

ORDER OF CHIEF EXECUTIVE OFFICER

2019.12.11

Number 19/665

On approving the “Trade and Development Bank’s Environmental and Social Risk Management Procedures for Climate Finance”

Based on the Article 83.1 of Company law of Mongolia, Article 9.10.8 of “Rules of Trade and Development Bank”, and Article 7.4 of “Internal policy, and procedure approval procedure of Trade and Development and Bank”, it is hereby ORDERED:

1. That the “Trade and Development Bank’s Environmental and Social Risk Management Procedures for Climate Finance” as attached in the Appendix 1 of this order is hereby put into effect.
2. That all departments, units, branches shall follow this order starting 13th of December, 2019.
3. That the Risk Management Department (Delgermaa D.) is directed to be responsible for this procedure and make changes to the Trade and Development Bank’s electronic policy and procedure compilation.
4. That Internal Audit Department (Enkh-Amgalan G.) is directed to oversee and monitor the implementation of the order.

CHIEF EXECUTIVE OFFICER

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**CONTENTS OF
“TRADE AND DEVELOPMENT BANK’S
ENVIRONMENTAL AND SOCIAL RISK
MANAGEMENT PROCEDURES FOR CLIMATE
FINANCE”**

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**TRADE AND DEVELOPMENT BANK'S
ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT
PROCEDURES FOR CLIMATE FINANCE**

One. General rules

- 1.1. The objective of Trade and Development Bank's (hereafter referred to as the "**Bank**") Environmental and Social Risk Management Procedures (hereafter referred to as the "**Procedures**") for Climate Finance is to identify the environmental and social risks of climate projects and programmes as well as loans, other equivalent assets, letter of credit, and guarantees (hereafter referred to as "**Loans**") funded by international climate financing mechanisms and international banking, and financial institutions and assess, and manage them according to Mongolian laws and legislations, and the Bank's policy and procedures.
- 1.2. The Procedures are devised in alignment with the Mongolian Environmental Protection laws, other relevant laws, TDB's Environmental and Social Responsibility Policy and other policy acts.
- 1.3. The Bank will support and have a preference towards partnership with clients who implement good environmental and social responsibility practices. Moreover, when providing financial services, TDB shall limit financing clients and activities that have significant adverse impact on Environment and Society and thus, contribute towards sustainable environmental and social development.
- 1.4. International development organizations and mechanisms' requirements on environmental and social risk management of climate projects and programmes including that of Green Climate Fund (hereafter referred to as "**GCF**") will be attached to this policy as an annex and will be considered as one of the guiding documents for communication with the respective organization and shall be equally effective as the Procedures.
- 1.5. The following definitions shall apply in these procedures:
 - 1.5.1. "**GCF**" refers to a Financial Mechanism established within the framework of the United Nations Framework Convention on Climate Change;
 - 1.5.2. "**Climate project or programme**" refers to projects or programmes that will deliver major mitigation and adaptation benefits funded by international climate financing mechanisms or international organizations including the Green Climate Fund;
 - 1.5.3. "**Stakeholders**" refers to an individual, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project;
 - 1.5.4. "**Environmental and social risk category**" refers to categorizing projects and programmes as either high risk, category "A" or "I-1", medium risk, category "B" or "I-2", or low risk, category "C" or "I-3";
 - 1.5.5. "**Category A**" refers to activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
 - 1.5.6. "**Category B**" refers to activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures;
 - 1.5.7. "**Category C**" refers to activities with minimal or no adverse environmental and/or social risks and/or impacts;
 - 1.5.8. "**High Level of Intermediation, I-1**" refers to when an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
 - 1.5.9. "**Medium Level of Intermediation, I-2**" refers to when an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
 - 1.5.10. "**Low Level of Intermediation, I-3**" refers to when an intermediary's existing or

- proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and social impacts;
- 1.5.11. “**Risk Categorization Assessment**” refers to TDB’s initial screening designed to assign appropriate environmental and social risk category to a project or programme;
 - 1.5.12. “**Environmental and Social Risk Assessment** (hereafter referred to as “**ESRA**”)” refers to TDB’s detailed assessment to identify the environmental and social risks of a project or programme, and assist in developing appropriate mitigations measures;
 - 1.5.13. “**Environmental and Social Management System** (hereafter referred to as “**ESMS**”)” refers to a set of management processes and procedures that allow an organization to identify, analyze, control and reduce the environmental and social impacts of its activities including transboundary risks and impacts, in a consistent way and to improve performance in this regard over time;
 - 1.5.14. “**Environmental and Social Management Plan** (hereafter referred to as “**ESMP**”)” refers to a document that contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including, where appropriate transboundary risks and impacts, or minimizing them to acceptable levels, or to mitigate and compensate them and usually the main output of the EIA process;
 - 1.5.15. “**Environmental and Social Action Plan** (hereafter referred to as “**ESAP**”)” refers to a set of mitigation measures devised based on the Environmental and Social Assessment and is included in the legal agreement;
 - 1.5.16. “**Environmental Impact Assessment** (hereafter referred to as “**EIA**”)” refers to assessments stated in article 4.1. of chapter 4 of Law on Environmental Impact Assessment of Mongolia;
 - 1.5.17. “**Resettlement Action Plan** (hereafter referred to as “**RAP**”)” refers to procedures that the executing entities will follow and the actions that it will take to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project;
 - 1.5.18. “**Complaint**” refers to complaints, and grievances submitted by the public regard GCF-funded projects and programmes;
 - 1.5.19. “**Complainant**” refers to person filing a complaint to TDB’s complaint mechanism for GCF-funded projects and programmes;
 - 1.5.20. “**Problem solving process**” refers to a process of receiving and solving complaints received from people who have been or may be negatively affected by climate projects and programmes financed by the GCF;
 - 1.5.21. “**Complaints registry**” refers to a registry of complaints received regarding climate projects or programmes financed by the GCF about their negative impact.

