

## Environmental and Social Data Sheet

### Overview

Project Name:	SHELTER-AFRIQUE COMMUNITY DEVELOPMENT
Project Number:	2012 0149
Country:	Regional - Africa
Project Description:	<i>An investment programme established by Shelter Afrique, an African multi-lateral financing institution, to promote more sustainable urban development by financing SMEs in the construction sector with a focus on providing affordable housing and associated communal infrastructure, initially in Eastern Africa but extendable over time to sub-Saharan Africa.</i>
EIA required:	May be required
Project included in Carbon Footprint Exercise <sup>1</sup> :	NO

### Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The construction of housing falls under Annex II of the EIA Directive 2011/92/EU (urban development projects), according to which the competent authority decides on the need for a full EIA on a case by case basis. Shelter Afrique (SHAF) will be required to ensure that developers comply with the principles embodied in the EU environmental laws and procedures, and follow the EIB Statement of Environmental and Social Principles and Standards.

Housing projects to be financed under this framework loan shall provide basic and acceptable infrastructure services such as water, sanitation and storm water drainage and access roads, amongst others. They should promote sound environmental sustainability, harmonious development within existing neighbourhoods, and efficient use of land and other natural resources.

SHAF's policy mainstreams environmental considerations into its lending activities, and encourages and favours environmentally sustainable green housing, cleaner production processes, and energy saving options in future housing development financing.

### Environmental and Social Assessment

#### Environmental Assessment

In compliance with SHAF's guidelines (Environmental and Social Management System [2010]), all schemes will be screened by the Project Portfolio Manager (PPM, the sector specialist in charge of appraisals and monitoring of projects within SHAF), and an environmental and social assessment carried out when so required. Such assessment will be reviewed by the PPM as part of SHAF's due diligence. Furthermore, an Environmental and Social Management Plan (ESMP)<sup>2</sup> shall be also produced by the developer and sent to SHAF

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100 000 tons CO<sub>2</sub>e/year absolute (gross) or 20 000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup> SHAF defines an Environmental and Social Management Plan (ESMP) as the instrument that outlines the mitigation/enhancement, monitoring, consultative and institutional strengthening measures

before the respective final disbursement. This ESMP shall state the adverse impacts, the safeguards/mitigation proposed, responsibilities and budget allocated to project environmental management. The ESMP will be revised annually by the PPM, and the developer is required to update it in light of changes either in the project or the industry's best practice.

All projects funded by SHAF shall meet all statutory requirements of local and/or national authorities where they are located. The projects must therefore be approved by the relevant authorities and comply fully with local environmental laws. It is a general prerequisite to carry out the necessary environmental studies when requesting the approval of a building permit for a specific housing development. In those cases where national environmental and social regulations, standards and assessment procedures are not deemed equivalent to SHAF's benchmark requirements, the most stringent requirements will apply. However, it is considered that in some constituencies such procedures may appear adequately supervised from an administrative point of view but the quality control may be unsatisfactory. Against this backdrop, SHAF will be contractually required to ensure that in such circumstances the environmental and social procedures take into account all relevant risks, including cumulative impacts of other neighbouring developments (residential or otherwise) and that adequate mitigation measures have been put in place.

### **EIB Carbon Footprint Exercise**

Project is not included - the EIB draft Carbon Footprint Methodologies only include emissions from Investment Loans, and large allocations under Framework Loans, above the methodology thresholds.

### **Social Assessment, where applicable**

SHAF shall ensure that the social safeguards indicated in the EIB Statement of Environmental and Social Principles and Standards are followed. The principles there embedded are in essence recognised in SHAF guidelines (Environmental and Social Management System), however it may be necessary to enhance the social assessment in order to ensure that EIB's safeguards and due diligence requirements are appropriately addressed and followed up throughout the project's life.

The reinforcement of the PPM Unit with Technical Assistance, possibly funded by the EIB, will facilitate the monitoring activities necessary to verify the compliance of all social standards.

#### *Housing standards*

Buildings must meet all standards and requirements of health and safety during construction and after when in use. They must be duly certified to be so by licensed professionals and municipal agencies. Developers shall procure, where necessary, appropriate insurance to protect homeowners and users of the facility against any losses during and after construction.

#### *Involuntary Resettlement and Rights and Interests of Vulnerable Groups*

Developments are expected to take place in green-fields which in many countries of the Eastern African Community are used for farming by local communities, including indigenous people. SHAF guidelines recognise that it shall not participate in the funding of any projects on lands that have been expropriated without appropriate compensation, or where there has been forceful eviction. Against this backdrop, the borrower shall ensure that free, prior and informed consent to any relocation has taken place, and that appropriate compensation measures (including measures regarding the livelihoods) are put in place.

#### *Labour Standards*

---

to prevent, minimise, mitigate or compensate for adverse environmental impacts and to enhance beneficial impacts. An ESMP specifies how, when and by whom these measures shall be implemented.

SHAF requires developers and their contractors and other services providers to ensure the safety of workers involved in the construction of projects funded by SHAF, through sound safety practices on and off the construction sites, including but not limited to provision of protective clothing, safety equipment and gadgets, sanitation facilities, appropriate insurance and so on.

The Bank will require SHAF to ensure that developers comply with the main principles of ILO core labour standards.

*Non discrimination*

SHAF shall promote equal opportunities for all, irrespective of gender or any other considerations, in terms of availability of credit, and employment of workers in funded projects during the whole life cycle.

The promotion of affordable access to housing, in any form of tenure and for all income categories and social groups, shall be encouraged in residential estate projects funded through this framework loan.