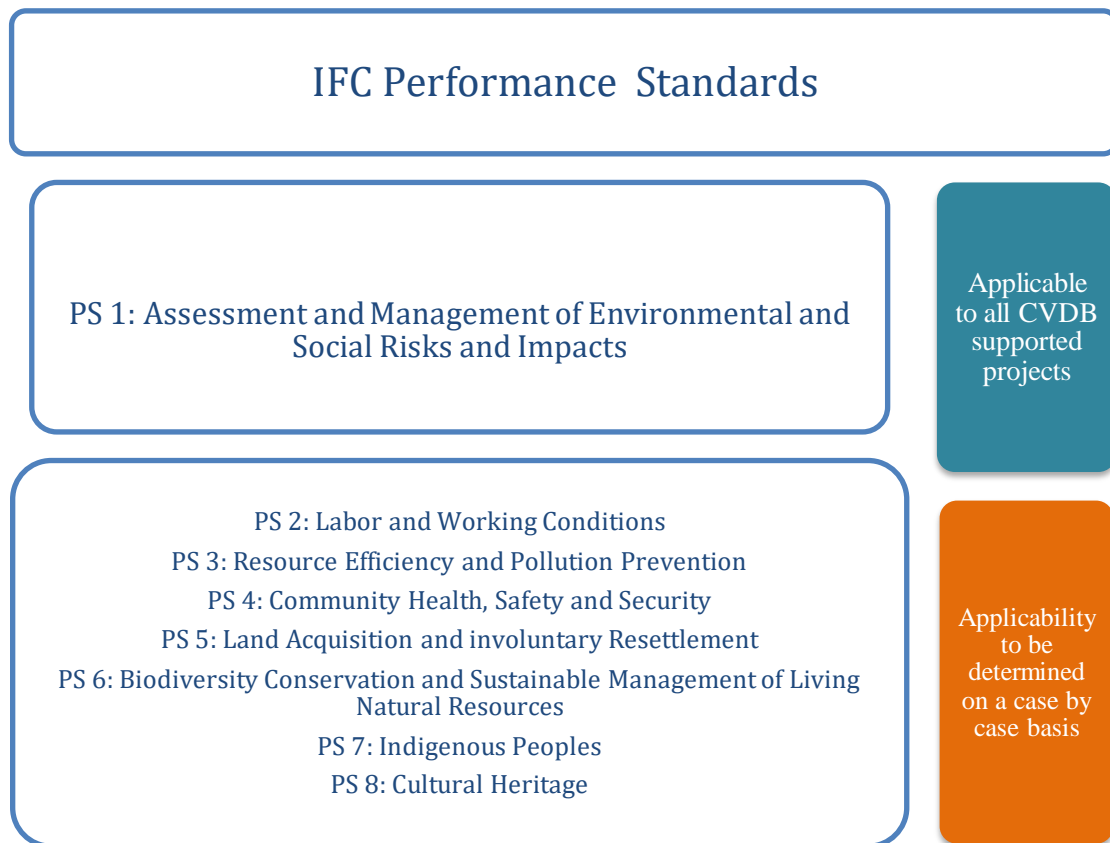
communities directly affected by the project (the Affected Communities) and, where appropriate, other stakeholders³.

3.1. E&S Performance Standards

CVDB has an overarching Environmental and Social Policy, supported by eight performance standards (PS) (see Figure 1). PS 1 is applicable to all of CVDB’s projects and the applicability of PS’s 2 – 8 is determined through the E&S assessment process.

CVDB only supports projects that comply with national law and obligations under international law, and will apply the more stringent standard. CVDB also ensures that grievance mechanisms are in place so that individuals and communities potentially affected by CVDB supported programmes have access to effective mechanisms and procedures for raising concerns about the environmental and social performance of a project.

Figure 1.E&S Performance Standards



³Other stakeholders are those not directly affected by the project but that have an interest in it. These could include national and local authorities, neighboring projects, and/or nongovernmental organizations.

3.1.1. Environmental and Social Performance Standards⁴

3.1.1.1. Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

Purpose:

- To identify and evaluate environmental and social risks of the project
- To apply a mitigation hierarchy of avoidance, minimisation, and compensation/offset where impacts to workers, Affected Communities and/or the environment remain
- To ensure Affected Communities have access to an effective grievance mechanism
- To promote engagement with Affected Communities and disclosure of relevant environmental and social information.

Scope:

This Performance Standard applies to all projects with potential environmental and social risks and/or impacts.

Requirements:

1. *Early identification of potential risks and impacts:* As early as possible, screen each proposed project to determine the appropriate extent and type of environmental assessment to be carried out commensurate with the significance of potential impacts and risks.
2. *Impact assessment:* Conduct an environmental and social assessment for each proposed project to identify potential direct, indirect, cumulative, and induced impacts and risks to physical, biological, socioeconomic (including impacts on livelihood through environmental media, health and safety, vulnerable groups, and gender issues), and physical cultural resources in the context of the project's area of influence. Assess potential transboundary and global impacts, including climate change. Use strategic environmental assessment where appropriate. The main coverage of environmental and social assessment are detailed further below.
3. *Alternative analysis:* Examine alternatives to the project's location, design, technology, and components and their potential environmental and social impacts and document the rationale for selecting the particular alternative proposed.
4. *Management plan:* Develop necessary measures to avoid, and where avoidance is not possible, minimize, mitigate, and/or offset adverse impacts and enhance positive impacts by means of environmental planning and management. Prepare an environmental and social management plan (ESMP) that includes the proposed mitigation measures, environmental monitoring and reporting requirements, related institutional or organizational arrangements, capacity development and training measures, implementation schedule, cost estimates, and performance indicators.
6. *Meaningful consultation:* Carry out meaningful consultation with affected people and facilitate their informed participation. Ensure women's participation in consultation. Involve stakeholders, including affected people and concerned nongovernment organizations, early in the project preparation process and ensure that their views and concerns are made known to and understood by decision makers and taken into account. Continue consultations with stakeholders throughout project implementation as necessary to address issues related to environmental assessment.
7. *Grievance mechanism:* Establish a grievance redress mechanism to receive and facilitate resolution of the affected people's concerns and grievances regarding the project's environmental and social performance.

⁴ Adapted from the IFC Performance Standards, accessed at: https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

8. *Information disclosure*: Disclose the environmental and social assessment documents (including ESMP) in a timely manner, in an accessible place and in a form and language(s) understandable to affected people and other stakeholders during preparation and implementation of the project so as to provide an opportunity to broadly identify and address environmental and social issues, including involuntary resettlement and indigenous peoples. In particular, disclose the draft environmental and social assessment documents before project appraisal, and disclose in the same manner the final assessment documents and any updates to affected people and other stakeholders.
9. *Monitoring*: Conduct monitoring of the environmental and social performance, and document monitoring results, including the development and implementation of corrective actions.

3.1.1.2. *Performance Standard 2: Labor and Working Conditions*

Purpose:

- To promote fair-treatment, non-discrimination and equal opportunity of workers
- To promote safety and health at work
- To protect workers, including vulnerable categories of workers, such as children

Scope:

The applicability of this Performance Standard is determined through the environmental and social impact identification process. Specific provisions are given for different types of employment relationships, covering: workers engaged directly by a project (direct workers – requirements 1- 10 apply); workers engaged through third parties to perform work related to core business processes of the project for a protracted duration (contract workers – requirements 10 - 11), and workers engaged by the project’s primary suppliers (supply chain workers – requirement 12).

