

PIOJ – DBJ – JAMPRO



**ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)**

**FOR THE**

**JAMAICA FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT (FCGP)  
with ADDITIONAL FINANCING (AF)**

**World Bank Project Numbers P147665 and P173165**

**Revised  
4 November 2020**

**JAMAICA FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT (FCGP)  
with ADDITIONAL FINANCING (AF)**

**ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)**

**Contents**

A. Introduction and Purpose.....	3
B. Environmental Conditions and Potential Impacts.....	4
C. Jamaica and World Bank Environmental Requirements.....	6
C.1 Jamaica Environmental Regulatory Requirements.....	6
C.2 World Bank Environmental Safeguards .....	7
C.3 Environmental Assessment Standards .....	8
D. Project Environmental Management.....	8
D.1 Component 1 – Enhancing Competition in the Business Environment.....	8
D.2 Component 2 - Facilitating Strategic Private Investments .....	9
D.3 Component 3 – Supporting SME capabilities and finance.....	10
D.4 Component 4 - Implementation Support .....	13
D.5 Component 5 - CERC.....	14
E. Contingency Emergency Response Component (CERC) .....	14
E.1 Potential Activities that the CERC Could Finance .....	14
E.2 Potential Environmental and Social (E&S) Risks.....	15
E.3 Environmental and Social Management Framework process.....	17
E.4 E&S Screening Form for CERC Activities .....	17
Annex 1: DBJ Environmental Policy and Management Procedure (EPMP) .....	21
I. Statement of Policy and Purpose .....	21
II.SME Application Processing Procedures.....	21
II. Step 1 - Compare with Exclusion List .....	24
II. Step 2 – Preliminary Determination of Risk .....	26
II. Step 3 - Site Visit.....	29
II. Step - 4 NRCA Permitting.....	33
II. Step 5 – Final Risk Determination and Approval Process .....	36
II. Step 6 - Loan Administration, Evaluation, Reporting, and Monitoring.....	37
Annex 2: Consultation on Draft EMF .....	40

# **JAMAICA FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT (FCGP) with ADDITIONAL FINANCING (AF)**

## **ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)**

### **A. Introduction and Purpose**

The project development objective of the Jamaica Foundations for Competitiveness and Growth Project (FCGP) is to strengthen the business environment in Jamaica for private sector investment. The FCGP began in 2014 and was slated to end in 2020; however, the project stakeholders are processing Additional Financing (AF) for the FCGP project, to allow the completion of many of the initiatives that were advanced by the project. The AF will extend the project through 2023 and provides additional funding for the work to be completed. The AF also provides for an emergency response component to allow more flexible use of funding in case of declared emergencies.

This EMF has been revised to reflect the AF, and to provide more clarity on the environmental review and monitoring procedures as the project enters its final phase. These updated procedures also reflect the new emergency component in the AF.

The FCGP project consists of five components:

- Component 1: Enhancing competition in the business environment
- Component 2: Facilitating strategic private investments
- Component 3: Supporting SME capabilities and finance
- Component 4: Project implementation and M&E
- Component 5: Contingency Emergency Response (CERC)

Summary details on these Project components and additional project information is available on the World Bank website for the parent project<sup>1</sup> and its AF.<sup>2</sup>

This Environmental Management Framework (EMF) describes the environmental review and monitoring protocols in relation to World Bank safeguard policies. The EMF consists of the following sections:

- Environmental Conditions and Potential Impacts (Section B)
- Jamaica and World Bank Environmental Requirements (Section C)
- Project Environmental Management (Section D)
- Contingency Emergency Response Component (Section E)

---

<sup>1</sup> For more information on the parent project, please see: <http://www.worldbank.org/projects/P147665?lang=en>.

<sup>2</sup> Insert website for AF

The first original draft of the EMF was disclosed in May 2014 and a consultation meeting was held in June 2014 with relevant stakeholders (see Annex 2); the final document was subsequently disclosed on the DBJ and WBG websites. The EMF was revised in July 2018 and redisclosed on the DBJ website. The latest version of the EMF which includes the AF will be disclosed on the websites of DBJ, PIOJ, JAMPRO, and WBG, and reflects comments and observations received and shall be referenced as part of the Project Operational Manual.

The updated and revised version of the EMF has incorporated changes based on feedback from users and stakeholders from their experiences in implementing the framework over the past several years, and has been updated to address activities anticipated over the next three years as part of the AF, as well as the emergency response component and the COVID-19 pandemic. It is a process of continual improvement and is intended to improve the effectiveness of the framework in meeting the World Bank environmental safeguards established for the project.

## B. Environmental Conditions and Potential Impacts

The specific location of all Project related activities (technical assistance, SME sub-projects, etc.) is not known at this time but they could be located in any part of Jamaica. A general summary of environmental conditions in Jamaica can be found in the Country Assessment<sup>3</sup> prepared by the Planning Institute of Jamaica (PIOJ) and the Third National Communication,<sup>4</sup> produced by the Climate Change Division, which gives an overview of the country's national circumstances as it relates to the environment and climate change. Other resource tools that may be consulted include the State of the Jamaican Climate 2015<sup>5</sup> and the State of the Environment Report 2013<sup>6</sup>.

The specific Project components and their potential negative environmental impacts are described below. Measures to mitigate/manage these potential environmental impacts and risks are presented in Sections C and D.

- **Component 1: Investment climate reforms (ICR).** The intent of the ICR's technical assistance activities under this component is to improve the complex construction permitting process, which could indirectly affect environmental aspects if revisions/updates were to reduce the adequate consideration of potential environmental impacts in the permitting process. The potential risk for most of these environmental impacts is considered low. It is anticipated that most of the project activities after 2020 (i.e., the Additional Financing) will be related to ICR under Component 1, including a national spatial database, an e-titling platform, and software for tracking permit progress and facilitating line agency reviews. One item under the AF with somewhat greater risk is creation of a process framework for a national food safety lab, that will include purchase of equipment, supplies, and training, for which an Environmental Impact Assessment (EIA) and/or Environmental and Social Management Plan (ESMP) may be required.

---

<sup>3</sup> [http://www.vision2030.gov.jm/Portals/0/Workshops\\_Reports/JAMAICA%20COUNTRY%20ASSESSMENT%20-%20PRELIMINARY%20DRAFT%20Revised%20%20APRIL2012.pdf](http://www.vision2030.gov.jm/Portals/0/Workshops_Reports/JAMAICA%20COUNTRY%20ASSESSMENT%20-%20PRELIMINARY%20DRAFT%20Revised%20%20APRIL2012.pdf)

<sup>4</sup> [https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/578491\\_Jamaica-NC3-1-TNC\\_Final\\_December132018.pdf](https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/578491_Jamaica-NC3-1-TNC_Final_December132018.pdf)

<sup>5</sup> <https://www.pioj.gov.jm/product/the-state-of-the-jamaican-climate-2015/>

<sup>6</sup> [https://www.nepa.gov.jm/new/media\\_centre/publications/docs/SoE\\_Jamaica\\_2013.pdf](https://www.nepa.gov.jm/new/media_centre/publications/docs/SoE_Jamaica_2013.pdf)

- Component 2: Strategic investments.** Component 2 (A) includes a Project Preparation Facility (PPF) to support public-private partnerships (PPPs). The intent of this technical assistance is to finance feasibility and other related studies needed to bring large projects to commercial and financial close. The PPF will only finance studies, not project works. The potential risk with Component 2 is if these studies do not adequately address environmental impacts and risks, especially since these studies will be for projects with more significant potential impacts (i.e. large infrastructure). However, this risk is offset by the value-added of having these studies better incorporate environmental and social considerations and thus the Bank helping to support the Client in integrating sustainability principles within sub-projects regardless of whether the eventual construction is financed by the Bank in the future. Under Component 2B, the intent is to finance studies and provide technical assistance to increase the Government of Jamaica's capacity for strategic project origination, planning, and implementation. This involves assistance with project origination, commissioning and ex-post contract management, and funding critical sector planning studies. While this component is only for technical assistance, there is some risk if the applicable environmental management aspects are not adequately addressed. The corresponding feasibility studies are required to include identification of potential environmental and social liabilities, and consideration of cost and timing effects on the transactions. Master plans for water and sewerage in key towns and developed areas (Falmouth, Kingston), the Caymanas Special Economic Zone, and an implementation plan for redevelopment of the Downtown Kingston markets and commercial district, all include identification of potential environmental and social liabilities within their feasibility assessments. These studies will be completed under the original project.
- Component 3: SME matching grants and direct loans.** Component 3A provides matching grants to SMEs in targeted supply chains through the Jamaica Business Fund (JBF). A call for proposals is underway with six targeted chains. Component 3B provides direct lines of credit for SMEs with 155 loans to 140 SMEs funded to date. SMEs were from a range of sectors, and most were in the service industry with low potential impacts, although several were of moderate risk projects classified as Category A or high risk under World Bank OP/BP 4.01 are excluded from financing). The risks from this component would be related to the type of business activity (manufacturing, tourism, services, etc.) and could include air and water pollution, poor waste management and disposal, issues related to occupational health and safety, traffic, and failure to obtain the required permits and/or licenses (See Annex 1, Steps 2 and 5).
- Component 4: Project implementation, monitoring and evaluation.** These activities are related to administration and carry no environmental or social risk.
- Component 5: Contingency Emergency Response Component (CERC).** This component may be activated to support the post-pandemic recovery of MSMEs, particularly tourism operators who have been hard hit, under Component 3. Studies under Component 2 could also be funded if deemed critical. The risks and management strategies would be the same as for the original components, as well as the implementing entities.

The Project involves many activities to enhance environmental management (positive benefits) including: Component 1 (by facilitating permitting reviews); Component 2A (by improving the consideration of

environmental aspects by applying international standards to any Environmental Impacts Assessment developed – see Section D); Component 2B (by improving the consideration of environmental aspects in sector planning studies); Component 3A (by potential inclusion of training on improving environmental performance in general and safety management in SME training); and, Component 3B (by supporting MSME compliance with national environmental regulations through engagement with all relevant regulatory bodies. Component 5 may facilitate access to funds in case of a declared emergency.

## **C. Jamaica and World Bank Environmental Requirements**

The environmental requirements applicable to the Project include:

- Environmental, health and safety laws and regulations in Jamaica
- World Bank Environmental Safeguards Policies
- World Bank Performance Standards for Private Sector Activities and Equator Principles for future private sector investments (under Component 2A).

### **C.1 Jamaica Environmental Regulatory Requirements**

Jamaica’s national environmental regulatory requirements are, in part, prescribed by the Environmental Permit & License System (P&L) of 1997, which is administered by the National Environment and Planning Agency (NEPA) acting as agents for the Natural Resources Conservation Authority (NRCA). The P&L is a mechanism to ensure that Jamaican facilities and development projects that fall within the prescribed category meet the relevant standards and procedures to minimize adverse environmental impacts during construction and operation of a facility. The P&L was introduced in 1997, as a mechanism to ensure that all developments in Jamaica meet required standards in order to minimize negative environmental impacts.