Two. Environmental and Social Requirements of Projects and Programmes

- 2.1. The E&S officer will monitor the environmental and social management of climate projects and programmes and ensure compliance with the Mongolian laws and legislations, TDB’s policy and procedures during ESRA.
- 2.2. If the client or transaction involves activities mentioned in the Exclusion list (Appendix 2 of the Environmental and Social Responsibility Policy) or activities that could have significant adverse impact on the environment and society that cannot be reversed, mitigated, or managed, account managers of bank unit, and departments will reject the project and programme proposal.
- 2.3. The climate projects and programmes have to comply with IFC’s Performance Standards (Annex 1), and have the required level of assessment done and have appropriate mitigation measures to meet the standards.
- 2.4. The climate projects need to have the required level of Environmental Impact Assessment done as stated in the Law on Environmental Impact Assessment of Mongolia.
- 2.5. The client shall notify the Bank if any changes are to be made to the project’s or programme’s ESMS or ESMP.

2.6. The Bank may visit and monitor the project and programme implementation, and impose requirements on the projects and programmes to have audits done, and have consultations with beneficiaries.

Three. Risk Categorization of Projects and Programmes and Required Frameworks

- 3.1. The E&S officer will complete the Risk Categorization Checklist in Annex 2 prior to assigning the risk category of a project or programme.
- 3.2. The E&S officer will conduct a Risk Categorization Assessment as found in Annex 3 using the checklist and assign the appropriate risk category.
- 3.3. In screening the potential environmental and social risks and impact of its activities, TDB will consider and include direct and indirect, induced, long-term impacts, and cumulative impacts and will take into account the activities' areas of influence including associated facilities and third-party impacts. The adverse impacts identified in the assessment, will be managed according to the principles of Mitigation Hierarchy which prioritize avoidance, followed by minimization, restoration and compensation.
- 3.4. The E&S officer will have the assigned risk category confirmed and approved by the director of the department.
- 3.5. The Bank will require that the project or programme has the following documents and frameworks in place prior to the implementation of the project or programme:
 - 3.5.1. In case of Category A projects that are anticipated to have significant environmental and social impact, a comprehensive EIA, ESRA and an ESMP will be required;
 - 3.5.2. In case of High level of intermediation, I-1 programmes that are anticipated to have significant environmental and social impact, comprehensive ESMS and ESRA are required;
 - 3.5.3. In case of Category B projects with limited environmental and social impact, a fit-for-purpose EIA, ESRA and an ESMP with a more limited focus as may be appropriate, that describes the potential impacts, as well as appropriate mitigation, monitoring and reporting measures will be required;
 - 3.5.4. In case of Medium level of intermediation, I-2 programmes with limited environmental and social impact, comprehensive ESMS and ESRA are required;
 - 3.5.5. In case of Category C projects with no significant environmental and social impacts, EIA, and ESRA are required and ESMP may not be needed;
 - 3.5.6. In case of Low level of intermediation, I-3 programmes with no significant environmental and social impacts, ESRA and ESMS are required.
- 3.6. Depending on the risk category, the required frameworks have to be ready for disclosure as stated in Annex 7.

Four. Environmental and Social Risk Assessment

- 4.1. The E&S officer will conduct the ESRA as in Annex 4 based on true and accurate information for the corresponding template of the risk category assigned and approved in 3.4.
- 4.2. The E&S officer will use the IFC's Performance Standards when conducting E&S assessment and may request for additional information and documents from clients and visit the client's operation.
- 4.3. Stakeholder Engagement will ensure the effective engagement and consultation of communities and individuals, including transboundary, vulnerable and marginalized groups and individuals, affected or potentially affected by its activities and project. To guarantee the achievement of this objective, every project is provided with a Stakeholder Engagement Plan describing the disclosure of information, meaningful consultation and informed participation processes that will be implemented in the project in a culturally appropriate and gender responsive manner. This information will be designed and undertaken in a manner that takes into consideration the risks and impacts, including where appropriate transboundary impacts as well as opportunities to enhance environmental and social outcomes of the proposed activities, starting from the design and development of activities and will continue throughout the lifecycle of the activities.

- 4.4. When conducting ESRA, the E&S officer will ensure that all documents required for the particular risk category are in place.
- 4.5. The E&S officer will have received all necessary documents (photos of the operation, documents, assessments, EIA etc.) for ESRA 15 business days before the loan proposal is presented to the Bank's credit committee. Within 15 business days after all the documents related to the loan proposal and necessary documents for E&S assessment have been received, the E&S officer will conduct the ESRA and devise E&S action plan if necessary and have them revised by the Director of the department and attach them to the borrower's file in the Loan Processing program.
- 4.6. If the client has multiple business operations in different sectors, the business operation that had the highest sales share in the last year shall be chosen in the assessment's "Client's main business operation" section.
- 4.7. E&S officer shall review and ensure that the client's business operation is not included in Exclusion list which is in Annex 2 of ESRP.
- 4.8. The E&S officer ensure and monitor the implementation of these procedures and monitor whether the correct level of ESRA are being conducted on climate projects, programmes and loans, and are being presented to the credit committee.