Requirements:

1. CVDB will require that human resource policies and procedures appropriate to the scale of the project workforce are adopted and implemented on the project. Clear information regarding labor rights, including hours of work, wages, overtime, compensation, and benefits upon commencing the working relationship must be provided to all direct workers.
2. Collective bargaining agreements will be respected where they exist, and in their absence, reasonable terms and conditions of employment must be provided on CVDB supported projects. This will include ensuring that migrant workers, if present, are engaged on substantially equivalent terms and conditions to non-migrant workers carrying out similar work.
3. If a project provides accommodation services for workers, they must be designed to uphold the principles of non-discrimination and equal opportunity, and to respect freedom of movement and freedom of association of workers.
4. CVDB expects projects to comply with national law in all realms, including recognition of workers’ rights to form and join workers’ organisations and bargain collectively where national law permits this. If national law does not support such activities, CVDB will expect the project not to restrict workers from developing alternative mechanisms to express their grievances and protect their rights.
5. Employment relationships on CVDB supported projects will be based upon the principle of equal opportunity and fair treatment. Discrimination with regard to any aspect of the employment relationship on the basis of gender, race, nationality, ethnic, social and indigenous origin, religion or belief, disability, age or sexual orientation will

not be acceptable. Where national law is inconsistent with this Performance Standard, projects should attempt to carry out operations consistent with this Performance Standard without contravening applicable laws.

6. Prior to implementing any collective dismissals, projects will be expected to analyse alternatives to retrenchment. Depending on the scale of the workforce, if alternatives are not viable, a retrenchment plan may need to be developed. Workers would need to be informed of dismissal and severance payments in a timely manner and all pay and benefits should be paid prior to the cessation of the working relationship.
7. CVDB supported projects should ensure that workers have knowledge of and access to a grievance mechanism in which they can raise workplace concerns.
8. Children will not be employed in any manner that is economically exploitative, or is likely to interfere with the child's education, or be harmful to the child's health, or physical, mental, spiritual, moral or social development on a CVDB supported project. CVDB will have zero tolerance for child exploitation and abuse.
9. CVDB will require that no forced labor, which includes any work or service not voluntarily performed which is exacted under threat of force or penalty, be employed on the project.
10. Workers will be provided with a safe and healthy work environment. Processes will be implemented to i) identify potential hazards to workers, ii) provide preventative and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; iii) training of workers; iv) documentation and reporting of occupational accidents, diseases and incidents; and v) emergency preparation, preparedness and response arrangements.
11. The project must take commercially reasonable efforts to ensure contract workers are also treated in a manner commensurate with the requirements of this Performance Standard. CVDB will expect that the project will monitor the performance of third party contractors in relation to these requirements.
12. Where projects have a high risk of child labor or forced labor in the supply chain, CVDB will expect that the project identify the risks, take appropriate steps to remedy them, and monitor its primary supply chain to ensure new risks do not emerge.

3.1.1.3. Performance Standard 3: Resource Efficiency and Pollution Prevention

Purpose:

- To avoid or minimise adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities
- To promote more sustainable use of resources, including energy and water
- To reduce project-related GHG emissions

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process.

Requirements:

1. CVDB will require projects to apply technically and financially feasible resource efficiency and pollution prevention principles and techniques that are best suited to avoid, or where avoidance is not possible, minimize adverse impacts on human health and the environment. These techniques and principles should be consistent with Good International Industry Practice (GIIP) and should refer to relevant World Bank Group Environmental, Health and Safety Guidelines as appropriate.

2. The project will consider alternatives and implement technically and financially feasible and cost-effective options to reduce project-related GHG emission during the design and operation of the project. Any project expecting to generate more than 25,000 tons of CO₂ equivalent annually will need to quantify its emissions annually.
3. If a project is a significant water user, measures to avoid or reduce water usage so that the project's water consumption has no significant impacts on others, should be implemented.
4. Projects supported by CVDB will avoid the release of pollutants, or where avoidance is not possible, minimize and/or control the intensity and mass flow of their release. This applies to the release of pollutants to air, land, and water due to routine, non-routine, and accidental circumstances with the potential for local, regional and transboundary impacts.
5. To address potential adverse impacts on existing ambient conditions, the project will consider the following factors: i) existing ambient conditions, ii) the finite assimilative capacity of the environment; iii) existing and future land use; iv) proximity to areas of important biodiversity (terrestrial and aquatic); and v) potential for cumulative impacts with uncertain or irreversible consequences.
6. Projects will be expected to avoid the generation of hazardous and non-hazardous waste materials. Where avoidance is not possible, CVDB expects that waste generation will be reduced, and that waste will be recovered and re-used in a manner safe for human health and the environment. Waste will be disposed of in an environmentally sound manner that includes appropriate control of emissions and residues from handling and processing of waste material. Projects will adopt GIIP alternatives for the disposal of hazardous waste, while adhering to limitations applicable to transboundary movements of waste materials. CVDB or the executing entity will review the reputation and license status of any third party hazardous waste disposal companies used by the project.
7. The production, transportation, handling, storage and use of hazardous materials for CVDB supported project activities should be assessed. Less hazardous substitutes should be considered where possible. The project will avoid the manufacture, trade and use of chemical and hazardous materials subject to international bans or phase-outs due to the high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential for depletion of the ozone layer. .
8. Where a project requires the use of chemical pesticides, those low in human toxicity, known to be effective against the target species, and with minimal effects on non-target species will be selected. The pesticide application regime will be designed to i) avoid damage to natural enemies of the target pest, and where avoidance is not possible, ii) avoid the risks associated with the development of resistance in pests and vectors, and where avoidance is not possible, minimize. Pesticides will be handled in accordance with the Food and Agriculture Organisation's International Code of Conduct on the Distribution and Use of Pesticides or other GIIP.
9. Purchase, storage, use, manufacture or trade of products that fall in World Health Organisation (WHO) Recommended Classification of Pesticides by Hazard Class Ia (extremely hazardous) or Ib (highly hazardous) will be not undertaken by CVDB supported projects. Class II pesticides will only be used if the project has appropriate controls in place.

3.1.1.4. Performance Standard 4: Community Health, Safety and Security

Purpose:

- To anticipate and avoid adverse impacts on the health and safety of the Affected Community during project life from both routine and non-routine circumstances

- To ensure Performance Standard of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process.

Requirements:

1. Projects supported by CVDB are required to evaluate the risks and impacts to the health and safety of the Affected Communities during the project lifecycle. Preventative and control measures will be established consistent with GIIP (including World Bank Group EHS Guidelines) and mitigation measures commensurate with the nature and magnitude of the risk will be implemented.
2. The structural elements or components of a CVDB supported project will be designed, constructed, operated and decommissioned in accordance with GIIP, and will specifically take into consideration safety risks to Affected Communities. Structural elements will be designed and constructed by competent professionals, and certified or approved by competent authorities or professionals.
3. CVDB will not support projects including large or complex dams. Where a project includes a dam situated in a high-risk location, and its failure or malfunction may threaten the safety of communities, external independent experts will conduct a review of the facility during design, construction, operation and decommissioning.
4. Community exposure to hazardous materials and pesticides linked to a CVDB supported project will be avoided, and where avoidance is not possible, minimized.
5. Community exposure to water borne, water based, water related and vector borne diseases, and communicable diseases related to the project will be avoided or minimized. This includes communicable diseases introduced through labor influx.
6. CVDB will expect the project to assist and collaborate with Affected Communities and local government agencies in their preparations to respond to emergency situations.
7. If a project retains direct or contracted workers to provide security and safeguard its property, CVDB will require that the project assess the risks posed by its security arrangements to those within and around the project site. Use of force will not be sanctioned by CVDB unless it is used for preventative and defensive purposes in proportion to the nature and extent of the threat. A similar risk assessment should be conducted if the project uses government security personnel to provide security services.
8. The project needs to ensure that Affected Communities have access to a grievance mechanism in which they can express concerns about security arrangements. All allegations of unlawful and abusive acts of security personnel must be investigated by the project and action must be taken to prevent recurrence. Unlawful and abusive acts must also be reported to the public authorities.