The P&L System is administered by the National Environment and Planning Agency (NEPA), through the Applications Section (formerly the Permit and License Secretariat). Permits are required by persons undertaking new development which fall within a prescribed category. A list of the categories is provided in Annex 1 (section II.B). Under the NRCA Act of 1991, the NRCA is authorized to issue, suspend and revoke permits and licenses if facilities are not in compliance with the environmental standards and conditions of approval stipulated. Regulatory amendments to the NRCA Act of April 9, 2015 included the removal of the Grandfather Clause which classified some entities as outside of the regulations, and the inclusion of additional business activities. The intent of the reforms was to provide specificity and clarity about which businesses do require Environmental Permits/Licenses.

An applicant for a Permit or License must complete an application form as well as a Project Information Form (PIF) for submission to the NRCA. As part of the application process, NEPA reviews the PIF and determines whether or not an Environmental Impact Assessment (EIA) is required. If a project does not require an EIA, then the NRCA permit with relevant conditions appropriate to the nature and scale of the operation may be issued upon payment of the appropriate fees. If an EIA is required, then NEPA will develop Terms of Reference (TOR) to address each specific case, and the applicant must then prepare the EIA and submit it to NEPA for review. If approved, an environmental permit and accompanying licenses where required outlining the conditions will be issued by the Authority.

Permits and licenses may also be required under other national legislation that regulates the environment

to ensure persons meet the relevant standards and procedures to minimize adverse environmental impacts. These legislations include the Public Health Act, 1985 and related regulations, The Fisheries Act, 2018 and The Forest Act, 1996.

## **C.2 World Bank Environmental Safeguards**

Component 1 and Component 2 (PPF and sector planning studies) will have no direct environmental impacts, but if projects/investments informed by Component 2 are implemented in the future there could be some potential indirect environmental implications associated with this project; and, Component 3 (SME-related actions) may fund activities with direct impacts. Accordingly, OP/BP4.01 (Environmental Assessment) is triggered. The PPF will finance studies and technical assistance for the design, construction, and operation of large investment projects associated with the Logistics Hub Initiative (LHI) or privatization of government assets in several sectors, including tourism, that could have environmental implications. In addition, financing of SMEs will include agriculture, manufacturing, tourism and other activities with environmental implications.

The Project is classified as Category B (per OP/BP 4.01) given potential impacts associated with Component 3 SME financing and potential risks associated with Component 2 (technical assistance for project preparation and investment support). No Category A sub-projects will be financed by the Project. The SME projects are anticipated to have limited short-term environmental adverse impacts, which are not significant and can be adequately mitigated with standard measures.

Projects and activities are not known in detail until specific applications, grants, or studies are put forth. In accordance with OP/BP4.01, an Environmental Management Framework (EMF) (this document) has been developed to determine the environmental compliance and the environmental risk associated in order increase the levels of compliance where applicable. The specific measures are presented in Section D.

This EMF contains measures to ensure that other Environmental and Social Safeguards policies<sup>7</sup> are not triggered by the Project. Relative to the SMEs (Component 3), screening and exclusion criteria have been developed to ensure that the other World Bank Safeguard Policies would not be triggered. These criteria are listed in Annex 1 (part II. Step 1) and will ensure that no projects will be funded which could potentially trigger the following policies:

- Natural Habitats (OP/BP 4.04), which strictly limits the circumstances under which any Bank-supported project, can damage natural habitats (land and water areas where most of the native plant and animal species are still present).
- Physical Cultural Resources (OP/BP 4.11), which seeks to avoid, or mitigate, adverse impacts on cultural resources (movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance) from development projects that the World Bank finances.
- Pest Management (OP 4.09), which seeks to ensure that rural development and health sector projects avoid using harmful pesticides. The Bank requires that any pesticide it finances be manufactured, packaged, labeled, handled, stored, disposed of, and applied according to standards

---

<sup>7</sup> Source <http://web.worldbank.org/WBSITE/EXTERNAL/EXTPOLICIES/EXTSAFEPOL>

acceptable to the Bank, and excludes certain formulated products, as well as requiring training, equipment, and facilities to handle, store, and apply these products properly.

- Involuntary Resettlement (OP/BP 4.12), which relates to activities that cause involuntary resettlement or require land acquisition. All social analysis conducted related to studies to support subsequent private investment activities will consider the potential need for land acquisition associated with the investments, as well as the situation of land ownership and occupation.

Additional screening and exclusion criteria have also been included in Annex1 (part II. Step 1) for projects related to forest management or harvesting (which could trigger the policy for Forests OP/BP 4.36) or the construction or rehabilitation of dams (which could trigger the policy for Safety of Dams OP/BP 4.37), and Projects on International Waterways (OP/BP 7.50). There are no indigenous peoples or disputed areas in Jamaica, so OP/BP 4.10 and OP/BP 7.60 are not germane.

Under Component 2 (PPF-related activities) the project will not finance any actual works or activities, but rather would finance studies. All feasibility studies to support subsequent private investment activities will identify the potential environmental and social impacts of the investments.

### **C.3 Environmental Assessment Standards**

In relation to Component 2, it is possible that the project will finance Environmental and Social Impact Assessment (ESIA) studies. Any ESIA's funded by the Project under Component 2A will require that they be performed consistent with national environmental legislation and in compliance with OP4.01.

## **D. Project Environmental Management**

The Project environmental management aspects, including responsibilities and implementation arrangements, are presented by relevant Project Components, below.

### **D.1 Component 1 – Enhancing Competition in the Business Environment**

The intent of the Investment Climate Reform (ICR) technical assistance activities under this component is to streamline and facilitate the existing complex construction permitting process, which could indirectly affect environmental aspects if revisions/updates were to reduce the adequate consideration of potential environmental impacts in the permitting process. The component involves technical assistance and equipment procurement only (no sub-project construction). JAMPRO is responsible for this component implementation.

One of the early achievements of Component 1 was to improve the AMANDA system, which is an automated permit tracking and information system between regulatory agencies, originally piloted by both NEPA and Parish authorities (Kingston & St. Andrew Municipal Corporation, KSAMC). Under Jamaican environmental laws and regulations, some SME projects may require a permit or license from NEPA as well as local planning authorities but not necessarily an EIA. The project's work on the AMANDA system facilitated the transfer of application files such as the "project brief" (conceptual plan), designs, drawings, and other information relevant to permitting to the "Help Desk" (public reception facility) at NEPA and KSAMC for



review/comment , as well as circulation to other statutory entities such as National Works Agency (NWA), Parish planning authorities, and others. Support included procurement of hardware (large-format scanners) as well as software and program development. In this way the permitting information was able to be transmitted more readily, to further the streamlining and reforming of local permitting.

Ongoing activities under Component 1 are intended to reduce the time taken by the Government to issue construction permits, improve the enforcement of contracts, resolve insolvency, and improve trade across borders, and reduce the time to register a property. Actions are centered on improving regulatory efficiency and facilitating SME engagement and have minimal safeguards implications, and include a business services portal, a national spatial IT platform, and an e-titling initiative for land ownership that will build the technical and informational tools for its eventual implementation.

Another initiative that will be undertaken under Component 1 is the creation of a process framework for a national food safety lab that will include purchase of equipment, supplies, and training. The effort will help centralize the testing and certification of food safety from 4 ministries and 20 laboratories across the country, into an existing building that is being refurbished by another government agency (the Government Chemist's Building at the Hope Gardens Agricultural Complex in Kingston). The role of JAMPRO will be to support the implementation plan for the effort, including human resource, agreements, and structure, including equipment lists. As the procurement of equipment and the preparation of plans, guidance and training do carry some environmental and social risks; an ESIA may be prepared for this activity by JAMPRO and submitted to NEPA. The ESIA and its resulting ESMP will provide mitigation measures for the rehabilitation of the building, including adequate measures for hazardous materials control, dust and noise minimization, health and safety of workers and the community, and protection against COVID-19.

## **D.2 Component 2 - Facilitating Strategic Private Investments**

This component involves a Project Preparation Facility (PPF, Component 2A) and sector planning studies (Component 2B) to provide technical assistance to finance feasibility and other related studies needed to bring large projects to commercial and financial close. The component will also fund sector planning studies to help Government of Jamaica prepare and implement investment and linkage plans for critical sectors and development needs. Transaction advice is also provided for divestments of government-owned entities or creation of PPPs (public private partnerships) to attract investment. The component only finances studies, not project works, and is being implemented by DBJ.

Component 2 activities would have a time extension to complete ongoing contracts for schools' solar equipment; oncology and nephrology PPPs; the ship registry; the central waste water treatment facility; non-revenue water reduction; water and sewage master plans; a traffic study; PPP and divestment advisory services; and a plan to redevelop parts of Downtown Kingston. Terms of reference for Component 2 actions have been reviewed to ensure safeguards aspects are addressed in accordance with the EMF, as described below.

The Project Preparation Facility (PPF) activities under Component 2A may include feasibility studies and technical assessments. For these, DBJ ensures that adequate consideration of environmental and social aspects is included in all TORs. These include, for example in feasibility studies, the adequate consideration of environmental and social aspects (impacts, risks and benefits) as part of any alternative analysis, public participation in the preparation of the study as relevant, and specific conclusions and recommendations regarding environmental management for the project development and implementation. The initial TOR

for each category/type of study were drafted by DBJ and submitted through PIOJ to the Bank for no objection. Draft study reports shall be reviewed by PIOJ and DBJ regarding the environmental aspects, and they shall, as needed, request the review/input from environmental technical experts, and provide the draft reports to the Bank for no objection.

Under the PPF, Environmental Impact Assessments (EIA) or other environmental studies may be conducted to facilitate strategic investments. In such cases, PIOJ and DBJ shall ensure that the TOR for any EIA or similar study shall require that such study comply with (1) all applicable Jamaican environmental regulatory requirements and (2) World Bank Performance Standards for Private Sector Activities and any applicable requirements in Equator Principles. The TORs shall include adequate consideration of alternatives, potential indirect and cumulative impacts, preparation of the EIA to include public participation, preparation of an environmental management plan, and estimation of costs for implementation of environmental management plan. The associated Request for Proposal (RFP) for such studies shall include the TOR, identify the specific technical experience and skills needed to address environmental and social aspects, and require the inclusion of such expertise in the study development. PIOJ shall ensure adequate resources are available to develop the EIA or related study given the TORs.

Component 2B includes technical assistance to project investments related to project origination, project commissioning and ex-post contract management. This sub-component is the responsibility of DBJ, with close involvement of JAMPRO regarding project commissioning. For these efforts, PIOJ, DBJ and JAMPRO must take reasonable efforts to ensure the adequate inclusion and consideration of environmental and social aspects in project origination, for example, key or significant environmental and social related risks, costs or positive opportunities. The same criteria apply for project commission, including adequate terms and conditions related to environmental and social aspects in project bidding documents, concession or related contracts, and contract management contracts. For projects developed in which Project Component 2A funds were used to prepare an EIA or similar study, project bids and concession contracts shall include the requirement to comply with (i) Jamaica environmental health and safety regulatory requirements, (ii) the final EIA or similar study, and (iii) any other applicable project-specific environmental risk management requirement. For all other projects, project bids and contracts shall require compliance with (i) Jamaica environmental health and safety regulatory requirements, and (ii) any other applicable project-specific environmental risk management requirement including that would be consistent with WBG Performance Standard requirements. PIOJ shall consult with the Bank regarding potentially appropriate environmental terms and conditions to include in bids and contracts. Finally, PIOJ and DBJ shall take reasonable efforts to ensure the adequate inclusion and consideration of environmental and social aspects in project ex-post contract management. This shall include the inclusion of adequate terms and conditions related to environmental and social aspects in project TORs and contract, including supervision of environmental health and safety aspects as applicable.