Five. Environmental and social risk mitigation

- 5.1. During the ESRA, if it is concluded that the client lacks or needs to make improvements to certain frameworks or procedures to adequately manage the environmental and social risks associated with the project or the programme, the bank can impose covenants to take necessary actions to mitigate the risks, and include it in the legal agreement.
- 5.2. If, as part of the project and programme implementation, resettlement is necessary, Resettlement Action Plan needs to be developed compliant with the Bank's policies. If during resettlement, economic displacement happened or livelihood worsened due to the resettlement, programs or compensations need to be included in the Resettlement Action Plan to restore livelihoods. These plans and programs shall be a part of the environmental and social assessment of the project or programme. Where involuntary resettlement is required as part of the project or programme, procedures and processes regarding consultations with the project affected people, compensation, free, prior, and informed consent, restoration of livelihoods, unemployment compensation, resettlement facilities and land, grievance redress processes, procedures need to be provided in the Resettlement Action Plan.
- 5.3. The Bank, depending on the activity, can impose requirements on the client to develop the following documents or frameworks:
 - 5.3.1. Environmental and Social Management System;
 - 5.3.2. Environmental and Social Management Plan;
 - 5.3.3. Environmental and Social Action Plan;
 - 5.3.4. Environmental Impact Assessment;
 - 5.3.5. Resettlement Action Plan;
 - 5.3.6. Gender Action Plan;
 - 5.3.7. Complaint mechanism.
- 5.4. The Environmental and Social Action Plan and the additional covenants will be included in the front sheet of the loan with "-E&S" status to be included in the legal agreement and will be presented to the credit committee for approval.
- 5.5. The risk analyst and E&S officer will monitor whether the covenants imposed based on the ESRA is included in the front sheet.
- 5.6. The Account Manager will add the E&S related covenants imposed by the E&S officer in the borrower's responsibility section of the legal agreement. The ESAP and the other related covenants will be an annex of the legal agreements and will be legally binding.
- 5.7. Risk analysts and the E&S officers shall monitor and ensure that the ESAP and the other related covenants are included in the legal agreement to be made with the borrower.

- 5.8. Before the implementation of the project or programme, if it is deemed necessary, the Risk management department can facilitate trainings among executing entities to build capacity on the following subjects with other departments and units of the bank or alone:
- 5.8.1. IFC's Performance standards;
 - 5.8.2. Environmental and Social Management Plan;
 - 5.8.3. Complaints Mechanism;
 - 5.8.4. Occupational health and safety;
 - 5.8.5. Environmental protection and pollution control;
 - 5.8.6. Gender equality;
 - 5.8.7. Resettlement, land acquisition;
 - 5.8.8. Disclosure and transparency.

Six. Monitoring and Review

- 6.1. The bank will conduct E&S review on climate projects and programmes periodically in relation to the ESMP and the ESAP regardless of the loan review dates specified in other loan operating procedures:

	Risk category	Review period
1	A	Semi-annually
2	B	Semi-annually
3	C	Annually
4	I-1, I-2, I-3	As required

- 6.2. The E&S officer will complete an Environmental and Social Review Report for Climate projects and programmes as in Annex 6 with further actions to take if necessary and present to the director of the department to be revised.
- 6.3. TDB shall commission an independent internal or an external audit of its ESMS in the third year of the implementation of the first GCF funded project.

Seven. Other

- 7.1. The following actions are forbidden for the account manager and E&S officer:
- 7.1.1. Violating and breaking Mongolian laws and regulations, any action or inaction that violates the laws and legislations;
 - 7.1.2. Intentionally supporting clients whose operations are in the Exclusion List, or who do not have the necessary environmental and social documents for assessment;
 - 7.1.3. Financing clients with high risk due to wrong categorization of the client's E&S risk;
 - 7.1.4. Conducting the environmental and social assessment based on inaccurate information;
 - 7.1.5. Exposing or using confidential information regarding E&S policy or client's business secret for personal gains;
 - 7.1.6. Use of position for personal gain, giving in to outside influence, receiving or giving physical or non physical gifts, discounted products, or any kind of services and other actions and inactions specified in "Trade and Development Bank's Anti-Corruption Policy".
- 7.2. All departments, units, branches, and settlement centers shall follow this Procedure.

Eight. Other

- 8.1. If the action and inaction of employees who violated this Procedure are considered criminal in nature, the Bank shall contact and have the case investigated by law enforcement.
- 8.2. Regardless of whether the action and inaction of employees who violated this Procedure received legal and administrative penalty, the employee shall receive disciplinary actions as set out in the Labor Law and the Bank's "Internal Labor Procedure".

- 8.3. If the action and inaction of employees who violated this Procedure have caused damage to the Bank's property, regardless of whether the employee received legal, administrative, and disciplinary penalty, the employee shall take full responsibility to restore the damage.
- 8.4. If the action and inaction of employees who violated this Procedure caused harm to the Bank's business reputation, the employee shall take full responsibility to clear the Bank's reputation.