3.1.1.5. Performance Standard 5: Land Acquisition and Involuntary Resettlement

Purpose:

- To avoid, and when avoidance is not possible, to minimize physical and economic displacement caused by a project
- To avoid, and when avoidance is not possible, to minimize the impacts upon Affected Communities caused by land acquisition or restrictions on land use

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process. This Performance Standard applies to physical or economic displacement resulting from the following types of land-related transactions:

- Expropriation of compulsory procedures in accordance with the legal system of the host country
- Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory measures
- Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resources usage where they have traditional or recognizable usage rights
- Certain project situations requiring evictions of people occupying land without formal, traditional or recognizable usage rights
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering rounds and grazing and cropping areas

This Performance Standard does not apply to resettlement resulting from voluntary land transactions (i.e. market transactions in which the seller is not obliged to sell and the buyer can not resort to expropriation or other compulsory procedures if negotiations fail).

Requirements:

1. CVDB requires projects to consider feasible alternative project designs to avoid or minimize physical and/or economic displacement, paying particular attention to impacts on the poor and vulnerable.
2. When displacement cannot be avoided, the project will pay compensation for loss of assets at full replacement cost and other support to assist them to restore or improve their standard of living or livelihoods. Land based compensation will be favored when livelihoods of displaced peoples are land-based. The project will only take possession of land and related assets after compensation has been made available to displaced persons.
3. Effective engagement with Affected Communities, including host communities, will be expected throughout the resettlement process. Affected Communities should be presented with options and alternatives, where possible. Participation of Affected Communities and persons through the planning and implementation process will be expected and relevant information should be disclosed. The project's grievance mechanism must be in place to ensure Affected Communities can raise concerns about displacement activities.
4. The project will ensure a census is conducted to collect relevant socio-economic baseline data to identify persons who will be displaced by the project and will be eligible for compensation. A cut-off date for eligibility will be established to discourage ineligible persons from claiming benefits. The cut-off date will be well communicated and documented across the project area.
5. CVDB will require projects with significant involuntary resettlement risks to retain competent resettlement professionals to provide advice on and compliance with this Performance Standard and with good international resettlement practice.
6. Displaced persons may be classified as persons who i) have formal legal rights to the land or assets they occupy or use; ii) do not have formal legal rights to land or assets but have a claim to land that is recognized or recognizable under national law; or iii)

have no recognizable legal right or claim to the land or assets they occupy or use. The status of displaced persons will be determined through the census.

7. Where physical displacement is required, CVDB will require that a Resettlement Action Plan (RAP) be developed. The RAP will cover: mitigation of the negative impacts of displacement; identification of development opportunities for Affected Communities; resettlement budget and schedule; entitlements and eligibility criteria; and specific additional support measures provided to the poor or vulnerable.
8. If resettlement to another location is required, the displaced persons will be given choices among feasible replacement options, and be provided with relocation assistance suited to the needs of each group of displaced persons. New resettlement sites must offer improved living conditions. Cash compensation for loss of assets must be sufficient to replace lost land and other assets at full replacement cost in local markets.
9. The project should offer physically displaced persons who had no recognizable legal right or claim to the land or assets they occupy or use a choice of options for housing with security of tenure and compensation for structures and assets they owned.
10. Where only economic displacement is required, CVDB will require that a Livelihood Restoration Plan (LRP) be developed. The LRP will cover the entitlements of affected persons and/or communities and the objectives of the LRP will be considered to be met when affected persons or communities are deemed to have been provided with adequate opportunity to re-establish their livelihoods.
11. Economically displaced persons who face loss of assets or access to assets will be compensated at full replacement cost (this includes losses to businesses and incomes). In addition to compensation, economically displaced persons whose livelihoods or incomes are adversely affected will also be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels and standards of living. Transitional support should also be provided.
12. Where land acquisition and resettlement are the responsibility of the government, CVDB will require the project to collaborate with the government agency, to the extent permitted by the agency, to achieve outcomes consistent with this Performance Standard.

3.1.1.6. Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Purpose:

- To protect and conserve biodiversity
- To maintain the benefits from ecosystem services⁵
- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process. The Performance Standard will apply to projects i) located in modified, natural and critical habitats; ii) that potentially impact or are dependent on ecosystem services; and iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

⁵Ecosystem services are the benefits that people, including businesses, derive from ecosystems. They are organized into four types: i) provisioning services, which are the products people obtain from ecosystems; ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and iv) supporting services, which are the natural processes that maintain the other services.

Requirements:

1. The impact identification process described in Performance Standard 1 should consider both direct and indirect impact to biodiversity and ecosystem services. Consideration will be given to relevant threats to biodiversity and ecosystem services including: habitat loss, degradation and fragmentation; invasive alien species; overexploitation; hydrological changes; nutrient loading; and pollution. Consideration will also be given to the differing values attached to biodiversity and ecosystem services by Affected Communities.
2. Impacts to biodiversity and ecosystem services should be avoided where possible, and where avoidance is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented. Adaptive management practices should be adopted in longer-term projects. For the protection and conservation of biodiversity, the mitigation hierarchy should include biodiversity offsets, only to be used after appropriate avoidance, minimization, and restoration measures have been applied. The biodiversity offset must be designed to achieve no net loss and preferably a net gain in biodiversity, using a “like for like or better” principle. External experts must be involved in the design and implementation of biodiversity offset programmes.
3. In this Performance Standard, habitat is defined as a terrestrial, freshwater or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. Three different types of habitat are defined: modified, natural and critical (where critical habitat is a subset of modified or natural habitat).
4. Modified habitats are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area’s primary ecological functions and species composition. Impacts to modified habitats that have significant biodiversity value should be minimized.
5. Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition. CVDB supported projects will not significantly convert or degrade natural habitats unless all of the following conditions are met:
 - a. No other viable alternatives within the region exist for the development of the project on modified habitat;
 - b. Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation; and
 - c. Any conversion or degradation is mitigated according to the mitigation hierarchy
6. No net loss of biodiversity must be achieved in areas of natural habitat affected by a CVDB supported project. This may be achieved through the use of set-asides, biological corridors, restoration of habitats and biodiversity offsets.
7. Critical habitats are areas with high biodiversity value, including i) habitat of significant importance to critically endangered and/or endangered species; ii) habitat of significant importance to endemic or restricted-range species; iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; iv) highly threatened and/or unique ecosystems; and/or v) areas associated with key evolutionary processes.
8. CVDB will not support projects in areas of critical habitat unless all of the following are demonstrated:

- a. No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
 - b. The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;
 - c. The project does not lead to a net reduction in the global and/or national/regional population of any critically endangered or endangered species over a reasonable period of time; and
 - d. A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the project's management program
9. If all of the criteria in requirement 8 are met, the project will need to document its mitigation strategy in a Biodiversity Action Plan designed to achieve net gains of those biodiversity values for which the critical habitat was designated.
10. Where a project is proposed in a legally protected area or internationally recognized area, requirements 5-9 will need to be met, as well as the following additional conditions:
- a. Demonstrate that the proposed development in such areas is legally permitted;
 - b. Act in a manner consistent with any government recognized management plans for such areas;
 - c. Consult protected area sponsors and managers, Affected Communities, Indigenous Peoples and other stakeholders on the proposed project, as appropriate; and
 - d. Implement additional programmes, as appropriate, to promote and enhance the conservation aims and effective management of the area.
11. CVDB will require that projects will not intentionally introduce any new alien species unless this is carried out in accordance with the existing regulatory framework. It will not support the introduction of invasive alien species with a high risk of invasive behavior under any circumstances. Introduction of alien species will be subject to a risk assessment to determine their potential for invasive behavior. Measures to avoid the potential for accidental or unintended introductions will be implemented by the project. Measures to avoid spreading existing alien species will also be implemented.
12. Where a project is likely to adversely impact ecosystem services, the project will identify priority ecosystem services. Priority ecosystem services are twofold: i) those services on which project operations are most likely to have an impact, and therefore which result in adverse impacts to Affected Communities; and / or ii) those services on which the project is directly dependent for its operation. The mitigation hierarchy of avoidance, minimization and mitigation, including compensation should be applied where priority ecosystem services are adversely impacted, and Affected Communities should be involved in the design of mitigation measures.