### **D.3 Component 3 – Supporting SME capabilities and finance**

This component involves:

- An MSME matching grant scheme (Component 3A) called the Jamaica Business Fund (JBF) which has as its goal to develop Jamaican supply chains. Anchor firms have been the focus of environmental management and there has been outreach to MSMEs in the supply chains. A third-party consultant has managed the component through the FCGP1 project, and in future this responsibility will pass to DBJ.

- A credit line or direct funding for SME loans (Component 3B) in which DBJ acts as an apex institution and on-lends to other approved financial institutions (AFIs) for working capital or specific project investments or directly to SMEs. The eligible SMEs included a range of sectors such as tourism, agro-processing, agricultural production, energy, manufacturing, warehousing, IT, or services, located across Jamaica. The credit line has been closed but there is some possibility to re-open it to assist with recovery from COVID-19 economic impacts, especially for tourism operators.

Both of these components have been managed similarly under FCGP, and the same approach will be continued using the DBJ Environmental Policy and Procedures in Annex 1 of this EMF. In the case of matching grants, lines-of-credit, and direct loans, the administrator is required to materially follow the DBJ Environmental Policy and Procedures in Annex 1 of this EMF. This includes having an adequate E&S management system in place (or adopting the DBJ Environmental Policy and Procedure), screening of proposed grants and excluding ineligible activities and those that could trigger additional safeguards policies, ensuring that the MSME has the required permit and/or license from NEPA and/or the corresponding Parish authority or any other relevant regulatory authority, determining the level of risk, including appropriate conditions in the financing or grant agreements, and reporting on the E&S status of the portfolio. The risk screening is described in detail in Annex 1 of this EMF. Other management actions consist of:

- DBJ shall perform an environmental due-diligence of the AFIs to ensure that the AFI has, or will have prior to first disbursement of the line of credit, an adequate environmental risk management procedure for the SME or Anchor Firm financing (see Annex 1, part II for environmental risk management procedure). The AFIs shall inform DBJ who is the person designated as responsible for the environmental related aspects. If DBJ identifies issues related to the AFI implementation of the EMF requirements, then DBJ shall work with the AFI to define appropriate corrective actions. DBJ shall take reasonable efforts to provide technical support, as needed, to the AFI in its development and implementation of its environmental risk procedure.
- DBJ shall require that: (i) the AFI implements the agreed upon environmental risk management procedure, (ii) the AFI includes in the financing agreement with each SME the environmental requirements as established from the implementation of the environmental risk procedure, (iii) undertakes appropriate loan administration actions commensurate with the level of risk for the SME or Anchor Firm investments (which in general should be low & medium), (iv) promptly informs DBJ shall any significant environmental issues or regulatory non-compliance occur with a SME financed, and (v) provide DBJ with an annual report on its implementation of the environmental risk procedure.
- The AFIs or DBJ shall require that the SME or Anchor Firm provides the necessary information/documents as specified in the environmental risk procedure. The AFIs or DBJ shall review such information and if deemed acceptable, approve the financing from an environmental perspective but this shall not imply financing of the SME due to other requirements. The AFIs or DBJ shall ensure that the financing agreement for the SME includes the environmental requirements as established from the implementation of the environmental risk procedure.
- DBJ or the AFI will require that any necessary national and local permits and/or licenses be applied for by the SME or Anchor Firm prior to any first disbursement to applicants (See Annex 1, part II for additional details).

- Projects not eligible for financing by the Project are screened using the exclusion list in Annex 1 (part II. Step1). This list includes activities prohibited by WBG protocols and those that would trigger Safeguards Policies other than OP4.01.
- DBJ or the AFI determines risk by considering the type of SME operation and its associated sector risk, and the permit and compliance status of the SME. The SME provides information that is subject to verification through a site visit by a Loan Officer, which is required of all loans or grants deemed of Medium or High risk.
- Agreements and documents for loans and grants must include appropriate conditions to manage and control the E&S risk. Annual E&S reporting is required from the SME or Anchor Firm to AFI and/or DBJ, and subsequently to World Bank. Details of reporting requirements appear in Annex 1, part II., step 7.
- DBJ will identify potential guidelines or good practice documents on environmental management for small businesses. The objective is to help SMEs and Anchor Firms move beyond just compliance to improved environmental sustainability that would help reduce costs (e.g., due to use of less water and energy, generation of less wastes, etc.) and potential environmental problems. These would be made available, for example via AFIs, and their use or implementation would not be mandatory. However, it may actually create new financing opportunities should an SME or Anchor Firm desire financing to move to cleaner and environmentally more sustainable production.

Regarding monitoring and reporting, DBJ will maintain information on SME and Anchor Firm performance in its portfolio and will require AFIs to do the same. The DBJ will require the following information for the portfolio funded by the project's component 3:

1. Breakdown of portfolio by type of transaction, industry sector and environmental risk classification (low, medium and high environmental risk clients).
2. Describe how environmental procedures have been integrated into the transaction approval process.
3. Give details of any transaction rejected on environmental grounds, in particular, for actual or perceived non-compliance.
4. Give details of any other transaction rejected on environmental or health and safety grounds
5. Give details of any material environmental issues associated with borrowers during the reporting period, in particular:
  - (a) Any accidents / litigation / complaints.
  - (b) Any incidents of non-compliance with applicable environmental and health and safety regulations and standards, such as fines, penalties or excess fees for non-compliance.
  - (c) Any incidents of non-compliance by borrowers with environmental covenants/conditionality imposed by the Bank.
6. Give details of any loans/investments/guarantees etc. used to finance environmental improvements, such as; energy efficiency, waste minimization, switch to cleaner technology, reduction of permit fees or fines due to environmental improvements.
7. Give details of any bad loans due to environmental problems.

8. Describe how the borrowers' environmental performance is monitored (e.g. site visit by Bank staff; inspection by environmental/health authorities; copies of updated permits, reports from the borrower). Include information on monitoring of special conditions from Permits or other compliance-related items that were included in the Loan Agreements.
9. Specify name and position of the individual(s) formally responsible for the implementation of the environmental procedures.
10. State any difficulties and/or constraints related to the implementation of the environmental procedures.

The annual report will be provided to World Bank within 60 days of the end of each fiscal year.

#### **D.4 Component 4 - Implementation Support**

This component includes capacity building and technical assistance; and, this section of the EMF describes the implementation arrangements for the Project. Key is the staffing of an Environmental and Social Management Framework Specialist (ESMFS) by DBJ, which will likely be shared with another ongoing World Bank project (Access to Finance, or A2F) as well as being responsible for all E&S management operations of DBJ across its portfolio.

For component 1, JAMPRO will lead the implementation efforts. Almost all of the DBR initiatives have minimal or negligible environmental and social implications; therefore, JAMPRO will not require support from an E&S specialist for most of their activities. However, in the case of the strategic planning and procurement of materials for the national food safety laboratory, an ESA may be required from NEPA. JAMPRO will prepare the TOR for the ESA and provide it to the World Bank team for review/comment and clearance, and will receive support from the DBJ ESMFS (Environmental and Social Management Framework Specialist).

Relative to Component 2, DBJ will use a qualified environmental consultant to prepare any ESIA's that are prepared for the PPF, such as infrastructure projects. Sector studies, divestment advice, feasibility studies, and other actions will be reviewed by the DBJ ESMFS to ensure that E&S aspects are included.

For Component 3, DBJ will leverage the services of the project's ESMFS for outreach and training to AFIs, as well as for direct support to SMEs and Anchor Firms in the screening, evaluation, site visits, and liaison support to NEPA. The ESMFS will also ensure that AFIs prepare and submit annual environmental and social performance reports, as required in the EMF and in DBJ's Environmental Policies and Procedures.

With World Bank assistance, DBJ will identify and implement appropriate training on environmental risk management for AFI and DBJ staff, and also potentially for staff from SMEs and anchor firms who obtain financing. PIOJ and/or DBJ may also identify public outreach and training opportunities for environmental impact assessment of large infrastructure or privatization projects, SME skills upgrading, and consultation plans for stakeholder engagement.

If the CERC is activated, then the environmental management activities would be undertaken by the ESMFS as described in Component 5, below.

Finally, PIOJ as the lead coordinating entity, maintains the Grievance Redress Mechanism (GRM) for the project as a whole. In addition, DBJ maintains a GRM that is specific to its internal operations. Please see annex 3 for further guidance on the project's GRM.

**D.5 Component 5 - CERC**

The CERC allows for rapid availability of funding in the event of a declared emergency. This component may be activated to support the post-pandemic recovery of SMEs, particularly tourism operators who have been hard hit, under Component 3. As well, studies under Component 2 could also be funded if deemed critical.

The risks and management strategies would be the same as for the original components, as well as the implementing entities. Information on the CERC is provided in section E of this EMF, below.

**E. Contingency Emergency Response Component (CERC)**

This chapter provides the environmental and social framework for Component 5, the Contingent Emergency Response Component (CERC). This component would finance the implementation of emergency loans at the Government’s request in the event of a disaster. A separate Operations Manual will be prepared for the CERC if triggered, and will include a framework that will help to guide the environmental and social risk management in the emergency response component. This framework may require updating based on the activities to be supported under the emergency response situation.

**E.1 Potential Activities that the CERC Could Finance**

The activities to be supported under the component are not known at this stage, but it is anticipated that the component may support loan or grant programs under Component 3, and possibly critical studies under Component 2.

It is important to mention that the activities or subprojects that will be financed by the CERC Component, should avoid activities or subproject with complex environmental and social aspects (for example resettlement), because the CERC objective is to support immediate priority activities (less than 18 months). The subprojects with more environmental and social complexity, could be financed with other specific sources of financing. The table below provides a possible list of activities can be supported under the component (the “positive list”).

**Positive list of goods, services and works**

Item
<b>Goods</b>
<ul style="list-style-type: none"> <li>• Equipment and supplies to support MSMEs</li> </ul>
<b>Services</b>
<ul style="list-style-type: none"> <li>• Loans or grants to MSMEs especially those in the tourism sector (e.g. Component 3)</li> <li>• Feasibility study and technical design (e.g. Component 2)</li> <li>• Technical Assistance in developing TORs, preparing Technical Specifications and drafting tendering documents (Bidding Documents, ITQ, RFP).</li> <li>• Non-consultant services to deliver the activities described in the “Goods’ section of this table</li> </ul>
<b>Training</b>

<ul style="list-style-type: none"> <li>• Conduct necessary training related to emergency response including, but not limited to the Implementation of the Emergency Action Plan.</li> <li>• Training on needs assessment, threat reduction, and other related needs.</li> </ul>
<b>Emergency Operating Costs</b>
<ul style="list-style-type: none"> <li>• Incremental expenses by the Government for a defined period related to early recovery efforts arising as a result of the impact of an eligible emergency. This includes but is not limited to: costs of staff attending emergency response, operational costs and rental of equipment.</li> </ul>

**E.2 Potential Environmental and Social (E&S) Risks**

The proposed works and other activities (the Positive List above) consist of loans or grants, studies and training, or the provision of essential equipment and supplies. The potential negative impacts are expected to be moderate, localized, and temporary that can be mitigated through the implementation of the existing safeguards instruments of the Project. If any additional mitigation measures are required, then an Environment and Social Management Plan (ESMP) would be prepared.