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Environmental and Social Safeguards of the Green Climate Fund

Overview of the International Finance Corporation Performance Standards

1. The eight Performance Standards (PS) and the objectives of each are as follows:
 - 1.1. PS1: Assessment and management of environmental and social risks and impacts
 - (a) Identify funding proposal's environmental and social risks and impacts;
 - (b) Adopt mitigation hierarchy: anticipate, avoid; minimize; compensate or offset;
 - (c) Improve performance through an environmental and social management system;
 - (d) Engagement with affected communities or other stakeholders throughout funding proposal cycle. This includes communications and grievance mechanisms.
 - 1.2. PS2: Labor and working conditions
 - (a) Fair treatment, non-discrimination, equal opportunity;
 - (b) Good worker–management relationship;
 - (c) Comply with national employment and labor laws;
 - (d) Protect workers, in particular those in vulnerable categories;
 - (e) Promote safety and health;
 - (f) Avoid use of forced labor or child labor.
 - 1.3. PS3: Resource efficiency and pollution prevention
 - (a) Avoid, minimize or reduce project-related pollution;
 - (b) More sustainable use of resources, including energy and water;
 - (c) Reduced project-related greenhouse gas emissions.
 - 1.4. PS4: Community health, safety and security
 - (a) To anticipate and avoid adverse impacts on the health and safety of the affected community;
 - (b) To safeguard personnel and property in accordance with relevant human rights principles.
 - 1.5. PS5: Land acquisition and involuntary resettlement
 - (a) Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use:
 - (i) Avoid/minimize displacement;
 - (ii) Provide alternative project designs;
 - (iii) Avoid forced eviction.
 - (b) Improve or restore livelihoods and standards of living;
 - (c) Improve living conditions among displaced persons by providing:
 - (i) Adequate housing;
 - (ii) Security of tenure.
 - 1.6. PS6: Biodiversity conservation and sustainable management of living natural resources
 - (a) Protection and conservation of biodiversity;
 - (b) Maintenance of benefits from ecosystem services;
 - (c) Promotion of sustainable management of living natural resources;
 - (d) Integration of conservation needs and development priorities.
 - 1.7. PS7: Indigenous peoples
 - (a) Ensure full respect for indigenous peoples
 - (i) Human rights, dignity, aspirations;
 - (ii) Livelihoods;
 - (iii) Culture, knowledge, practices;
 - (b) Avoid/minimize adverse impacts;
 - (c) Sustainable and culturally appropriate development benefits and opportunities;
 - (d) Free, prior and informed consent in certain circumstances.
 - 1.8. PS8: Cultural heritage
 - (a) Protection and preservation of cultural heritage;
 - (b) Promotion of equitable sharing of cultural heritage benefits.
2. The International Finance Corporation (IFC) PS can be viewed at: http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES.

I. PERFORMANCE STANDARD GUIDANCE NOTES

3. A set of eight Guidance Notes, corresponding to each PS, offers guidance on the requirements contained in the PS. In addition, the World Bank Group Environmental, Health and Safety (EHS) Guidelines are technical reference documents with general and industry specific examples of good international practice and are linked to the PS through PS2 and PS3.
4. The Guidance Notes and EHS Guidelines can be found at:
http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/Performance+Standards+and+Guidance+Notes+2012/.

Risk categorization checklist of Climate projects and programmes

This checklist is designed to help determine the environmental and social risk category of a Climate project or programme.

1. General information:	
1.1 Name of the project or programme	
1.2 Project or programme location	
1.3 Project or programme duration	
1.4 Total financing of the project or programme	

2. Client's information:			
Question	Yes	No	Explanation
2.1 Is the working condition considered difficult and potentially unhealthy?			
2.2 Does the company make labor contracts with their permanent and contracted employees?			
2.3 Are the employees covered by social insurances?			
2.4 Are the employees paid wages higher than the minimum wage?			
2.5 Are there any grievances by the employees? (complaints, opposition, strike, legal proceedings etc.)			
2.6 Are the employees provided with trainings? Please provide details. (frequency, training topic)			
2.7 Are the employees provided with medical examinations? (frequency)			
2.8 Are the employees provided with personal protective equipment (whether PPEs are renewed and replaced regularly)?			
2.9 Did the company appoint HR manager and Occupational Health and Safety engineer?			
2.10 Did the company received any awards related to E&S?			
2.11 Did the company receive fines or penalty?			
2.12 Has any accident or other incident ever happened in the client's operation? Please cite the most serious incident that happened.			

3. Environmental impact:			
Question	Yes	No	Explanation
3.1 Does the project cause air pollution, water pollution, soil subsidence and erosion?			
3.2 Does the project involve using natural resources excessively? (water, electricity etc.)			
3.3 Does the project cause foul smell in the surrounding area?			
3.4 Does the project create other environmental issues? /noise, vibration, traffic etc./?			
3.5 What kind of wastes are emitted from the client's operation?			
3.6 Does the client's operation emit hazardous waste? (chemical, medical)			
3.7 Did the company make waste transportation contract to have their waste disposed of properly?			
3.8 Does the company classify and recycle their waste? (solid and liquid)			
3.9 Does the client use pesticides and other chemicals in their activities?			
a. Does the client have permission to use the chemicals and pesticides?			
b. Are the pesticides and chemicals stored properly?			
3.10 Does the client use any environmentally friendly technology? If yes, what kind?			

3.11 Does the client do remediation and restoration to the environment? If so, how?			
3.12 Does the project affect ecosystem and cause fluctuations in species of animals and plants?			
3.13 Does the client's operation make changes to river dams?			