3.1.1.7. Performance Standard 7: Indigenous Peoples⁶

Purpose:

⁶ Jordan does not have indigenous groups in a "traditional" sense. Minority and indigenous groups include Palestinians, Bedouins of Jordanian origin, Circassians, Armenians, and Bani Murra. In addition, there are significant refugee populations – primarily Palestinian, Syrian, Iraqi, Yemeni, Sudanese, and Somali in origin. (<https://minorityrights.org/country/jordan/>)

- To ensure that supported projects foster full respect for the human rights, dignity, aspirations, culture and natural resource-based livelihoods of minority and indigenous groups.
- To anticipate, avoid and minimize impacts on communities of minority and indigenous groups and to minimize and compensate such impacts when avoidance is not possible
- To promote sustainable development benefits and opportunities for minority and indigenous groups in a culturally appropriate manner
- To respect and preserve the culture, knowledge and practices of minority and indigenous groups.

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process. There is no universally accepted definition of “Indigenous Peoples”, however in this Performance Standard; it is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- Customary cultural, economic, social, or political institutions that are separate from those of mainstream society or culture; or
- A distinct language or dialect, often different from the official language of languages of the country or region in which they reside.

Requirements:

1. CVDB will require that a project identify all communities of minority and indigenous groups who may be impacted by the project and define the type of impact. Adverse impacts to Affected Communities of minority and indigenous groups should be avoided where possible. Where alternative project designs to avoid impact are not possible, the impacts will be minimized and Affected Communities of minority and indigenous groups will be compensated in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the affected people. The actions planned by the project will be documented in an **Indigenous People’s Plan**, or depending on the context, a broader community development plan.
2. Engagement with Affected Communities of minority and indigenous groups will be undertaken in a culturally appropriate manner. It will also involve minority and indigenous group representative bodies and organizations as appropriate and provide sufficient time for minority and indigenous groups decision-making processes.
3. Minority and indigenous groups may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources. In recognition of this vulnerability, CVDB will require that projects causing any of the following impacts obtain free, prior and informed consent⁷ (FPIC) of the Affected Communities of Indigenous Peoples:

⁷While there is no universally accepted definition of FPIC, in this Performance Standard it is understood in the following manner “FPIC builds on and expands the process of engagement described in Performance Standard 1, and will be established through good faith negotiation between the project and the Affected Communities of Indigenous Peoples. To demonstrate FPIC has been obtained, the project will need to document i) the mutually accepted process between the project and Affected Communities of Indigenous Peoples, and ii) evidence of agreement between the parties as to the outcome of the agreement. FPIC does

- a. If a project is proposed to be located on, or commercially develop natural resources on lands traditionally owned by, or under the customary use of, minority and indigenous groups, and adverse impacts can be expected;
 - b. If a project requires the relocation of minority and indigenous groups from lands and natural resources subject to traditional ownership or customary use
 - c. Where a project proposes to use the cultural heritage including knowledge, innovations, or practices of minority and indigenous groups for commercial purposes.
4. For all adverse impacts to Affected Communities of minority and indigenous groups, CVDB requires that mitigation measures be identified in alignment with the mitigation hierarchy defined in Performance Standard 1.
 5. Where the government has a defined role in the management of minority and indigenous groups issues in relation to a project, CVDB will require the project to collaborate with the responsible government agency, to the extent permitted by the agency, to achieve outcomes that are consistent with the CVDB Performance Standards.

3.1.1.8. Performance Standard 8: Cultural Heritage

Purpose:

- To protect cultural heritage from the adverse impacts of project activities and support its preservation
- To promote the equitable sharing of benefits from the use of cultural heritage

Scope:

The applicability of this Performance Standard will be determined through the environmental and social impact identification process. Within the CVDB Performance Standards, cultural heritage refers to i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic and religious values; ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes and waterfalls; and iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations and practices of communities embodying traditional lifestyles.

The Performance Standard applies regardless of whether or not the cultural heritage has been legally protected or previously disturbed.

Requirements:

1. CVDB requires that projects identify and protect cultural heritage using internationally recognized practices for the protection, field based study and documentation of cultural heritage.
2. Where potential impacts to cultural heritage are identified, CVDB expects the project to retain competent professionals to assist in the identification and protection of cultural heritage.
3. Projects should be sited to avoid adverse impacts to cultural heritage where possible. If a project is located in an area where potential cultural heritage is expected to be found, a chance finds procedures will need to be established. Chance finds will not be

not necessarily require unanimity and may be achieved even when individuals or groups within the community explicitly disagree.

- disturbed until an assessment by competent professionals is made and actions identified.
4. Where cultural heritage may be affected, consultation with Affected Communities who use or have used within living memory the cultural heritage for longstanding cultural purposes will be undertaken. The views of the Affected Communities and the relevant national or local regulatory agencies will be incorporated into the project's decision-making process on how to manage the impact to the cultural heritage.
 5. Where the development of the project limits or restricts access to previously accessible cultural heritage sites being used by, or that have been used by, Affected Communities, continued access will be maintained or an alternative access route will be developed, subject to overriding health, safety and security considerations.
 6. Where a project encounters tangible cultural heritage that is replicable and not critical, adverse impacts should be avoided. Where avoidance is not possible, the following mitigation hierarchy must be applied by projects supported by CVDB:
 - a. Minimize adverse impacts and implement restoration measures, in situ, that maintain the value and functionality of the cultural heritage, including any ecosystem services needed to support it;
 - b. Where restoration in situ is not possible, restore the functionality of the cultural heritage in a different location;
 - c. The permanent removal of historical and archaeological artefacts and structures is carried out according to internationally recognized principles; and
 - d. Only where minimization of adverse impacts and restoration are demonstrably not feasible, and where Affected Communities are using the tangible cultural heritage for long-standing cultural purposes, compensate for loss of tangible cultural heritage.
 7. Non-replicable cultural heritage will not be removed on a CVDB supported project unless the following conditions are met:
 - a. There are no technically or financially feasible alternatives to removal;
 - b. The overall benefits of the project conclusively outweigh the anticipated cultural heritage loss from the removal; and
 - c. Any removal of cultural heritage is conducted using best available techniques.
 8. Projects should not remove, significantly alter or damage critical cultural heritage, where critical cultural heritage consists of one or both of the following types of cultural heritage: i) the internationally recognized heritage of communities who use, or have used within living memory, the cultural heritage for long-standing cultural purposes; or ii) legally protected cultural heritage areas, including those proposed by host governments for such designation. In exceptional cases, if impacts to critical cultural heritage are unavoidable, a process of informed consultation and participation and good faith negotiation will be undertaken between the project and the Affected Communities. External experts will be drawn upon to assist in the assessment of protection of critical cultural heritage.
 9. Projects located in legally protected cultural heritage areas will also have to meet the following requirements:
 - a. Comply with defined national or local cultural heritage regulations or the protected area management plans;
 - b. Consult the protected area sponsors and managers, local communities and other key stakeholders of the projects; and

- c. Implement additional programs to promote and enhance the conservation aims of the protected area.
10. Where a project proposes to use the cultural heritage of local communities for commercial purposes, CVDB will require that the project inform the communities of i) their rights under national law, ii) the scope and nature of the proposed commercial development; and iii) the potential consequences of such development. Such commercialization will not proceed unless the project enters into a good faith negotiation process with Affected Communities that results in a documented outcome and that provides for equitable sharing of benefits from commercialization.

4. Institutional arrangements for ESMS

This section describes the scope of projects covered by this ESMS, and how the ESMS requirements fit within CVDB's operations.

5. Review Procedures

This section describes the environmental and social review procedures. There are two key processes the first is the E&S Screening and the second is the E&S Clearance. Both are described in this section and the project can be stopped at either of these decision points.

5.1. Environmental and Screening

The purpose of screening is to review the proposed project concept to allow an assessment of whether there are likely to be any adverse environmental and social impacts. Screening will identify potential risks and impacts, using an E&S Framework as a checklist.

Based upon the identified potential risks and impacts, the project will be categorized in terms of environmental and social risk and/or impact.