Activities that could potentially have negative environmental and social impacts or construction activities will not be financed by this CERC component. These types of activities will be screened out and excluded (negative list as below).

**Negative list of activities that are ineligible for funding under CERC**

1	Activities that would lead to conversion or degradation of critical forest areas, critical natural habitats, and clearing of forests or forest ecosystems
2	Activities affecting protected areas (or buffer zones thereof)
3	Land reclamation (i.e., drainage of wetlands or filling of water bodies to create land)
4	Land clearance and levelling in areas that are not affected by debris resulting from the eligible crisis or emergency
5	River training (i.e., realignment, contraction or deepening of an existing river channel, or excavation of a new river channel)
6	Activities that will result in the involuntary taking of land, relocation of households, loss of assets or access to assets that leads to loss of income sources or other means of livelihoods, and interference with households’ use of land and livelihoods.
7	Construction works of any kind, including as listed below
8	Construction of new roads, realignment of roads, or expansion of roads, or rehabilitation

	of roads that are currently located on communal lands but will be registered as government assets after rehabilitation.
9	Construction works, or the use of goods and equipment on lands abandoned due to social tension / conflict, or the ownership of the land is disputed or cannot be ascertained
10	Construction works, or the use of goods and equipment to demolish or remove assets, unless the ownership of the assets can be ascertained, and the owners are consulted
11	Construction works, or the uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor
12	Construction works, or the use of goods and equipment for military or paramilitary purposes.
13	Construction works, or the uses of goods and equipment in response to conflict, in any area with active military or armed group operations
14	Activities related to returning refugees and internally displaced populations

The table below identifies potential impacts of the proposed activities/subprojects. Due consideration will be given to ensure compliance with the WB’s Environmental, Health and Safety (EHS) Guidelines (General and Specific)<sup>8</sup>.

#### Potential impacts of possible activities under CERC

No.	Subprojects/Activities (nationwide)	Potential ES impact issues (risks)	Expected Significance
1	Equipment and supplies to support MSMEs	Numerous, depending on MSME risk and sector – may include dust, noise, pollution, OSH risks	Variable
2	Loans or grants to MSMEs especially those in the tourism sector (e.g. Component 3)	As (1) above	Low to Moderate
3	Feasibility study and technical design (e.g. Component 2)	As (1) above	Low to Moderate
4	TA for TORs, Technical Specifications, and drafting tendering documents	Incorrect or incomplete identification of potential E&S impacts	Low
5	Training	None	Low to negligible

<sup>8</sup>[https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/policies-standards/ehs-guidelines](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines)”



6	Incremental expense reimbursement	None	Low to negligible
---	-----------------------------------	------	-------------------

### E.3 Environmental and Social Management Framework process

When the CERC component is activated, the relevant government agencies, with a coordination mechanism with the PIOJ and the Environmental and Social Framework Specialist (ESFS) of the DBJ, will carry out the following steps:

- **Step 1: Application of the ES Screening Form.** Use of screening form (section E.4) to screen the subprojects from the E&S point of view. Given that the CERC objective is to support immediate priority activities, the activities or subprojects with resettlement issues will be avoided. The form also includes overall evaluation of the screening exercise.
- **Step 2: Identification of ES issues and preparation of mitigation plans.** Based on the results from Step 1, if required the implementing agency will prepare an ESMP for the CERC subprojects describing the actions/activities and mitigation measures to be conducted, considering the magnitude, scope, and nature of the emergency. Consultation with local authorities and communities will be made during this stage.
- **Step 3: WB clearance and GOSL approval.** The screening and management plan will require appropriate government and the World Bank clearance (pre or post). It will be further reviewed when CERC will be triggered.
- **Step 4: Implementation and M&E.** The activity and its approved ESMP, if required, will be implemented according to the agreed implementation arrangements, including those described in this EMF for each project component. The implementing agency will monitor the implementation on the ground and report the results to PIU. Consultation with stakeholders will be made during the process.
- **Step 5: Completion and Evaluation.** Once the CERC subproject has been completed, the implementing agency will monitor and evaluate the results before closing the contract. Any pending issues and/or grievance must be solved before the subproject is considered fully completed. The implementing agency will submit the completion report describing the compliance of safeguard performance and submit it to WB when required.

### E.4 E&S Screening Form for CERC Activities

This Environmental and Social Screening Form (ESSF) has been designed to assist in the evaluation of planned activities under CERC. The form will assist to identify environmental and social impacts and their mitigation measures, if any. It will also assist in the determination of requirements for further environmental and social work (such as environmental and social management plan) if necessary.

The form helps to determine the characteristics of the prevailing local bio-physical and social environment

with the aim of assessing the potential impacts of the construction and rehabilitation activities on the environment by the sub-project.

**Environmental and Social Screening Form for CERC Subprojects**

Sub-project Name:	
Brief Description of the Sub-project:	
Key Activities of the Sub-project:	
Sub-Project Location:	
Name & Signature of Environment and Social Staff:	Date of Field Screening:

		Appraisal	Significance	<i>Potential Mitigation Measures</i>
		Yes/No	Low, medium, high	
<b>1.0</b>	<b>Environmental Screening</b>			
	Will the project generate the following impacts			
1.1	Loss of trees			
1.2	Soil erosion, landslide, siltation in the area			

1.3	Pollution to land and water - diesel, oils			
1.4	Dust emissions			
1.5	Improper solid and liquid waste management			
1.5	Spread of HIV/AIDS and other STI			
1.6	Borrow pits and pools of stagnant water			
1.7	Rubble/heaps of excavated soils			
1.8	Invasive tree species			
1.9	Long term depletion of water			
1.10	Reduced flow of water			
1.11	Settling or ponding of water			
1.12	Nuisance from noise or smell			
1.13	Loss of soil fertility			
1.14	Incidence of flooding			
<b>2.0</b>	<b>Resettlement Screening</b>			
	Will the project generate the following negative social and economic impacts?			
2.1	Loss of land to households			
2.2	Loss of properties –houses, structures			
2.3	Loss of trees, fruit trees by households			
2.4	Loss of crops by people			
2.5	Loss of access to river/beach/forests/grazing area			
2.6	Impact on cultural sites, graveyard land			
2.7	Conflicts over use of local water resources			

2.8	Disruption of important pathways, roads			
2.9	Loss of communal facilities			
2.10	Loss of livelihood system			
2.11	Spread of HIV/AIDS			
2.12	Blockages to footpaths/roads			

**Overall evaluation of Screening Exercises.**

The results of the screening process would be either the proposed sub - projects would be exempted or subjected to further environmental and resettlement assessments. The basis of these options is listed in the table below:

<b>Review of Environmental Screening</b>	<b>Tick</b>	<b>Review of Resettlement Screening (OP 4.12)</b>	<b>Tick</b>
1. The project is cleared. No high or substantial risks and impacts. <i>(When all scores are "No" in form)</i>		1.The project is cleared. high or substantial risks and impacts <i>(Where scores are all "No", "few" in form)</i>	
2. There is need for further assessment. <i>(when some scores are "Yes, High" in form)</i>		2.There is need for resettlement/compensation. <i>(When some scores are "Yes, High" in form)</i>	
<b>Endorsement by Environmental and Social Officer</b>			
Name			
Signature:		Date	

## **Annex 1: DBJ Environmental Policy and Management Procedure (EPMP)**

The following information describes the Development Bank of Jamaica's environmental policy, screening procedures, and management system, which will be applied throughout implementation of the Project Component 3. The EPMP will be used to screen and assess applications, document the appraisal results, identify relevant requirements and perform loan administration. This EPMP (section II) also constitutes the requirements for AFIs who receive a line-of-credit as part of project Component 3.

### **I. Statement of Policy and Purpose**

The DBJ aims to be the premier development finance institution in Jamaica mobilizing resources to support investment toward national economic growth and sustainable development. To that end, DBJ is committed to:

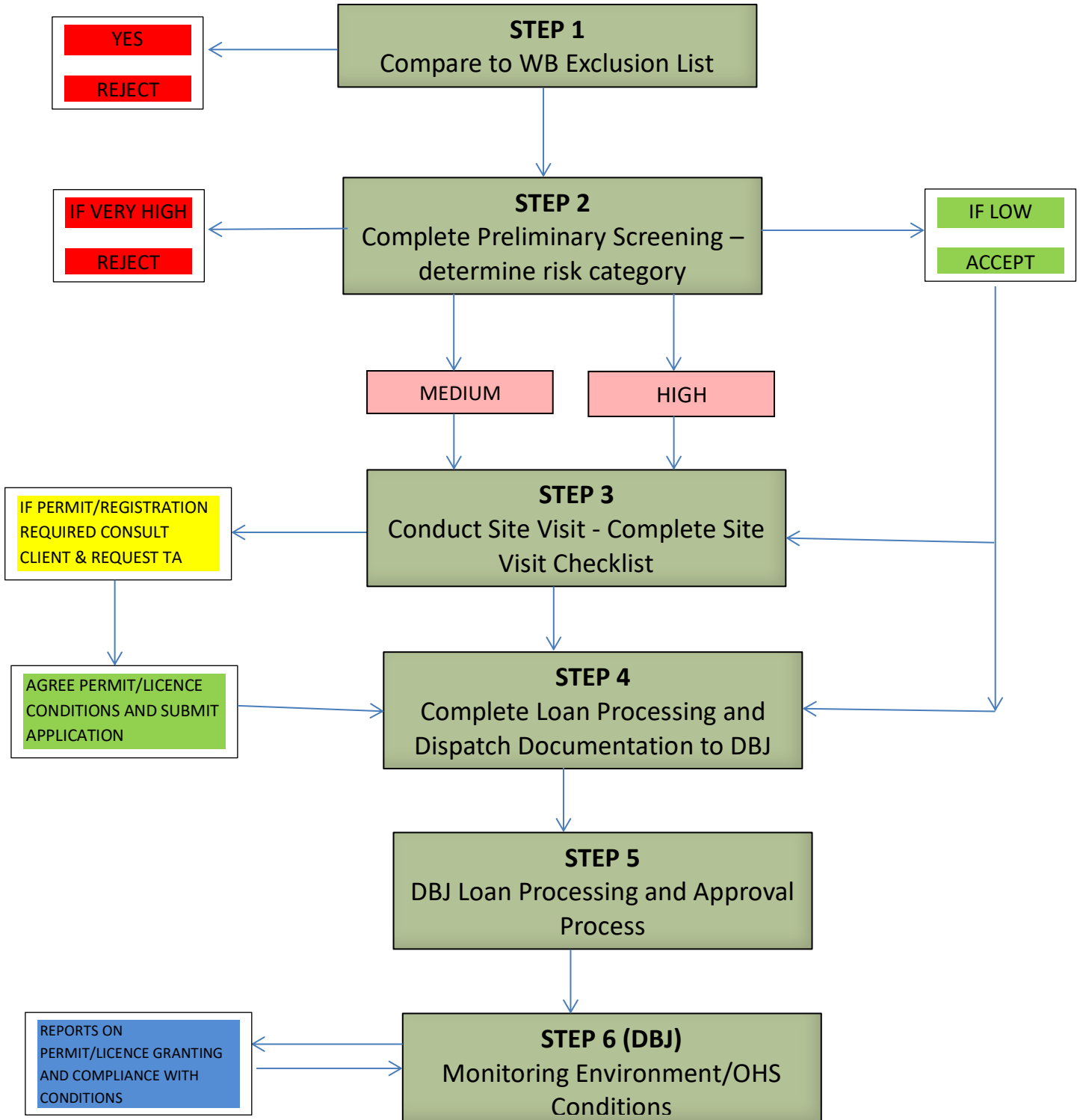
- Environmental support in all areas of its operations;
- Continuously support the improvement of environmental performance through an environmental management system;
- Ensuring environmentally responsible financial investment and development;
- Fostering environmental due diligence within approved financial institutions (AFI's) with respect to risk and impact assessment and management;
- Compliance with relevant laws, regulations and standards within Jamaica;
- Promotion of the environmental policy and management system among all members of the AFIs/DBJ through training and awareness programmes;
- Supporting the Sustainable Development Policy of the Government of Jamaica.