4. Social impact:			
Question	Yes	No	Explanation
4.1 Is there any discrimination (gender, disability)? For example: different salary for male and female worker who have the same capability and productivity?			
4.2 Is there a mechanism to eliminate child labor or forced labor?			
4.3 Is the workplace safe and healthy?			
4.4 Is there any mechanism in place to avoid corruption?			
4.5 Does the borrower engage in any activities with weapons or other conflictive actions?			
4.6 Does the financed project /referred to as "project"/ reduce public space? (playground, park, shelters etc.)			
4.7 Does the project have any positive or negative impacts on Indigenous People /tradition, beliefs, dignity, culture, freedom, health etc./			
4.8 Does the project involve evicting or damaging local cultural heritages?			
4.9 Will there be positive or negative social or economic impact due to changing the use of the land where the project will be implemented?			
4.10 Could there be dispute over the land acquisition due to the resources underneath?			
4.11 Does the project cause involuntary resettlement?			
4.12 Will the project create site-specific or regional unemployment?			
4.13 Does the project include plans on consultation with indigenous people and the stakeholders on decision-making?			
4.14 Does the project have grievance mechanism to handle complaints from stakeholders? (prior to and during implementation)			
4.15 Is emergency response plan included in the project plan? If yes, please describe.			

5. Documentation:			
Documents	Yes	No	Explanation
5.1 Special permit, operational permit*			
5.2 Environmental and Social Management System*			
5.3 Environmental and Social Management Plan*			
5.4 HR policy*			
5.5 Occupational health and safety guidelines, emergency response plan*			
5.6 Letter of inspection by the Inspection Agency and other state agencies * /on workplace condition, product quality, certificate of origin, statement of health and safety, fire safety etc./			
5.7 Certificate of conformity, Standard certifications*			
5.8 Environmental Impact Assessment, reports*			

** - If you chose "Yes", attach the relevant document. Your information will be kept confidential according to the "TDB's confidentiality policy"*

Name of the person who filled the form:

/Name, Signature/

/Position/

Received by:

/ Name, Signature/

/ Position /

Date:

Risk Categorization Assessment

Name of the project or programme:		
Project or programme duration:		
Project or programme location:		
Project beneficiaries:		
Name of the client:	
Category A / High level of intermediation I-1	Category B / Medium level of intermediation I-2	Category C / Low level of intermediation I-3
<i>Activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented. Impacts may extend beyond the project sites. E&S assessment (ESA), Environmental impact assessment (EIA) including E&S management plan (ESMP) is required.</i>	<i>“Activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. In most cases mitigation measures can be designed more readily than for Category A sub-projects. E&S assessment (ESA) including ESMP is required.</i>	<i>Activities with minimal or no adverse environmental or social risks and/or impacts. EIA or ESMP are not required although ESAP might be needed on mitigating certain E&S related risks. Environmental implications need to be reviewed during the E&S assessment.</i>
Projects affecting indigenous people	Example:	Example:
Projects involving large resettlement	Breweries	Software development
Projects affecting highly sensitive ecosystems	Hotel/Tourism developments	Factoring Companies
All projects which pose serious socioeconomic concerns	Cement manufacture	Consulting firms
Projects associated with induced development (e.g. inward migration)	Mining (small scale)	Share registries
Domestic or hazardous waste disposal operations	Dairy operations	Service industries
Projects which impact on cultural property	Metal plating	Stockbroking
Hazardous chemicals: manufacture, storage or transportation above a threshold volume	Food Processing	Technical assistance
Projects which pose serious occupational or health risks	Modernization of existing plants	Education and training
Example:	General manufacturing plants	Public broadcasting (TV, radio, satellite)
Large thermal and hydropower developments	Pulp and paper mills	Small-scale reforestation
Forestry operations	Hospitals	Health services
Large scale forestry projects	Textile Plants	Monitoring programs
Metal smelting, refining and foundry operations	Forest management activities	
Mining (opencast and pit)	Activities to improve energy efficiency of industry	
Construction of dams and reservoirs	Small and medium-scale low emission power generation	

Major irrigation projects or other projects affecting water supply in a given region		
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Please list the identifiable risks of the project or programme and determine the significance to assist in assigning the risk category of A, B, or C.

	Major E&S risk/impact	Significance of the risk
	<i>risk/impact</i>	<i>likelihood, frequency, intensity, manageability, duration, reversibility, and significance</i>
1		
2		
3		
4		
5		
6		

	Assumptions related to the E&S risk/impact (if applicable)	Whether these assumptions are likely to hold true and what can be done to monitor this?
1	<i>Assumption</i>	
2		
3		

E&S officer's suggested risk categorization:		Category B
E&S officer's summary and basis for risk categorization:		
<i>risk screening summary by the E&S officer and basis of categorization</i>		
Next step:	<i>Proceed to 'Category A / I-I'</i>	
	<i>Proceed to Gender assessment</i>	
Required E&S framework:	Comprehensive environmental and social management system is required.	