Three categories have been defined for internationally funded projects (for national projects the four categories outlined in Bylaw 68 (2020) will be used): Categories A, B and C.

Category A – Projects with the potential to cause significant adverse social and/or environmental impacts that are diverse, irreversible or unprecedented.

Category B – Projects with the potential to cause limited adverse social and/or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Category C – Projects that include activities with minimal or no risks of adverse environmental and social consequences.

Screening and categorization of the project will inform the type and level of environmental and social assessment needed to ascertain the extent of environmental and social risks.

Methodology

Screening is a desk assessment undertaken by the environmental and social expert at CVDB, who will be assisted by the CVDB staff members as required. Screening is conducted at the project concept stage (Concept Note stage in the case of Green Climate Fund (GCF) projects).

The following steps will be taken:

- 1) Project proponent or project manager completes the Environmental and Social Screening Report. This comprises two sections and is attached as Appendix A - Environmental and Social Screening Report.
- 2) CVDB's E&S expert will review the Environmental and Social Screening Report to review the conclusions drawn by the project proponent/project manager.

5.2. Environmental and Social Assessment

The level of environmental and social assessment required for a project is determined using a risk management approach, in which the scope and detail of the assessment is proportionate to the complexity of the project and the nature and scale of the potential risks and impacts.

The environmental and social assessment will be conducted during the full "project preparation and appraisal" phase (full proposal development under GCF).

Methodology

Per the Jordanian bylaw 68 of 2020, the purpose of the environmental and social assessment is to predict and assess the type and scale of potential impacts to affected communities and the environment, and identify mitigation measures to reduce adverse impacts and improve beneficial impacts. Four levels of environmental and social assessment have been defined in this ESMS:

- **Full Environmental and Social Impact Assessment (ESIA)** - a comprehensive process for analyzing environmental and social impacts with a dedicated methodology for stakeholder consultation; it encompasses an analysis of the policy, regulatory and administrative framework; analysis of project alternatives; documentation of environmental and social baseline data; analysis of environmental and social impacts generated by the project; description of stakeholder engagement conducted with regard to the project; and development of an environmental and social management plan (ESMP).
- **Partial ESIA** – Less comprehensive than a full ESIA in terms of depth of analysis and does not provide as much background and baseline data; focuses on specific environmental and social impacts identified through the screening process.
- **Topic Specific Assessments**–Assessments limited in scope to address specific potential risks or impacts. Topic specific assessments might be needed to supplement a Partial ESIA or they could be conducted in the absence of an ESIA if the project is broadly considered low risk. Examples could include an assessment on the use of pesticides and a management plan for addressing any pesticide use within the project.
- **Risk/Hazard Assessments** – Address risks of injury to workers and the public from potential hazards related to project activities, such as the release of toxic or hazardous material or unsafe conditions due to construction.

For simplicity of language, the collective name of Environmental and Social Assessment includes all four of the assessment types described above.

Category A projects will always require a full ESIA to be completed. Where a Category A project has undertaken or is undertaking a national level EIA, the project proponent will need to conduct a gap analysis between the national legislation and CVDB's E&S Framework, and identify additional areas of assessment required to bridge any gaps.

The process for determining the appropriate level of environmental and social assessment for a

Category B project will be informed by two additional factors:

- Does national legislation require the project to undertake an EIA/ESIA? If yes, then either a partial or full ESIA will need to be completed. If no, the project progresses to the next question;
- Is the project likely to trigger CVDBs Performance Standards 2-8? If yes, then the project will have to complete either a partial or full ESIA depending on the scale of the risk. If no, the project will likely be required to complete topic specific assessments relevant to the potential impacts generated by the project.

Category C projects will follow a similar decision pathway to Category B projects; however, it is more likely that a Category C project will only require a topic specific assessment or a risk/hazard assessment.

Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts applies to all projects considered by CVDB. This Performance Standard provides the basis of the environmental and social assessment approach used by CVDB. As described in Section 2, the applicability of Performance Standards 2-8 is dependent upon the specific conditions of the project.

Once the environmental and social assessment has been completed, the environmental and social appraisal of the project will commence. The review should confirm that the environmental and social assessment (including the ESMP):

- Complies with the terms of reference provided for the environmental and social assessment;
- Has adequately identified the environmental and social impacts potentially generated by the project, has applied the mitigation hierarchy and has reduced the impacts and risks to an acceptable level;
- Is in accordance with the CVDB's E&S Standards;
- Presents information of sufficient relevance and quality allowing an adequate understanding potential impacts of the project and its alternatives;
- Defines an appropriate monitoring plan;
- Takes account of stakeholder comments and concerns and documents this process; and
- Presents a management plan demonstrating the commitment of the necessary resources to implement the mitigation measures identified in the environmental and social assessment.

An appraisal checklist has been developed to support this review (Appendix B – Environmental and Social Assessment Checklist). Based on this review, CVDB's E&S expert will make a recommendation on the adequacy of the environmental and social assessment. Three recommendations are possible:

- Adequate – the environmental and social assessment is considered to have met the requirements outlined above and the project presents an appropriate range of mitigation measures to manage environmental and social risk at an acceptable level.
- Not sufficient – Additional information, data, analyses or stakeholder feedback needs to be collected to inform the assessment.
- Inadequate – Serious deficiencies requiring immediate remedy have been identified.

5.3. Monitoring and Evaluation of Environmental and Social Performance

Monitoring and evaluation of environmental and social performance is critical during the implementation and closure phases of a project. The monitoring needs to achieve a number of objectives:

- To verify the project is implementing the mitigation measures committed to within the project proposal and ESMP;
- To assess the effectiveness of the mitigation measures and determine if additional measures are needed to minimize environmental and social impacts; and
- To inform communication updates prepared for affected communities and interested stakeholders.

Monitoring should be undertaken by the executing agency, with regular reporting through to CVDB. Details of the monitoring and evaluation approach are described in CVDB’s monitoring and evaluation policy.

Lessons learned through the monitoring and evaluation process need to be fed into the concept development process to achieve continuous improvement in CVDB’s projects.

5.4. Public Consultation and Disclosure in the Environmental and Social Assessment Process

Effective stakeholder engagement is essential throughout the project cycle. Given the importance of the Environmental and Social Assessment process, and its relevance to Affected Communities, additional public consultation and disclosure activities need to be undertaken during this phase of the project cycle. The purpose of these activities is to ensure Affected Communities and interested stakeholders are provided with relevant information and engaged through meaningful consultations on the project development plans. Tables 4.1 and 4.2 outline the minimum consultation and disclosure requirements during the project cycle.

Table 5.1 Minimum Consultation Requirements

Project Cycle	Consultation Requirement	CVDB verification of consultation requirement	Applicable for
<i>Concept Development</i>	Standard engagement practices to inform project development	E&S Screening Report	All projects
<i>Preparation and Appraisal</i>	ESIA Scoping Study: consultation with relevant stakeholders to determine most critical impacts to focus the ESIA		Category A project
	ESIA: Consultation with relevant stakeholders and Affected Communities to understand concerns, assess significance of impacts and design mitigation measures		Category A and B projects
	ESIA: Final stakeholder meeting to present draft ESIA and draft ESMP		Category A projects

	ESIA report: description of consultation process, including summary of concerns and how they have been addressed	Appraisal of ESIA report	Category A and B projects
<i>Final Project Approval in CVDB</i>		E&S Clearance	Category A, B and C projects
<i>Implementation and Supervision</i>	Monitor progress of ESMP implementation and effectiveness of mitigation measures: consult with Affected Communities		Category A projects
<i>Project Completion and Closing</i>	Evaluate effectiveness of mitigation measures: stakeholder consultations		Category A and B Projects

Table 5.2 Minimum Disclosure Requirements

Project Cycle	Documents to be disclosed	Applicable for...	When and where disclosed
<i>Concept Development</i>	None		
<i>Project Preparation and Appraisal</i>	Draft ESIA	Category A projects	Prior to final stakeholder consultation, in local channels accessible by relevant stakeholders
	Final ESIA including ESMP	Category A and B projects	CVDB website and local channels
<i>Final Project Approval in CVDB</i>	Project proposal once approved and financing confirmed	All projects	CVDB website
<i>Implementation and Supervision</i>	ESMP monitoring reports	Category A projects	CVDB website
<i>Project Completion and Closing</i>	ESMP monitoring reports	Category A and B projects	CVDB website

6. Responsibilities and Accountability

Accountability is achieved both through the allocation of responsibilities within CVDB’s organization, and through providing a vehicle (a grievance mechanism) for stakeholder concerns to be raised.