DBJ, as well as the AFIs who participate with DBJ in Component 3 of the project, must follow the SME application processing procedures, credit documentation, and loan administration, evaluation and reporting procedures in this EPMP (see Section II).

### **II.SME Application Processing Procedures**

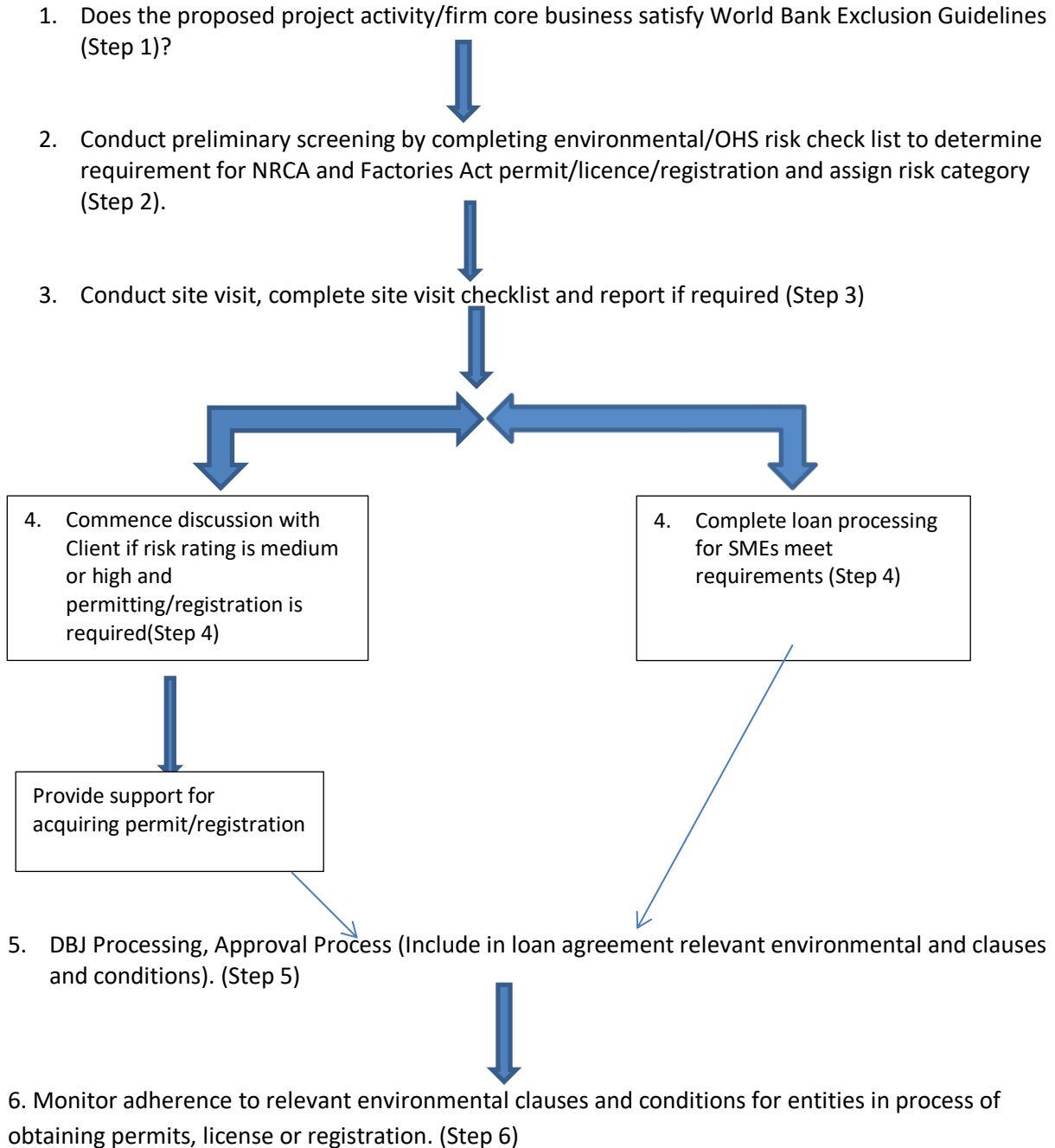
The SME application procedures will follow a set of steps which are designed to ensure that environmental considerations are taken into account. The steps are summarized in Figure 1 for which the applicable steps must be completed and approved as part of the application process.

**FIGURE 1. EMF PROCESS FLOW**



The overall process flow for the EMF is further elucidated in the diagram below. Each step is further described in the following sections of the document.

### Revised Process Flow for EMF



## II. Step 1 - Compare with Exclusion List

The following project activities are not eligible for financing under Project Component 3 because they would either trigger additional Safeguards Policies or contravene the safeguards parameters of the FCGP program with World Bank by triggering additional policies; or, because they are listed on the World Bank Group Exclusion List.

- Those that are illegal under Jamaica country laws, regulations or ratified international conventions and agreements
- Projects that would be classified as Category A under the World Bank
- OP/BP 4.01
- Projects that would involve significant conversion or degradation of critical natural habitats or natural habitats
- Projects that would involve significant impacts on physical cultural resources
- Projects that would involve the purchase, use or management of significant quantities of pesticides
- Community or small-scale harvesting forest projects by small-scale landholders or local communities that do not adhere to forest management standards consistent with requirements for a forest certification system (World Bank OP 4.36, Para. 10) or have an acceptable time-bound action plan to achieve such standards
- Projects that would directly or indirectly involve the construction of a dam greater than 10 meters in height or the use of water from a dam greater than 10 meters in height
- Projects on international waterways (in Jamaica, any bay, gulf, strait, or channel recognized as a necessary channel of communication between the open sea and other states).
- Weapons and munitions
- Alcoholic beverages (excluding wine and beer)<sup>9</sup>
- Tobacco
- Gambling, casinos and equivalent enterprises<sup>11</sup>
- Wildlife or wildlife products regulated under Convention on International<sup>12</sup>
- Trade in Endangered Species of Wild Fauna and Flora (CITES)<sup>13</sup>
- Radioactive materials<sup>14</sup>
- Unbounded asbestos fibers<sup>15</sup>
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest

---

<sup>9</sup> This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

<sup>10</sup> This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

<sup>11</sup> This does not apply to companies for which the operations/activities related to these criteria comprise less than 10 percent of companies total annual revenue

<sup>12</sup> [www.cites.org](http://www.cites.org)

<sup>13</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded

<sup>14</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

<sup>15</sup> Primary forest is defined as relatively intact forest that has been essentially unmodified by human activity for the previous 60 to 80 years; and



- Polychlorinated biphenyl compounds (PCBs, a class of synthetic organic chemicals)
- Pharmaceuticals subject to international phase outs or bans<sup>16</sup>
- Pesticides/herbicides subject to international phase outs or bans<sup>17</sup>
- Ozone depleting substances subject to international phase out<sup>18</sup>
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length<sup>19</sup>
- Transboundary trade in waste or waste products, except for non-hazardous waste destined for recycling<sup>20</sup>
- Persistent Organic Pollutants (POPs)<sup>20</sup>
- Non-compliance with workers fundamental principles and rights at work<sup>21</sup>
- Real estate speculation
- Land acquisition that would involve involuntary resettlement or land acquisition in which there is not a willing seller
- Significant degradation of a National Park or similar protected area<sup>22</sup>

---

Tropical moist forest is generally defined as forest in areas that receive not less than 100 mm of rain in any month for two out of three years and have an annual mean temperature of 24<sup>0</sup> C or higher.

<sup>16</sup> Pharmaceutical products subject to phase outs or bans in United Nations, *Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or not Approved by Governments*. (Last version 2001, [www.who.int/medicines/library/gsm/edm-gsm-2001-3/edm-gsm-2001\\_3.pdf](http://www.who.int/medicines/library/gsm/edm-gsm-2001-3/edm-gsm-2001_3.pdf))

<sup>17</sup> Pesticides and herbicides subject to phase outs or bans included in both the Rotterdam Convention ([www.pic.int](http://www.pic.int)) and the Stockholm Convention ([www.pops.int](http://www.pops.int)).

<sup>18</sup> Ozone Depleting Substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. The chemical compounds regulated by the Montreal Protocol includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents. ([www.unep.org/ozone/montreal.shtml](http://www.unep.org/ozone/montreal.shtml)).

<sup>19</sup> Define by the Basel Convention ([www.basel.int](http://www.basel.int)).

<sup>20</sup> Defined by the International Convention on the reduction and elimination of persistent organic pollutants (POPs)(September 1999) and presently include the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, as well as the industrial chemical chlorobenzene ([www.pops.int](http://www.pops.int))

<sup>21</sup> Fundamental Principles and Rights at Work means (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examinations; (iv) elimination of discrimination in respect of employment and occupation, where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin. (International Labor Organization: [www.ilo.org](http://www.ilo.org))

<sup>22</sup> In addition to in-country designated areas, other areas include: natural World Heritage Sites (defined by World Heritage Convention, <http://whc.unesco.org/nwhc/pages/doc/main.htm>.), United Nations List of National Parks and Protected Areas, designated wetlands of international importance (defined by RAMSAR Convention, [www.ramsar.org](http://www.ramsar.org)), or selected areas (e.g., strict nature reserves/wilderness areas, natural parks, natural monuments or habitat/species management areas) defined by IUCN (International Conservation Union, [www.iucn.org](http://www.iucn.org)).

**II. Step 2 – Preliminary Determination of Risk**

At this stage the Loan Officer is ready to make a preliminary determination of the Environmental Risk Status and assign an initial category of Low, Medium, High, or Very High. The assignment of a risk category is undertaken using the Preliminary Environmental/Occupational Health and Safety (OHS) Risk Assessment Checklist.

With assistance and information from the SME, the AFI or DBJ will prepare the following Preliminary Environmental/Occupational Health and Safety (OHS) Risk Assessment Checklist for each loan application. The SME should review, accept, and certify the information in the form as True, Complete and Correct.

