



ESMF
ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK



**Development Bank
of Jamaica Limited**
Facilitating economic growth and development

Maintaining a
**balanced
eco
system**





River in Bellefield
ST. MARY



Victoria Industrial Marl Quarry
HANOVER



Long Wharf
CLARENDON

OVERVIEW

The Environmental and Social Management Framework (**ESMF**) was developed to assist the Development Bank of Jamaica (DBJ), to assess and manage the potential environmental and social risks and impacts of the Access to Finance (**A2F**) project.

The key environmental and social (**E&S**) risks of the A2F project stem from the probability that there may be poor compliance with national laws and regulations by Micro, Small and Medium Sized Enterprises (**MSMEs**).

01

SCREENING
MSMEs FOR E&S
COMPLIANCE
REQUIREMENTS



02

PROVIDING PRACTICAL
SUPPORT AND INFORMATION
ON RELEVANT ENVIRONMENTAL
REGULATIONS AND TECHNICAL
GUIDANCE FOR ACHIEVING
COMPLIANCE
(WHERE REQUIRED)



03

INCLUSION OF E&S
REQUIREMENTS
IN GUARANTEE AND
PARTICIPATION
AGREEMENTS



04

PERIODIC SUPERVISION,
AUDITING, AND
REPORTING OF THE
E&S ASPECTS OF
THE PROJECT



ENVIRONMENTAL, OCCUPATIONAL HEALTH & SAFETY SCREENING PROCEDURE FOR THE CEF

Screening and management protocols were developed to determine the risks that may arise from the lack of appropriate MSME E&S practices. As part of the established protocols, the Credit Enhancement Facility (CEF) application procedures outline certain steps which are designed to ensure that environmental considerations are addressed.



**Victa Industrial
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The E&S Screening Procedure for CEF applications are summarized as follows:

STEPS	ACTIVITY	RESPONSIBLE PARTY	VERIFIED BY
1.	COMPARE TO WORLD BANK GROUP'S EXCLUSION LIST	AFI	DBJ
2.	CHECK FOR E&S PERMIT STATUS WITH REGULATORY ENTITIES	AFI	DBJ
3.	ASSIGN PRELIMINARY E&S RISK CATEGORY	AFI	DBJ
4.	ADDITIONAL INVESTIGATION (OPTIONAL)	AFI	DBJ
5.	PREPARE GUARANTEE DOCUMENTATION	AFI	DBJ
6.	ADMINISTRATION, MONITORING, EVALUATION & REPORTING	AFI	DBJ

DBJ and/or the Approved Financial Institution (AFI) will ensure that each of these steps is completed before execution of the legal agreement for the guarantees to MSMEs loans.



View from Victa Industrial Marl Quarry
HANOVER



In general terms, MSMEs will be expected to conform to the requirements of the EMSF and AFIs will need to effectively screen the MSMEs and verify their eligibility for the CEF.

The ESMF requirements will be incorporated into the guarantee agreements with AFIs, **who are required to report annually to the DBJ.**

The DBJ, in turn, will ensure that the AFIs conform to relevant ESMF obligations. The Environmental and Social Management Specialist at the DBJ and the Risk Management Specialists at AFIs, will directly manage these activities.



GRM

THE GRIEVANCE
REDRESS
MECHANISM

1. The GRM includes a register to track, address and resolve any complaints or related issues associated with the A2F project
2. CEF Guarantee beneficiaries must be informed of the GRM
3. Complaints can be sent to email a2fgrievances@dbankjm.com to the attention of the Project Coordinator or a call can be made to the DBJ
4. Reported issues should include a name, date, and contact information with detailed description of the case

REQUIREMENTS OF AFIs IN MITIGATING E&S RISKS AND IMPACTS

The AFIs are required to do the following:

1. As part of their E&S risk management activities, assess the risk category and, where required, engage with MSMEs to obtain the necessary permit(s) and/or licence(s)
2. Implement the agreed-upon environmental risk management procedure
3. Include in the financing agreement with each MSME, the environmental requirements that may contain special conditions
4. Undertake appropriate administrative actions commensurate with the level of risk for the MSME investments
5. Promptly inform DBJ when any significant environmental issues or regulatory non-compliance occur with a financed MSME
6. Provide DBJ with an annual report on the implementation of the environmental risk procedure
7. Upon execution of the agreement, the AFI shall inform DBJ of the AFI staff designated as responsible for the environmental-related aspects.

IDB'S INTEGRITY PROVISIONS



THESE ARE REQUIREMENTS UNDER THE CEF GUARANTEE PROCESS AND INCLUDE:

- 1.** The provision of information on Prohibited Practices, List of Sanctioned Parties, reporting of potential prohibited practices and an Integrity Declaration for beneficiaries of loans.
- 2.** Requirements for the AFIs and the DBJ to check the List of Sanctioned Parties of the Inter-American Development Bank to ensure that neither the beneficiary of the credits or its legal representative have been declared ineligible by the IDB.

Information on sanctioned firms and individuals, as well as all information on how to report a potential prohibited practice, may be found at www.iadb.org/integrity.



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