Category A / High Level of Intermediation I-1			
Project/programme :			
Main business operation:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production		▼
	3.2. Дулаан түгээх үйл ажиллагаа/Heat distribution		▼
Loan transaction:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production		▼
	3.4. Уур, агааржуулагчийн хангамжийн бусад үйл ажиллагаа/Other related activity of Steam and ventilation		▼
Result area:	Climate change mitigation		Climate change adaptation
	<input type="checkbox"/>	Energy generation and access	<input type="checkbox"/> Health, food and water security
	<input type="checkbox"/>	Transport	<input type="checkbox"/> Livelihoods of people and communities
	<input type="checkbox"/>	Forests and land use	<input type="checkbox"/> Ecosystems and ecosystem services
	<input type="checkbox"/>	Buildings, cities, industries, and appliances	<input type="checkbox"/> Infrastructure and built environment
Estimated mitigation impact:			
TDB's E&S risk classification			
Main business operation		Loan transaction	
Yellow		Red	
Name of the executing entity: LLC		
Project/programme total Financing:	e.g. 100,000,000 MNT		
Project/programme location:			
Project/programme beneficiaries:			
Project/programme duration:	... months		

Required Document / Policy / Procedure / System for Disclosure	
Category A	High Level of Intermediation I-1
Environmental and Social Impact Assessment	Environmental and Social Management System
Environmental and Social Management Plan	

PS1: Assessment and management of E&S risks and impact			
Key component	Client's performance	E&S officer's comments	Mitigation measures (optional)
E&S Policy/Procedure	/Comprehensive policy or procedure to identify, assess, manage E&S risks and impacts of the operation/		
Identification of E&S risks and impact	/Thorough and correct identification of E&S risks and impacts/		

Mitigation of E&S risks	/Mitigation measures and actions developed for the previously identified E&S risks and impact/		
E&S Management Programs and Plans	/Comprehensive plan or program mapping the E&S management with roles and responsibilities, time frame, scope, and budget/		
E&S Impact Assessment	/EIA conducted by the Ministry of Environment and Tourism or a professional company as required/		
Organizational Capacity and Competency	/Suitable and adequate organizational structure for E&S management/		
Emergency Preparedness and Response	/Emergency management procedures and plans with roles and responsibilities. Clear communication of the procedures/		
Stakeholder Engagement	/The E&S policy or policy include Stakeholder engagement procedures and an effective stakeholder management plan/		
External Communications and Grievance Mechanisms	/External communications and grievance mechanism are in place including roles and responsibilities, complaint or grievance handling process/		
Ongoing Reporting to Affected Communities	/Mechanism to report regularly to the project affected people using effective measures/		
Monitoring and Review	/System to monitor and review its E&S performance regularly/		
PS2: Labor and Working Conditions			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Human Resource policy	/Human resources policies and procedures appropriate to its size and workforce that set out its approach to managing workers consistent with the PSs and national law/		
Non-discrimination among employees	/Equal opportunities for employment, promotion, incentives, etc. Clear statements on equality/		
Working Relationship / Good worker – management relationship	/Provision of reasonable working conditions and terms of employment/		

Compliance with national employment and labor laws	/History of conflict, violation of employee rights etc. Human resource policy and management does not conflict with the law and PSs/		
Salary / Fair compensation	/Fair salary or wage to all employees whether permanent or contracted. Whether social insurances are provided/		
Protect workers, in particular those in vulnerable categories	/Special benefits and opportunities for employees that are vulnerable (disabled, widowed, ill etc.)/		
Occupational safety and health	/OHS plan, budget, officer, guidelines, PPEs, accident records, OHS for all employees including contracted/		
Avoid use of forced labor or child labor	/HR policy that clearly defines elimination of all forms of forced labor. Labor contracts made with all employees including contracted/		
Employees' Grievance Mechanism	/Opportunities for employees to report or submit complaints to the employer, create unions etc. track records/		
PS3: Resource Efficiency and Pollution Prevention			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Use of toxic ingredients or chemicals	/Whether the client's operation involves use of hazardous materials and ingredients/		
Waste emission (gas, solid, liquid)	/The client's waste management/		
Avoid, minimize, and reduce project-related pollution	/Pollution prevention actions and mitigation measures/		
More sustainable use of resources, including energy and water	/Implementation of technically and financially feasible and cost effective measures for improving efficiency in its consumption of energy, water, as well as other resources and material inputs, with a focus on areas that are considered core business activities. Such measures will integrate the principles of cleaner production into product design and production processes with the objective		

	of conserving raw materials, energy, and water. Where possible, the client will make a comparison to establish the relative level of efficiency/		
Reduced project-related Greenhouse Gas (GHG) emissions	/Whether the client implements technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project./		

PS 4: Community Health and Safety

Key component	Client's performance	E&S officer's comments	Mitigation measure
Engagement with the local community	/Any mechanism or procedure to engage or consult with the local community/		
To anticipate and avoid adverse impacts on the health and safety of the Affected Community	/Identification and assessment of the impact of the project or programme on the lives of the affected community. And programs or plans to avoid or minimize the risks and impacts (safety of the project, emergency preparedness, impact on ecosystems etc.)/		
To safeguard personnel and property in accordance with relevant human rights principles	/Whether the client assesses risks posed by its security arrangements. Whether the client monitors and trains them adequately in the use of force, and appropriate conduct toward workers and Affected Communities; and require them to act within the applicable law. Whether the client uses force./		

PS5: Land Acquisition and Involuntary Resettlement

Key component	Client's performance	E&S officer's comments	Mitigation measure
Land acquisition / ownership	/Current land ownership status/		
Involuntary resettlement	/Where the project or programme involves involuntary resettlement/		
Avoid, minimize adverse social and economic impacts from land acquisition or restrictions on land use	/Assessment of the impact of the project or programme on the land and the community and programme or plan to minimize the impacts/		
Improve or restore livelihoods and standards of living	/Any programs or plans to improve the engagement of the community and thus improve their livelihoods/		