The matrix below is incorporated in the checklist and shall be used in the determination of the risk of the SME application, based on cross-referencing and weighing of the Sector Risk and Permit Status.

**Matrix Preliminary Determination of Risk Status**

		PERMIT STATUS			
		Enforcement Action	Permit Deficient	Permit Current	No Permit Required
SECTOR RISK	Category A (Very High)	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH
	High or Substantial	VERY HIGH	HIGH	HIGH	HIGH
	Medium or Moderate	HIGH	HIGH	MEDIUM	MEDIUM
	Low or None	HIGH	MEDIUM	LOW	LOW

The Risk Categories in the Matrix are subjective and will require the use of professional judgment by the Loan Officer, who may elect to seek supporting or expert opinions as is deemed necessary or appropriate on a case by case basis. The matrix may be adjusted and revised from time to time based on experience and judgment, taking into account such factors as scale of the enterprise, location in or near protected areas or other sensitive areas, complaints or violations noted.

Projects which are determined to have a VERY HIGH will not be considered eligible. Projects deemed LOW will require no further evaluation of environmental aspects and will be streamlined to approval. Projects deemed MEDIUM or HIGH are to be evaluated further in a site visit as described in the next step below.



## PRELIMINARY CHECKLIST

PAGE 1 of 2  
EMF.v2

### ENVIRONMENTAL /OCCUPATIONAL HEALTH AND SAFETY (OHS) RISK ASSESSMENT

Print Form

Save

#### 1. GENERAL INFORMATION

SUB-BORROWER NAME

FINANCIAL INSTITUTION (BLOCK CAPITALS)

REFERENCE NUMBER

DATE OF APPLICATION

ACCOUNT EXECUTIVE

PROJECT DESCRIPTION/LOAN PURPOSE: provide brief description of company operation, size of business and purpose of loan including specifics of size of the intervention, for example retrofitting 'x' square feet of space or installing PV system that will provide 'x' KW of energy.

COMPANY LOCATION

PROJECT LOCATION (IF DIFFERS)

INTERVIEW LOCATION

#### 2. BUSINESS TYPE

Please Select one of the following:

#### 3. WORLD BANK EXCLUSION LIST

Does the firm/operation appear on the World Bank Exclusion List ; (ref: Download Docs on DBJ web site)?  Y  N

[Go To DBJ's Web Site](#)

#### 4. WASTE GENERATION

Does the operation generate wastewater?  Y  N

How is domestic sewage disposed?  soak away pit  onsite treatment system  central sewage connection  
 other

Does the operation have a boiler?  Y  N

Does the operation have an incinerator?  Y  N

Does the operation have a standby generator?  Y  N

Does the operation generate significant dust/particulates?  Y  N

Does the operation use chemicals?  Y  N

Does the operation have fuel storage tanks (diesel, bunker C, LPG, Propane)?  Y  N

**5. LEGAL ENVIRONMENTAL AND OHS REQUIREMENTS**

Go To DBJ's Web Site

- Does the firm have a National Resources Conservation Authority (NRCA) Environmental Permit?  Y  N  N/A
- Does the firm have a NRCA Environmental Licence?  Y  N  N/A
- Is the firm registered under the Factories Act?  Y  N  N/A

List other permits or certification:

- Has the firm received written notification of a breach from the NRCA/NEPA (National Environment and Planning Agency)?  Y  N  N/A
- Has the entity received written notification of a breach from the Ministry of Labour/Health?  Y  N  N/A

**6. RISK RATING** (Based on responses to Section 1-5, rate the sector using the following matrix , then tick the appropriate box)

		PERMIT STATUS			
		Enforcement Action	Permit Deficient	Permit Current	No Permit Required
SECTOR RISK	Category A (Very High)	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH
	High or Substantial	VERY HIGH	HIGH	HIGH	HIGH
	Medium or Moderate	HIGH	HIGH	MEDIUM	MEDIUM
	Low or None	HIGH	MEDIUM	LOW	LOW

- LOW  MEDIUM  HIGH  VERY HIGH

**7. SITE VISIT REQUIREMENT**

A site visit is mandatory if one of the following criteria is required:

- . Permit/Registration required
- . High to medium risk rating

**8. RECOMMENDATIONS**

- . Compliant - proceed with loan processing
- . Proceed with loan processing and commence preparation and submission of relevant applications
- . Non compliant - applicant pursuing other options
- . Other options -

\_\_\_\_\_  
Prepared By

\_\_\_\_\_  
Date

\_\_\_\_\_  
EMF Specialist

\_\_\_\_\_  
Date

## **II. Step 3 - Site Visit**

If a loan application should involve any factors that may represent potential significant or material environmental or social risks, as determined from Step 2 above, a site visit should be done by the DBJ and/or participating AFIs. A site visit will help assess the state of the company's operations, in particular housekeeping, worker health and safety, and environmental, health and safety, and human resources management issues. Site visits must be made to all companies where the E&S Risk Status has been deemed as MEDIUM or HIGH.

The checklist below will assist in conducting the site visit. The checklist should be used in conjunction with the relevant and applicable IFC Environment, Health and Safety Guidelines (general and sectors) with equivalent or supporting information from other sources (e.g. ESAT, EBRD or FMO checklists or fact sheets). NEPA or other application regulatory agencies may also have relevant and applicable guidelines or technical support. If the loan officer, after conducting the site visit, feels that there are significant unresolved issues of concern, then an environmental or social consultant or specialist can be retained to conduct an additional audit of the site. The advice and guidance provided by the environmental and social experts should aid the decision-making process of the responsible loan officer.

# Site Visit Checklist

Print Form

SAVE

SVC  
1 of 3

## 1. INTRODUCTION

This Site Visit Checklist, will help you know what to look out for, from an environmental, occupational health and safety (OHS) and social risk perspective. Before a site visit is carried out, you will already have;

- completed the Preliminary Environmental/Occupational Health and Safety (OHS) Risk Assessment Checklist, and
- engaged fully with the management of the company or organisation, to establish that a site visit is required.

### 1.1 Compliance

Depending on the documentation provided by management, or available externally, you must establish whether the site is in compliance with health, safety, environmental and social regulations. Depending on the complexity of the operation you may wish to, or need to, engage an external expert to support you with this determination.

### 1.2 On Site

On site you will be looking out for safety, environmental, health, labour, social and community issues. This checklist is divided into:

- Safety Issues
- Health Issues
- Environmental Issues
- Social and Community Issues.

Additionally you will be exploring opportunities for the operation to improve its overall environment performance.

## 2. OCCUPATIONAL HEALTH AND SAFETY

### 2.1 Safety

#### Documentation

1. Is there a Factories Act Registration Certificate in place?  Y  N  NA
2. Are there records showing that equipment is regularly inspected and maintained?  Y  N  NA
3. Are there records which show that training has been provided for those carrying out potentially hazardous activities?  Y  N  NA

#### Risk Avoidance, Mitigation and Protection

1. Is the site generally clean, tidy and kept free of trip hazards?  Y  N  NA
2. Are hazardous and/or flammable materials stored safely?  Y  N  NA
3. Is the release of dangerous substances controlled at source?  Y  N  NA
4. Is sufficient ventilation provided?  Y  N  NA
5. Are fixed guard rails in place to prevent a fall?  Y  N  NA
6. Is Personal Protective Equipment (PPE) readily available and in use?  Y  N  NA
7. Is there appropriate signage showing when and where PPE should be used?  Y  N  NA
8. Is PPE used to prevent contact of harmful substances with the skin, eyes or respiratory system (for example, gloves, masks and protective glasses)?  Y  N  NA
9. Is fire fighting equipment available in working areas?  Y  N  NA

- Modified from EBRD Site Visit Guidance and Checklist

## 2.2 Health

Which hazards/issues (either actual or potential) can you see on site?

- 1. Physical (e.g. noise, dust, fumes, wet-working, vibration, manual handling etc.)
- 2. Chemical
- 3. Biological
- 4. Psychosocial (noise, poor lighting, thermal comfort etc.)

### Risk Avoidance, Mitigation and Protection

- 1. Is noisy equipment enclosed or are acoustic barriers in place?  Y  N  NA
- 2. Are there washing facilities to prevent hand to mouth/eye transfer?  Y  N  NA
- 3. Are hazardous materials stored in designated labelled containers?  Y  N  NA
- 4. Is hand protection used where needles or sharp risks are present?  Y  N  NA
- 5. Are the lighting levels appropriate for the work environment?  Y  N  NA
- 6. Is the room temperature appropriate (not too cold/not too warm)?  Y  N  NA

Other Comments:

## 3. ENVIRONMENT

### Documentation

- 1. Is there an Environmental Permit in place?  Y  N  NA
- 2. Is there an Environmental Licence in place?  Y  N  NA
- 3. Can you confirm that permit and licence is in compliance?  Y  N  NA
- 4. Does the entity require a Pest Management Plan?  Y  N  NA
- 5. Does the entity require a Forest Management Plan?  Y  N  NA

Which hazards/issues (either actual or potential) can you see on site?

- Contaminated land/soil       Waste water       Air emissions
- Solid Waste       Sewage       Hazardous waste

### Risk Avoidance and Environmental Issues

- 1. Are there air emissions?  Y  N  NA
- 2. Is there dust emissions?  Y  N  NA
- 3. If there are significant air emissions, is there evidence of the treatment of those emissions?  Y  N  NA
- 4. Is there a waste water discharge ?  Y  N  NA
- 5. Are there chemical/oil spills?  Y  N  NA
- 6. Is sewage treated on site?  Y  N  NA
- 7. Is sewage treated off site?  Y  N  NA
- 8. Is the site free from evidence of leaks or spills around storage tanks and process equipment?  Y  N  NA
- 9. Is the site generally clean and free from solid waste?  Y  N  NA
- 10. Is there adequate protection, such as secondary containment, around petroleum storage tanks?  Y  N  NA

Other Comments:

**4. SOCIAL AND COMMUNITY**

**Which issues have (or could potentially have) an impact on the local community?**

- 1. Safety - Does the site activity mean that the community cannot operate safely?  Y  N  NA
- 2. Environment - Do the activities on the site impact the surrounding community/local environment?  Y  N  NA
- 3. Nuisance - Is there disruption to the community (e.g. noise, smells, vehicular movements)?  Y  N  NA
- 4. Is the site free from any strong odours or significant noise/dust which may affect the local community?  Y  N  NA
- 5. Is the site located away from a residential area?  Y  N  NA
- 7. Can management confirm that there is a good relationship with the local community?  Y  N  NA
- 8. Are there any social issue that affect the operation?  Y  N  NA

Other Comments:

**OPPORTUNITIES IMPROVEMENTS IN ENVIRONMENTAL MANAGEMENT**

**Are there any opportunities to improve:**

- Energy efficiency
- Resource management
- Waste management
- Recovery and Reuse
- Utilisation of alternative energy
- Certification (HACCP/Food Security/EMS)

Other Comments:

**CONCLUSION**

1. Are permits required?  Y  N  NA

2. Identify permits required:

- . NRCA/NEPA Permit
- . NRCA/NEPA Licence
- . Factories Certificate
- . Town and Country Planning Authority (TCPA) Permit

3. Recommendations:

- . Compliant - proceed with loan processing
- . Proceed with loan processing and commence preparation and submission of relevant applications
- . Non compliant - applicant pursuing other options

**COMMENTS (if any)**

\_\_\_\_\_  
Signed (AFI or AEs)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewed - EMF Specialist

\_\_\_\_\_  
Date



## II. Step - 4 NRCA Permitting

Many project types require environmental permits under the Natural Resources Conservation Authority Act. Prescribed categories are listed below pursuant to Section 9 of the Act and may be amended from time to time (most recently in April, 2015) and require renewal every 5 years. A list of activities requiring Environmental Licenses or Permits can be obtained from NEPA at the referenced website address<sup>23</sup> and by making an enquiry to the DAC (Development Assistance Center) of NEPA who will provide a determination of whether or not a License or Permit is needed.