6.1. Roles and Responsibilities

7. Summary of ESMS Review Steps

Table 7.1 provides a summary of the key steps in the ESMS review process.

Table 7.1 Summary of Review Steps and Responsibilities

CVDB Project Cycle	ESMS Review Steps	Responsible Party	Involved Parties	Guidance or Template
<i>Concept Development</i>	Complete Environmental and Social Screening Report (Parts I and II)			Environmental and Social Screening

					Report Template
	Category A and B Projects	E&S Screening Approval Decision Review			Environmental and Social Screening Report Template
<i>Preparation and Appraisal</i>	Category A Projects	ESIA Scoping Study	External Expert	Affected Communities and CVDB team	CVDB Jordan EIA Guidance
		Full ESIA	External Expert	Affected Communities	CVDB Jordan EIA Guidance
		Public consultation on draft ESIA report	External Expert	Affected Communities	CVDB Jordan EIA Guidance
	Category B projects	Either Full or Partial ESIA or topic specific assessment	External Expert or Internal Expert	Affected Communities	CVDB Jordan EIA Guidance
	Appraisal/Approval of Environmental and Social Assessment including ESMP		/	CVDB Team	CVDB E&S Appraisal Checklist
<i>Final Project Approval in CVDB</i>	E&S Clearance				E&S Clearance Template
<i>Implementation and Supervision</i>	Implement mitigating measures and monitor progress		Executing entity		
	Review of monitoring				
	Category A and B Projects	Environmental and Social Supervision	As part of project supervision		
<i>Project Completion and Closing</i>	Effectiveness of ESMP evaluation				

8. Grievance Mechanism

The purpose of a grievance mechanism is to receive and facilitate the resolution of concerns and grievances held by Affected Communities about the environmental and social plans or performance of a project. There are broadly five steps in the grievance management process:

- Publicize the process
- Receive and register grievances
- Review and investigate grievances
- Develop resolution options, respond to grievances and close-out
- Monitor and evaluate.

Project Level

CVDB will ensure that projects potentially impacting affected communities develop and implement a grievance mechanism. The responsibility for establishing the project level grievance mechanism rests with the Executing Agency. The complexity and scale of the grievance mechanism should be appropriate to the scale of impact and size of affected population. Project level grievance mechanism guidance is provided in Appendix C.

CVDB Level

In addition to the project level grievance mechanisms, Affected Communities will also be able to access (if necessary) CVDB's grievance mechanism. CVDB's grievance mechanism will be web-hosted, providing access to potentially affected communities across Jordan.

Appendix A - Environmental and Social Screening Report

Project ID#: _____

Environmental and Social Screening Report

Key Project Information			
Project Name			
Estimated Project Duration	Start:	Completion:	Months:
Primary Donor (s) & amount			Total Project Amount:
Key Partners (in delivery)			
Beneficiary/ies countries			
Has a screening or ESIA been done before?	<i>If yes, provide details</i>		
Screening Questionnaire completed by:	<i>Name, organization and function, and date</i>		
Screening Questionnaire reviewed by:	<i>Name, organization and function, and date</i>		

Part I - Potential impacts related to E&S Framework

Important considerations:

- Project activities are screened for their inherent environmental and social risks before applying mitigation and management measures. It is important to form a clear picture of potential inherent risks in the event that mitigation measures are not implemented or fail
- Screening for potential adverse environmental and social impacts must consider all activities with potential direct and indirect impacts across the Project's Area of Influence (including primary facilities, associated facilities, and areas and communities affected by cumulative impacts or induced impacts)

		To be completed by Project Proponent	CVDB E&S Expert Reviewer
		<i>Yes, No, n/a, TBD</i>	<i>Comments, additional observations</i>
		<i>If yes, describe potential issues, specify activities causing this and measures for preventing or minimising adverse impacts (if applicable)</i>	
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts			
1	Can the project demonstrate that sufficient management sponsorship and human and financial resources will be available to the project on an ongoing basis to achieve effective and continuous environmental and social performance?		
Performance Standard 2: Labor and Working Conditions			
1	Would the project potentially require migrant workers to construct or implement it?		
2	Will the project be required to provide accommodation services for workers?		
3	Does the host country allow union activity and permit workers to bargain collectively?		
4	Is there potential for the project to apply adverse discriminatory practices?		
5	Will the project involve the employment of children?		
6	Is there a risk of child exploitation or abuse linked to the project?		
7	Will the project present unsafe or unhealthy working conditions?		
	<i>Is the Performance Standard triggered?</i>		
Performance Standard 3: Resource Efficiency and Pollution Prevention			
1	Is the project likely to release pollutants?		

2	Will hazardous waste materials be generated by the project?			
3	Are chemical pesticides likely to be used by the project?			
	<i>Is the Performance Standard triggered?</i>			
Performance Standard 4: Community Health, Safety and Security				
1	Will the project require the construction or rehabilitation or any structural components which could pose a risk to Affected Communities?			
2	Does the project involve the construction or rehabilitation of a dam?			
3	Is the project likely to increase community exposure to disease (water borne, water based, water related and vector borne diseases as well as communicable diseases)?			
4	Will the project retain security workers to protect its property?			
5	Is there a risk that security personnel could be responsible for unlawful and abusive acts against Affected Communities?			
	<i>Is the Performance Standard triggered?</i>			
Performance Standard 5: Involuntary Resettlement				
1	Will / could the project involve the physical relocation of people?			
2	Will / could the project rely upon expropriation to resettle people?			
3	Is it likely that the project will need to acquire land from individuals and households, causing them to experience economic displacement?			
4	Will the project restrict access to natural resources and areas used by Affected Communities resulting in economic displacement?			
	<i>Is the Performance Standard triggered?</i>			
Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources				
1	Is the project likely to affect biodiversity or ecosystem services?			

2	If the project is expected to impact natural habitat, are plans in place to ensure that no net loss of biodiversity is achieved?			
3	Is the project expected to affect critical habitat?			
4	Is the project located in a legally protected area or internationally recognised area?			
5	Is the project likely to introduce invasive alien species to the project area?			
6	Will the project impact on priority ecosystem services?			
	<i>Is the Performance Standard triggered?</i>			
Performance Standard 7: Indigenous Peoples				
1	Is the project likely to affect Indigenous Peoples?			
2	Is the project likely to: <ul style="list-style-type: none"> a) be located on or commercially develop natural resources on lands traditionally owned by Indigenous Peoples, with adverse impacts anticipated? b) Require the relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or customary use? c) Significantly impact critical cultural heritage? d) Use cultural heritage for commercial purposes? 			
	<i>Is the Performance Standard triggered?</i>			
Performance Standard 8: Cultural Heritage				
1	Is the project likely to affected cultural heritage?			
2	Is the project located in a legally protected cultural heritage area or is it likely to impact critical cultural heritage?			
	<i>Is the Performance Standard triggered?</i>			

Part II – Assessment of Risk Level, Categorization of Project and Type of E&S Assessment Required

Drawing on the responses to Part I, and the risk framework described below, the Project Proponent should complete the following questions:

- What are the potential environmental and social risks?
- What s their likelihood and consequence?
- What is the significance of the risk?