Improve living conditions among displaced persons	/Adequate housing, and security of tenure/		
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resource			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Assessment of Biodiversity and the state of the environment and habitat	/Assessment of the current habitats in the project or programme area , use of legally protected and recognized areas/		
Impact of the project or programme on biodiversity	/Whether the project or programme involves introducing invasive alien species, endangering natural habitats, and ecosystems. Thorough analysis done by professionals might be required/		
Protection and conservation of biodiversity	/Programme or plan to protect the ecosystems where necessary/		
Maintenance of benefits from ecosystem services	/Industry-specific sustainable management practices and technologies/		
Sustainable management of living natural resources	/Integration of conservation needs and development priorities/		
PS7: Indigenous People			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Identifying indigenous peoples	/Whether the project or programme involves engaging with indigenous peoples/		
Engagement with the indigenous peoples	/Internationally recognized practices for engagement with indigenous peoples. Consultations with indigenous peoples on decision making/		
Ensure full respect for indigenous peoples	/Human rights, dignity, aspirations Livelihoods, Culture, knowledge, practices/		
Avoid, minimize adverse impacts	/Assessment of the impact of the project or programme on indigenous peoples and actions to mitigate those risks and impacts/		
Sustainable and culturally appropriate development benefits and opportunities	/Programme or plan to provide opportunities for the engagement of indigenous peoples/		

Free, Prior and Informed Consent (FPIC) in certain circumstance	/Consultation and asking for their consent and incorporating their views to the decision-making/		
PS8: Cultural Heritage			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Identification of cultural heritage	/Identification of tangible and intangible cultural heritage/		
Impact of the project or programme on the cultural heritage	/If the project could have negative impact on cultural heritage, competent professionals' assistance might be required/		
Protection and preservation of cultural heritage	/Internationally recognized practices for the protection, field-based study, and documentation of cultural heritage, chance find procedures/		
Consultation and community access	/Where a project may affect cultural heritage, the client will consult with Affected Communities. The client will incorporate into the client's decision-making process the views of the Affected Communities and the relevant national or local regulatory agencies entrusted with the protection of cultural heritage/		
Promotion of equitable sharing of cultural heritage benefits	/If the project involves the use of or any benefits from cultural heritage, the cultural heritage should be shared equally with the community/		

E&S officer: /...../

Revised by: /...../

Category B / Medium Level of Intermediation I-2			
Project/programme:			
Main business operation:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production		▼
	3.2. Дулаан түгээх үйл ажиллагаа/Heat distribution		▼
Loan transaction:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production		▼
	3.4. Уур, агааржуулагчийн хангамжийн бусад үйл ажиллагаа/Other related activity of Steam and ventilation		▼
Result area:	Climate change mitigation		Climate change adaptation
	<input type="checkbox"/>	Energy generation and access	<input type="checkbox"/> Health, food and water security
	<input type="checkbox"/>	Transport	<input type="checkbox"/> Livelihoods of people and communities
	<input type="checkbox"/>	Forests and land use	<input type="checkbox"/> Ecosystems and ecosystem services
<input type="checkbox"/>	Buildings, cities, industries, and appliances	<input type="checkbox"/> Infrastructure and built environment	
Estimated mitigation impact:			
TDB's E&S risk classification			
Main business operation		Loan transaction	
Yellow		Red	
Name of the executing entity:		
Project/programme Total Financing: MNT		
Project/programme location:			
Project/programme beneficiaries:			
Project/programme duration:	... months		

Required Document / Policy / Procedure / System for Disclosure	
Category B	Medium Level of Intermediation I-2
Environmental Impact Assessment	Environmental and Social Management System
Environmental and Social Management Plan	

PS1: Assessment and management of E&S risks and impact			
Key component	Client's performance	E&S officer's comments	Mitigation measures (optional)
E&S Policy/Procedure	/Comprehensive policy or procedure to identify, assess, manage E&S risks and impacts of the operation/		

Identification of E&S risks and impact	/Thorough and correct identification of E&S risks and impacts/		
Mitigation of E&S risks	/Mitigation measures and actions developed for the previously identified E&S risks and impact/		
E&S Management Programs and Plans	/Comprehensive plan or program mapping the E&S management with roles and responsibilities, time frame, scope, and budget/		
E&S Impact Assessment	/EIA conducted by the Ministry of Environment and Tourism or a professional company as required/		
Organizational Capacity and Competency	/Suitable and adequate organizational structure for E&S management/		
Emergency Preparedness and Response	/Emergency management procedures and plans with roles and responsibilities. Clear communication of the procedures/		
Stakeholder Engagement	/The E&S policy or policy include Stakeholder engagement procedures and an effective stakeholder management plan/		
External Communications and Grievance Mechanisms	/External communications and grievance mechanism are in place including roles and responsibilities, complaint or grievance handling process/		
PS2: Labor and Working Conditions			

Key component	Client's performance	E&S officer's comments	Mitigation measure
Human Resource policy	/Human resources policies and procedures appropriate to its size and workforce that set out its approach to managing workers consistent with the PSs and national law/		
Non-discrimination among employees	/Equal opportunities for employment, promotion, incentives, etc. Clear statements on equality/		
Working Relationship / Good worker – management relationship	/Provision of reasonable working conditions and terms of employment/		
Compliance with national employment and labor laws	/History of conflict, violation of employee rights etc. Human resource policy and management does not conflict with the law and PSs/		
Salary / Fair compensation	/Fair salary or wage to all employees whether permanent or contracted. Whether social insurances are provided/		
Protect workers, in particular those in vulnerable categories	/Special benefits and opportunities for employees that are vulnerable (disabled, widowed, ill etc.)/		
Occupational safety and health	/OHS plan, budget, officer, guidelines, PPEs, accident records, OHS for all employees including contracted/		