Parish authorities will also require building and/or zoning permits for projects which change land use, emissions, or require construction. The Applicant must provide any relevant business license or other required permit to demonstrate that they are in compliance with the applicable Parish regulations.

The Applicant should attach evidence of any existing Environmental Permit or License, business license, or other relevant documentation that the Applicant is in compliance with NEPA. In most cases it is expected that the applicant's current Permit status is current and no updating, renewal, or new permitting is required. However, in some cases a Permit may be required but has not been obtained or is not current (this is particularly so since the 2015 NEPA amendments to the list of enterprises which require Environmental Licenses and/or Permits). It is recognized that SMEs will take time to obtain these permits in their continuing efforts to improve compliance levels with prevailing national law. In such cases where an applicant would require new permits to be obtained or existing permits to be amended, DBJ or the AFI shall require evidence that such applicants have begun that process. Such evidence may include the filing of a project brief or conceptual plan to NEPA, an enquiry to the NEPA Development Assistance Center (DAC) and/or Parish "Help Desk" or DAHD for permitting guidance, and/or the filing of a Permit Application with NEPA and registry in the AMANDA automated permitting tracking system.

In cases where a NEPA Permit or License requires a Compliance Plan, the Applicant shall attach a copy of the Plan and any relevant documentation. DBJ or the AFI shall require sufficient evidence that all applicable environment-related permits are in process and that the Applicant is committed to updating any Permit deficiencies before SME loans are considered eligible.

The list below is intended to assist DBJ and the AFI in their screening of whether or not a NEPA Permit would be required by a particular SME applicant. The list below is adapted from the 2015 NEPA regulation amendments and compares the prescribed categories to the previous (1996) listing.

### Prescribed Categories for NEPA Permits

(Note: black = 1996 regulations, red = 2015 updated regulations)

#### 1. Power Generation

- Power generation plants using hydrocarbons or nuclear reaction above 1 MW
- Power generation plants using renewable over 200 kW

#### 2. Power Transmission

---

<sup>23</sup> <https://www.nepa.gov.jm/>

- Electrical transmission lines and substations greater than 69 kV

### 3. Pipelines and Conveyors

- Underground cables, pipelines and other such infrastructure with length more than 20 m or diameter or more than 10 cm, for the transport of gas, oil or chemicals
- Water pipelines more than 1 km long
- Construction of conveyors more than 500 m long

### 4. Marine Development

- Port and Harbour Development
- Shipyards and Boatyards
- Drydocks and Marinas
- In-water Hull Cleaning Operations

### 5. Air Transport

- Construction or expansion of airfields, runways, or aerodromes

### 6. Roads, Railways, and Telecommunications

- Construction of new highways, arterial roads, or bridges
- Major road improvement projects (e.g. widening, drainage, slope stabilization)
- Construction of railways, tramways, and cable car lines
- Construction of telecommunications towers

### 7. Water Works

- Modification of waterways for diversions or river training
- Dredging of rivers or beaches (except mining & quarrying)
- Reclamation of riverine areas
- Canals, dykes, aqueducts, levees, check dams, retaining walls, reservoirs, or dams
- Water treatment and storage facilities

### 8. Site Modification Projects

- Modification, clearance, or restoration of wetlands
- Construction on sand dunes, or modification, clearance, or removal of sand from dunes
- Construction of structures or rooms over sea, rivers or ponds
- Clear cutting of forested areas and clearing of trees on slopes greater than 20°
- Clearing 6 hectares or more of vegetation (excluding agricultural holdings already under production)

### 9-12. Subdivisions, Housing Construction, and Hotels

- Subdivisions of 10 lots or more
- Construction of 10 houses or more
- Hotels or resort complexes with 10 rooms or more

### 13. Recreation and Entertainment

- Establishment and operation of Eco-tourism and nature based projects
- Golf course construction and operation

- Stadia and sports facilities over 3000 seats
- Establishment of theme parks
- Establishment of trails for motorized and non-motorized activities

#### 14. Service Sector

- Office and commercial complexes of 5,000 square metres or greater
- Cemeteries, mausoleum, columbaria, or crematoria
- Hospitals or medical facilities of more than 10 beds or 1000 square metres
- Dry cleaning facilities
- Veterinary clinics that board animals
- Schools and education institutions (excepting early childhood education)
- Transportation centres for more than 10 vehicles

#### 15. Mining and Quarrying

- Bauxite, Peat, Sand, Minerals, including aggregate, construction and industrial materials
- Exploration and prospecting for extraction of non-renewable resources or artifacts

#### 16. Ore and Mineral Processing

- Bauxite, Peat, Sand, Minerals, including aggregate, construction and industrial materials
- Ferrous metals, Non-ferrous metals, Metal plating, Foundry operations
- Construction and Operation of cement and lime production
- Construction and Operation of solar salt

#### 17. Chemical

- Facilities for manufacture or storage of hazardous and toxic chemicals
- Facilities for production, refining and distribution of hydrocarbons and petroleum compounds
- Manufacturing of soap and detergent, edible oils and fats, pesticides, and paint
- Construction and operation of chemical plants other than those listed above

#### 18. Manufacturing

- Construction materials including blocks and bricks
- Batching and crushing plants (mobiles and fixed)
- Containers and packaging materials
- Manufacturing of textiles, dyes and pigments
- Pulp, paper and wood processing
- Construction and Operation of Recycling Plant
- Manufacturing of rubber, tar and bitumen, polymers, fertilizers

#### 19. Agro-Industry & Food Processing

- Construction and Operation of slaughterhouses and abattoirs
- Processing plants for food, fish and meats
- Agro-Processing facilities (coffee, citrus, cocoa, sugar cane)
- Aquaculture facilities and ponds for intensive fish farming
- Bottling facilities and boxing plants
- Construction and Operation of tanneries

#### 20. Project Site Office

- Constructing of site office outside project footprint

## 21. Waste Processing & Disposal

- Solid Waste Treatment Facility (incinerator, landfill, recycling)
- Hazardous Waste Storage, Treatment, or Disposal Facility
- Agricultural Waste processing facility
- Scrap Metal storage and processing (including vehicles)
- Waste-to-Energy facilities
- Non-discharging wastewater treatment plants

## 22. Biological Resources or Diversity

- Importation or Introduction of species
- Introduction of GMOs (except as food or feed)
- Operation of a pet store or zoo

## II. Step 5 – Final Risk Determination and Approval Process

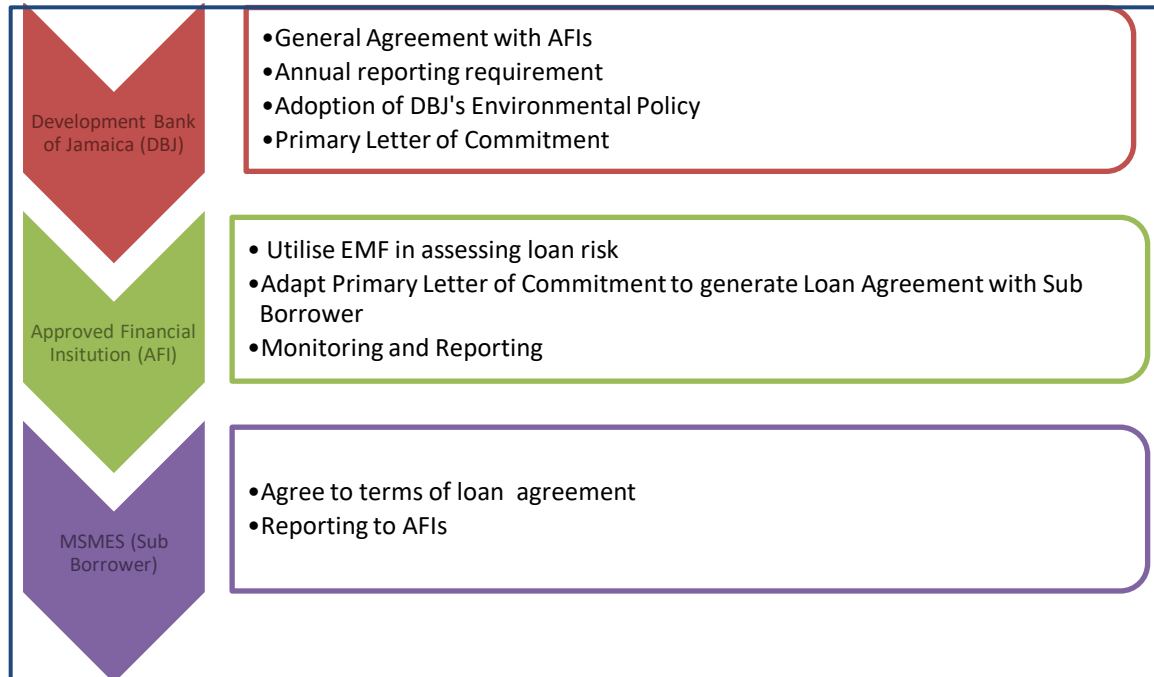
The final outcome of the environmental and social risk evaluation should be summarized and included in the documentation submitted in the loan approval package. Following the evaluation and documentation of environmental and social risk, DBJ or the AFI is in a position to accept the loan, subject to loan conditions that will describe measures being taken to control the risk, or to reject the loan due to unacceptably high risk.

Projects deemed LOW risk will only require the use of standard, general conditions. Projects deemed MEDIUM or HIGH risk if found to require permits and or licences will need to include requirements to update or acquire Permits, perform periodic Audits, or adhere to any other condition applicable NRCA permit or licence conditions, or other relevant agencies.

In the administration of the EMF DBJ's standard loan processing procedures are followed. The figure below outlines the process and highlights any special requirements as it relates to the FCGP.

With regard to the primary and or secondary letters of commitment the following language should be included in the Annexure, General Conditions with respect to the environmental and occupational health and safety requirements of the EMF as relevant and appropriate. Chief among these is that the sub-borrower shall comply with the applicable national environmentally and occupational health and safety laws and regulations.

**Figure 2 Illustration of DBJ's Loan Processing and Approval Process**



The AFI will apply the following clauses dependent on the environmental risk category:

- Low risk category loan will not require a NRCA permit or licence and must be mindful on opportunities to utilize sound environmental management practices within their operations.
- Medium or high risk category sub borrowers in possession of the applicable NRCA permit of licence shall: (i) remain compliant to the permit and or licence requirements, (ii) promptly inform the DBJ of any significant environmental issue or regulatory non-compliance should such occur and shall commit to rectifying the breach in a timeframe agreed with NRCA/NEPA and (iv) shall provide the DBJ with an annual report on its environmental compliance record.
- Medium or high risk category sub borrowers requiring a NRCA permit or licence as a condition of the loan shall undertake: (i) to obtain the requisite permit of licence within 6 months of loan approval, or such longer period as DBJ and the AFI agree, (ii) to provide the bank with a certified copy of the permit and or licence (ii) to promptly inform the bank any significant environmental issue or regulatory non-compliance should such occur and shall commit to rectifying the breach in a timeframe agreed with NRCA/NEPA and (iv) to provide the bank with an annual report on its environmental compliance record.