The following risk approach should be applied when completing these tables:

Definition of Consequence⁸

Critical – Significant adverse impacts on human populations and/or the environment. Adverse impacts high in magnitude and/or spatial extent (e.g. large geographic area; large number of people affected; transboundary impacts; cumulative impacts) and duration (e.g. long-term, permanent, and/or irreversible); areas impacted include areas of high value and sensitivity (e.g. priority ecosystems; critical habitats; critical cultural heritage sites; legally protected areas); adverse impacts to rights, land, resources and territories of Indigenous Peoples; involve significant displacement or resettlement; generates significant quantities of greenhouse gas emissions; impacts may give rise to social conflict.

Severe – Adverse impacts on people and/or environment of medium to large magnitude, spatial extent and duration more limited that critical (e.g. predictable, mostly temporary and reversible). The potential risk impacts of projects that may affect the human rights, lands, natural resources, territories, and traditional livelihoods of Indigenous Peoples at a minimum potentially severe.

Moderate – Impacts of low magnitude, limited in scale (site-specific) and duration (temporary) can be avoided, managed and/or mitigated with relatively uncomplicated accepted measures.

Minor – Very limited impacts in terms of magnitude (e.g. small affected area, very low number of people affected) and duration (short), may be easily avoided, managed or mitigated.

⁸Note, this risk format draws heavily upon the approach designed by the UNDP in their Environmental and Social Screening Procedure (2014)

Determining significance of risk:					
Likelihood	Consequence				
	Slight	Not Likely	Moderately Likely	Highly Likely	Expected
Critical	Red	Red	Red	Red	Red
Severe	Yellow	Yellow	Red	Red	Red
Moderate	Green	Yellow	Yellow	Yellow	Yellow
Minor	Green	Green	Yellow	Yellow	Yellow
Negligible	Green	Green	Green	Green	Green

Green = Low Risk
Yellow = Medium Risk
Red = High Risk

What are the potential environmental and social risks (as identified through the screening process in Part I)?	What is the likelihood and consequence of the risk before mitigation measures are applied?	What is the significance of the risk? (low, medium or high)?
1		
2		
3		
4		
5		
6		

What is the overall project categorization based on the potential risk and impact profile?	
	Comments
Category A - Projects with the potential to cause significant adverse social and / or environmental impacts that are diverse, irreversible or unprecedented.	
Category B – Projects with the potential to cause limited adverse social and/or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures	

Category C – Projects that include activities with minimal or no risks of adverse environmental and social consequences	
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Appendix B – Environmental and Social Assessment Checklist

This checklist is designed to assist the CVDB reviewer to appraise the quality and sufficiency of the Environmental and Social Assessment and its associated Environmental and Social Management Plan (ESMP). As described in CVDB’s ESMS, the E&S assessment may comprise a full ESIA, a Partial ESIA, a topic specific assessment or a risk/hazard assessment. All projects must be assessed against those sections marked with an Asterisk (*). The sections under Performance Standards 2-8 should be completed by projects for which these Performance Standards have been triggered (as identified in the E&S assessment process).

Project Name:
Date:
Reviewer:

	Yes	No	Comment
General Appraisal *			
Does the E&S assessment comply with the terms of reference?			
Is the structure of the E&S assessment easy to follow?			
Does the executive summary provide an adequate summary of the significant issues and their management?			
Does the E&S assessment identify outstanding issues which still need to be addressed?			
Policy, Legal and Administrative Framework*			
Has the E&S assessment identified all the relevant national legislation?			
Has the E&S assessment identified relevant international law and conventions?			
Has the E&S assessment identified the compliance standards against which the project will be assessed (e.g. for air emissions, water quality etc.)			
Project Description			
Does the E&S assessment include a detailed description of the proposed project, sufficient to allow for identification of potential environmental and social impacts?			
Has the project design been influenced by environmental and social concerns (e.g. siting considerations etc.)			
Stakeholder Engagement*			
Does the E&S assessment describe the stakeholder engagement activities which have been conducted to support the assessment?			
Has the stakeholder engagement process been comprehensive (i.e. have all affected stakeholders been identified and engaged with?)			
Does the E&S assessment summarize the concerns raised by stakeholders and illustrate how these have influenced project design?			
Are the affected communities broadly supportive of the project?			
Baseline Data*			
Have all relevant physical, biological, and socio-economic conditions which are relevant for decision-			

making about project location, design and mitigation measures been described?			
Is the period of data collection sufficient to allow for an informed decision to be made?			
Are there any gaps in the baseline data which need to be addressed?			
<i>Impact Assessment*</i>			
Does the list of impacts appear complete?			
Is the assessment of impacts rigorous?			
Is the methodology for assessment of impacts appropriate to the impacts being assessed?			
Has gender been considered within the impact assessment?			
Have human rights impacts been assessed (either as part of the topic assessment or as a stand-alone chapter/assessment)?			
<i>Performance Standard 1 requirements*</i>			
Has an ESMS been developed for the project?			
Does the project have an environmental and social policy?			
Have Affected Communities been engaged with to inform the impact assessment?			
Have vulnerable groups or individuals been identified?			
Have cumulative impacts and transboundary impacts been addressed?			
Have associated facilities been considered within the scope of the assessment?			
Is the monitoring designed for the project appropriate to the nature of risks and impacts it is likely to generate?			
Has relevant information been disclosed to Affected Communities about the project?			
Has a process of informed consultation and participation been undertaken with Affected Communities of Indigenous Peoples if the project is expected to generate adverse impacts upon them?			
Does the project have an accessible grievance mechanism in place?			
<i>Performance Standard 2 requirements</i>			
Does the project have documented human resources policies and procedures?			
If accommodation services are being provided by the project, are they to an appropriate standard?			
Is there evidence of a non-discrimination policy?			
Does the project expect to have any child, forced or bonded labor concerns?			
Is the project workplace a healthy and safe workplace?			
<i>Performance Standard 3 requirements</i>			
Have technically and financially feasible resource efficiency and pollution prevention principles been applied to the design of the project?			
Have efforts been made to reduce the greenhouse gas emissions of the project?			
Have resource efficiency measures been put in place to reduce water consumption?			
Is the waste management strategy appropriate for the nature and extent of wastes being produced?			

In case of expected use of pesticides and pest management, has an assessment of the nature and degree of associated impact of pesticide use been conducted?			
<i>Performance Standard 4 requirements</i>			
Has the project evaluated the health and safety risks to affected communities during the project lifecycle?			
Have structural components of the project been designed and reviewed in accordance with GIIP and with the health and safety of affected communities in mind?			
Have impacts been identified which could be exacerbated by climate change?			
Has community exposure to disease as a result of the project been assessed?			
Have human rights impacts been assessed with regard to the use of security (private or public)?			
<i>Performance Standard 5 requirements</i>			
Does the project require the restriction of access of significant areas of land resulting in physical or economic displacement of households?			
Have project alternatives been considered to avoid and minimise displacement?			
In case of resettlement, does the project provide compensation, assistance and benefits to enhance or at least restore livelihoods and to improve the standard of living of all displaced persons?			
Have specific measures been put in place to protect the vulnerable during the displacement process?			
Have draft resettlement action plans or livelihood restoration plans been developed by the project and are they comprehensive?			
<i>Performance Standard 6 requirements</i>			
In the case of impacts to natural habitat, has the project been designed to achieve no net habitat loss?			
In the case of impacts to critical habitat, has a critical habitat assessment been undertaken and a biodiversity action plan been prepared?			
Will the project impact legally protected or internationally recognised areas?			
Have impacts to priority ecosystems been assessed?			
<i>Performance Standard 7 requirements</i>			
Is the project likely to impact Indigenous Peoples?			
Has informed consultation and participation been undertaken with Affected Communities of Indigenous Peoples?			
Is the project likely to generate any impacts requiring Free, Prior and Informed Consent (FPIC) from Affected Communities of Indigenous Peoples?			
In the case of FPIC being necessary, has it been achieved?			
<i>Performance Standard 8 requirements</i>			
Does the project have potential impact on items and areas of cultural heritage?			
Have competent professionals been used by the project to assess the impacts to cultural heritage?			
Has a chance find procedure been developed?			
<i>Alternatives Assessment</i>			

Have project alternatives been identified and assessed to minimise the environmental and social impacts generated by the project?			
ESMP*			
Have all the mitigation measures and commitments been collated into an ESMP?			
Have responsibilities been allocated for the implementation of the commitments and mitigation measures			
Have sufficient budget and human resources been made available by the project to ensure successful implementation of the ESMP			

Rating of Review	Check
Adequate – the environmental and social assessment is considered to have met the requirements outlined above and the project presents an appropriate range of mitigation measures to manage environmental and social risk at an acceptable level. Some additional studies may be required	
Not sufficient – Additional information, data, analyses or stakeholder feedback needs to be collected to inform the assessment.	
Inadequate – Serious deficiencies requiring immediate remedy have been identified.	
Comments / Recommendations	

Appendix C – Project Level Grievance Mechanism Guidance

Where a project is likely to generate adverse impact to affected communities and/or the environment, a simple grievance mechanism should be implemented right from the beginning of project activity on the ground. The grievance mechanism should be considered part of the suite of engagement tools used by the project, and should not replace other stakeholder engagement activities. Similarly, the project needs to explain to affected communities that their use of the grievance mechanism does not inhibit their access to legal or judicial recourse processes.

The key principles of a grievance mechanism⁹:

- **Proportionality** – The project level grievance mechanism should be scaled to the size and stage of the project. Grievances are likely to be relatively few in the development stages and most frequent during the construction, operation and closure stages of a project.
- **Cultural Appropriateness** – A project level grievance mechanism needs to take into consideration specific cultural attributes as well as traditional mechanisms for raising and resolving grievances. **Accessibility** – The level of accessibility of a grievance mechanism is influenced by: clarity of communication; and ease of use. Consideration of language, locations for receiving complaints, literacy and education levels and gender issues should inform the grievance mechanism design at project level.
- **Transparency and accountability** – All complaints must be taken seriously and treated fairly and there should be consistency and predictability in the process. The project should commit to a certain timing of responses to grievances and should monitor and share grievance resolutions (where appropriate).
- **Appropriate protection** – The project must ensure that there is no retribution for use of the grievance mechanism, protect the identity of individuals who file grievances, provide information on mechanisms to escalate grievances and ensure stakeholder's understand their rights to use alternative remedies to resolve their grievances.

The Grievance Management Process

A basic grievance management process comprises eight steps (illustrated in Figure 1), each of which is described below.

Step 1: Publicise the grievance mechanism procedures

- Develop a procedure which explains how the grievance mechanism will work on the specific project site
- Present the grievance mechanism at a public meeting held with affected communities.

Step 2: Receive and track grievances

- Identify locations to receive grievances and ensure accessibility to all affected stakeholders
- Recognise that some grievances may be submitted in writing while others will be communicated verbally. All grievances are to be treated with the same level of seriousness and respect
- Log all complaints into a database (depending on the scale of the project and the number of grievances, this might be a notebook or an excel file)

Step 3: Preliminary Assessment

⁹Adapted from IFC (2014) A Strategic Approach to Early Stakeholder Engagement, www.ifc.org

- Categorise the complaint, e.g., access to land restrictions; impacts to environment; employment; health and safety; compensation etc.
- Decide how and who will be responsible for addressing the issue

Step 4: Initial Response to Complainant

- Write or communicate verbally (where literacy is an issue) to the complainant within a set timeframe
- Explain the process and the timeframe for the grievance mechanism process

Step 5: Investigate grievance and develop resolution options

- Appoint an appropriate person to obtain information and investigate
- Develop a proposed resolution process, involving communities where appropriate

Step 6: Implement and follow-up on agreed resolution

- Implement the agreed solution
- Follow-up with complainant to ensure satisfaction
- Seek sign-off from complainant, record and file documents in database

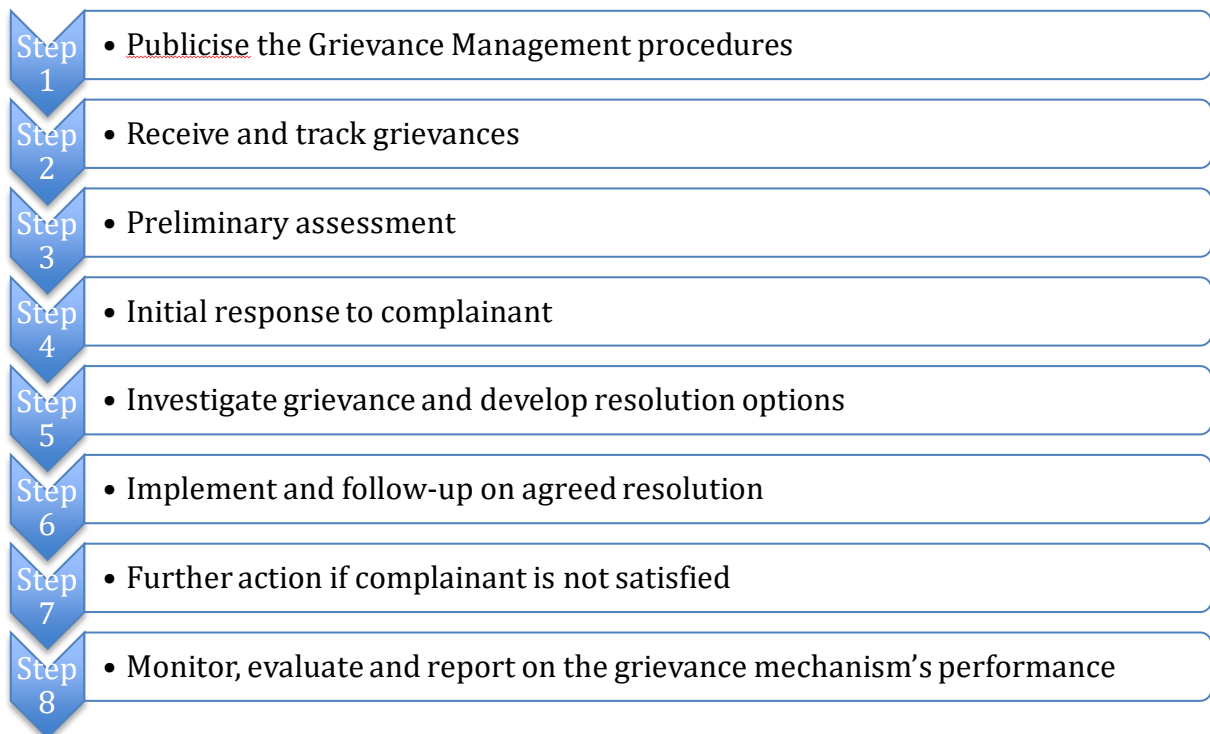
Step 7: Further action if complainant is not satisfied

- Discuss further options
- Identify local partners who might be able to assist in finding solutions
- If still unresolved, refer matter to third-party mediation or external review

Step 8: Monitor, evaluate and report on grievance mechanism performance

- Regularly monitor the number and type of grievances received, resolved and outstanding
- Evaluate trends over time and stages of project development

Figure 1 Grievance Mechanism Steps



Appendix D – Environmental and Social Exclusion List

CVDB does not knowingly support projects involving the following:

- i. The production of, or trade in, any product or activity deemed illegal under CVDB's national laws or regulations;
- ii. Trade in wildlife or production of or trade in wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
- iii. Transboundary movements of waste prohibited under international law (Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal);
- iv. Production of, or trade in, weapons and munitions, including paramilitary materials;
- v. Production of, or trade in, alcoholic beverages, excluding beer and wine;
- vi. Production of, or trade in, tobacco;
- vii. Gambling, casinos and equivalent enterprises;
- viii. Production of, trade in, or use of un-bonded asbestos fibers;
- ix. Activities prohibited by legislation of Jordan in which the project is located or by international conventions relating to the protection of biodiversity resources or cultural heritage -(Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention), Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention), Convention Concerning the Protection of the World Cultural and Natural Heritage and Convention on Biological Diversity); and
- x. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)¹⁰

¹⁰ Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used