These statements do not replace those outlined in the Letter of Commitment and are intended as general guidance. The Letter of Commitment will contain the terms and conditions regarding the governance related to satisfying World Bank environmental safeguards.

**II. Step 6 - Loan Administration, Evaluation, Reporting, and Monitoring**

As part of loan administration, DBJ will maintain information on SME performance in its portfolio, and will require AFIs to do the same. The DBJ will require the following information of AFIs annually, and will provide a summary report annually with the following information for the SME portfolio funded by the project:

1. Breakdown of portfolio by type of transaction, industry sector and environmental risk classification (low, medium and high environmental risk clients).
2. Describe how environmental procedures have been integrated into the transaction approval process.
3. Give details of any transaction rejected on environmental grounds, in particular, for actual or perceived non-compliance.
4. Give details of any other transaction rejected on environmental or health and safety grounds
5. Give details of any material environmental issues associated with borrowers during the reporting period, in particular:
  - (a) Any accidents / litigation / complaints.
  - (b) Any incidents of non-compliance with applicable environmental and health and safety regulations and standards, such as fines, penalties or excess fees for non-compliance.
  - (c) Any incidents of non-compliance by borrowers with environmental covenants/conditionality imposed by the Bank.
6. Give details of any loans/investments/guarantees etc. used to finance environmental improvements, such as; energy efficiency, waste minimization, switch to cleaner technology, reduction of permit fees or fines due to environmental improvements.
7. Give details of any bad loans due to environmental problems.
8. Describe how the borrowers' environmental performance is monitored (e.g. site visit by Bank staff; inspection by environmental/health authorities; copies of updated permits, reports from the borrower). Include information on monitoring of special conditions from Permits or other compliance-related items that were included in the Loan Agreements.
9. Specify name and position of the individual(s) formally responsible for the implementation of the environmental procedures.
10. State any difficulties and/or constraints related to the implementation of the environmental procedures.

Based on the results of the annual reporting, DBJ will utilize and evaluate this information to continually improve and adapt its Environmental Policy and Management System.

Additionally, follow-ups on individual SMEs will be performed if deemed necessary particularly in the cases where permits and licences have been granted or were required as part of the loan processing requirements. This monitoring will be performed in partnership with NRCA/NEPA. The EMF NEPA Coordinator will provide biannual reports on the compliance performance of the relevant entities using the EMF Monitoring and Compliance Report format. The reports will be submitted to EMF Specialist for review and corrective action will be taken if and when required to ensure compliance to the WB environmental safeguard.



## EMF Monitoring and Compliance Report

Print Form  
SAVE

EMF-M&C

Reporting period  to

**1. State the number of applications received in six month reporting period**

APPLICATION TYPE	QUANTITY	NAME OF COMPANIES
. Permits		
. Discharge licence		
. Air emission licence		
. Petroleum Tanks permits		
. Other		

**2. State the number of applications processed and granted in six month reporting period**

APPLICATION TYPE	QUANTITY	NAME OF COMPANIES
. Permits		
. Discharge licence		
. Air emission licence		
. Petroleum Tanks permits		
. Other		

**3. State the number of noncompliant entities in six month reporting period**

APPLICATION TYPE	QUANTITY	NAME OF COMPANIES
. Permits		
. Discharge licence		
. Air emission licence		
. Petroleum Tanks permits		
. Other		

**4. Provide a description of corrective actions being pursued in each case of noncompliance that has been identified**

**5. Recommendations/Comments (if any, on improving compliance)**

\_\_\_\_\_

EMF NEPA Coordinator (ENPC)

\_\_\_\_\_

Date

\_\_\_\_\_

Reviewed - EMF Specialist

\_\_\_\_\_

Date

## Annex 2: Consultation on Draft EMF

The consultation on the draft EMF for FCGP1 was held in June 2014 at the Planning Institute of Jamaica (PIOJ) and was well attended by stakeholders. A list of registrants appears below. After a short presentation, an open discussion was held with a number of useful observations presented by the attendees. It was explained that additional consultations for future activities will be held through EIAs under Component 2, and under both Components 2 and 3 if and as required by national law and NEPA permitting.

Most of the discussion centered on Component 3. Chief among the concerns was the desire to ensure that SMEs do not perceive roadblocks or bureaucratization of the access to funding for their businesses, so DBJ continues to work closely with clients to ensure confidentiality and provide technical and regulatory support. In response to this concern it was clarified in the EMF that not all checklists would apply to all applicants, and that DBJ and AFIs would be available to provide assistance to applicants with processing the applications. The draft EMF was modified to clarify that the project will rely on country systems such that if existing Permits are adequate then no new unnecessary permits would be imposed. In addition, the checklist in Step 3 was simplified to remove “fine print” and it was emphasized that DBJ and AFIs should adapt the screening checklists to simplify or streamline them as they choose, so long as the main elements and intents of environmental protection remain.

It was also recognized that providing such assistance, as well as performing the annual reporting functions, would require increased time and effort on the part of DBJ and the AFIs. In response it was clarified that DBJ will take a lead role in assisting not only SMEs but the AFIs as well; and that DBJ will staff additional support as part of the project. It was also clarified in the EMF that the annual reporting requirement only would apply to the portfolio activities which were actually funded by the project. Finally, it was clarified that during implementation there will be continued dialogue to refine details and improve the effectiveness of project execution by all parties.

**Table 1: Participants at June 27, 2014 EMF Consultation**

Name	Organization	Name	Organization
Pamela Douglas	Bank of Nova Scotia	Collin Yarru	National Commercial Bank
Edison Galbraith	Development Bank of Jamaica	Andrea Wiggins	National Commercial Bank
Derrick Gayle	Environmental consultant	Renee Walcott	National Environment Planning Agency
Shullette Cox	JAMPRO	Nadine Brown	Planning Institute of Jamaica



Marjorie Straw	JAMPRO	Barbara Scott	Planning Institute of Jamaica
Andrine McLaren	Kingston and St. Andrew Corporation	Winsome Miller	Planning Institute of Jamaica
Douglas Webster	Ministry of Industry, Investment and Commerce	Doneika Simms	Planning Institute of Jamaica
Nicholas Isaacs	Ministry of Finance and Planning	Saskia Frater Smith	Planning Institute of Jamaica
Carline Irving	Ministry of Finance and Planning	Mike Darr	World Bank

The EMF was updated in February 2016 due to the passage of new regulations by NEPA that expanded the list of facilities requiring Permits and/or Licenses. Discussions with NEPA were held and a workshop with AFIs was also conducted to clarify and explain in more detail the procedures for processing and screening loans, particularly in light of the new NEPA requirements. Input to facilitate the transaction screening and permitting has been included in this revised EMF, which follows the previous EMF in organization and with additions to its content and level of detail.

This revised EMF was subsequently disclosed and published on the World Bank and PIOJ websites, and this Annex was also made available through the DBJ Website in February, 2016. An update to the EMF was made in January 2017 to incorporate the revised DBJ Environmental Policy and Management Procedure (EPMP) which is Annex 1 of this EMF. A further update of the EMF to incorporate feedback from users was completed in June 2019 and the revised document placed on the DBJ website.

This version of the EMF was updated to include the AF (project FCGP2) in August, 2020. The draft version of the document was circulated to stakeholders at PIOJ, DBJ, and JAMPRO. Once finalized the EMF will be disclosed on the websites of these three stakeholders, as well as the World Bank’s website for the FCGP project. Other changes or revisions in the EMF may occur if needed to improve client support and project performance.

Finally, if there are any environmental assessments made by the project (EIAs or ESMPs), then those will also be consulted upon and disclosed as required by NEPA and the World Bank.

## Annex 3: Guidance on Grievance Redress Mechanism

### The Project's Grievance Redress Mechanism (GRM)

Grievances may arise either during the project's procurement processes or from concerns with its implementation generally.

Procurement related grievances are to be addressed through the fraud, corruption and complaints guidance outlined below.

### Fraud, Corruption and Complaints

All procurement entities as well as bidders and service providers, i.e., suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 of the World Bank's Procurement Guidelines and paragraph 1.23 and 1.24 of the Consultants Guidelines, in particular, in addition to relevant Jamaican public procurement laws which refer to corrupt practices.

### Anti-Corruption

Anyone who has any suspicion of corruption regarding the use of funds financed by this Project has three options for reporting it: to the Ministry of Finance and Planning, to the World Bank, and through an anonymous GOJ tip line.

The mechanisms for reporting to MOFP and the Bank are presented in the respective procurement manuals, linked in the relevant section of the Project Operations Manual (POM) below. The anonymous GOJ tip telephone line is 1-800-CORRUPT. An electronic complaint may be filed with GOJ through <http://www.acb.gov.jm/html/>. A complaint may also be submitted to the Planning Institute of Jamaica by email to [info@pioj.gov.jm](mailto:info@pioj.gov.jm). In this latter case, please ensure the title Foundations for Competitiveness and Growth Project or FCGP is included in the subject line to facilitate timely response.

### Definitions

**FRAUD:** Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

**COLLUSION:** Arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

**CORRUPTION:** Offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

**COERCION:** Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

**OBSTRUCTION:**

- (i) Deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation.
- (ii) Acts intended to materially impede the exercise of the Bank’s contractual rights of audit or access to information.

### **Applicable Procurement Guideline Documents**

Complaints and Appeals

[http://www.mof.gov.jm/sites/default/files/procurement\\_policy/GOJ\\_Handbook-V1\\_March2014.pdf](http://www.mof.gov.jm/sites/default/files/procurement_policy/GOJ_Handbook-V1_March2014.pdf) and go to page 11, section 2.5

Grievances of a general nature are to be submitted to the Planning Institute of Jamaica (PIOJ) by email to [info@pioj.gov.jm](mailto:info@pioj.gov.jm). Please ensure that the words **Foundations for Competitiveness and Growth Project or FCGP** are included in the subject line of the email, along with the nature of the grievance.

### **The World Bank Grievance Redress Service**

The complainant has the option of approaching the World Bank if they find the established GRM cannot resolve the issue. **It must be noted that this GRS should ideally only be accessed once the project’s grievance mechanism has first been utilized without an acceptable resolution.** World Bank Procedures requires the complainant to express their grievances in writing to World Bank office in Washington DC by completing the bank’s [GRS complaint form](#) which can be found at the following URL link: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service#5>. Completed forms will be accepted by email, fax, letter, and by hand delivery to the GRS at the World Bank Headquarters in Washington or World Bank Country Offices.

**Email:** [grievances@worldbank.org](mailto:grievances@worldbank.org)  
**Fax:** +1-202-614-7313  
**By letter:** The World Bank  
Grievance Redress Service (GRS)  
MSN MC 10-1018 NW,  
Washington, DC 20433, USA