Avoid use of forced labor or child labor	/HR policy that clearly defines elimination of all forms of forced labor. Labor contracts made with all employees including contracted/		
PS3: Resource Efficiency and Pollution Prevention			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Waste emission (gas, solid, liquid)	/The client's waste management/		
Avoid, minimize, and reduce project-related pollution	/Pollution prevention actions and mitigation measures/		
More sustainable use of resources, including energy and water	/Implementation of technically and financially feasible and cost effective measures for improving efficiency in its consumption of energy, water, as well as other resources and material inputs, with a focus on areas that are considered core business activities. Comparisons to establish the relative level of efficiency/		
Reduced project-related Greenhouse Gas (GHG) emissions	/Whether the client implements technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project/		
PS 4: Community Health and Safety			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Engagement with the local community	/Any mechanism or procedure to engage or consult with the local community/		

To anticipate and avoid adverse impacts on the health and safety of the Affected Community	/Identification and assessment of the impact of the project or programme on the lives of the affected community. And programs or plans to avoid or minimize the risks and impacts (safety of the project, emergency preparedness, impact on ecosystems etc)/		
To safeguard personnel and property in accordance with relevant human rights principles	/Whether the client assesses risks posed by its security arrangements. Whether the client monitors and trains them adequately in the use of force, and appropriate conduct toward workers and Affected Communities; and require them to act within the applicable law. Whether the client uses force./		
PS5: Land Acquisition and Involuntary Resettlement			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Land acquisition / ownership	/Current land ownership status/		
Avoid, minimize adverse social and economic impacts from land acquisition or restrictions on land use	/Assessment of the impact of the project or programme on the land and the community and programme or plan to minimize the impacts/		
Improve or restore livelihoods and standards of living	/Any programs or plans to improve the engagement of the community and thus improve their livelihoods/		

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resource

Key component	Client's performance	E&S officer's comments	Mitigation measure
Assessment of Biodiversity and the state of the environment and habitat	/Assessment of the current habitats in the project or programme area , use of legally protected and recognized areas/		
Impact of the project or programme on biodiversity	/Whether the project or programme involves introducing invasive alien species, endangering natural habitats, and ecosystems. Thorough analysis done by professionals might be required/		
Protection and conservation of biodiversity	/Programme or plan to protect the ecosystems where necessary/		
Sustainable management of living natural resources	/Integration of conservation needs and development priorities/		

PS7: Indigenous People

Key component	Client's performance	E&S officer's comments	Mitigation measure
Identifying indigenous peoples	/Whether the project or programme involves engaging with indigenous peoples/		
Engagement with the indigenous peoples	/Internationally recognized practices for engagement with indigenous peoples/		
Free, Prior and Informed Consent (FPIC) in certain circumstance	/Consultation and asking for their consent and incorporating their views to the decision-making/		

PS8: Cultural Heritage

Key component	Client's performance	E&S officer's comments	Mitigation measure
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Identification of cultural heritage	/Identification of tangible and intangible cultural heritage/		
Impact of the project or programme on the cultural heritage	/If the project could have negative impact on cultural heritage, competent professionals' assistance might be required/		
Protection and preservation of cultural heritage	/Internationally recognized practices for the protection, field-based study, and documentation of cultural heritage, chance find procedures/		

E&S officer: /...../
Revised by: /...../

Category C / Low Level of Intermediation I-3	
Project/programme:	
Main business operation:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production ▼
	3.2. Дулаан түгээх үйл ажиллагаа/Heat distribution ▼
Loan transaction:	4. Цахилгаан хий, уур, агааржуулалт/Electricity, power, and gas production ▼
	3.4. Уур, агааржуулагчийн хангамжийн бусад үйл ажиллагаа/Other related activity of Steam and ventilation ▼
Result area:	Climate change mitigation
	<input type="checkbox"/> Energy generation and access
	<input type="checkbox"/> Transport
	<input type="checkbox"/> Forests and land use
	Climate change adaptation
	<input type="checkbox"/> Health, food and water security
	<input type="checkbox"/> Livelihoods of people and communities
	<input type="checkbox"/> Ecosystems and ecosystem services
	<input type="checkbox"/> Infrastructure and built environment
Estimated mitigation impact:	
TDB's E&S risk classification	
Main business operation	Loan transaction
Yellow	Red
Name of the executing entity:
Project/programme Total Financing: MNT
Project/programme location:	
Project/programme beneficiaries:	
Project/programme duration:	... months

PS1: Assessment and management of E&S risks and impact			
Key component	Client's performance	E&S officer's comments	Mitigation measures (optional)
E&S Policy/Management programs	/Comprehensive policy or procedure to identify, assess, manage E&S risks and impacts of the operation/		
Identification of E&S risks and impact	/Thorough and correct identification of E&S risks and impacts/		
Mitigation of E&S risks	/Mitigation measures and actions developed for the previously identified E&S risks and impact/		

E&S Impact Assessment	/EIA conducted by the Ministry of Environment and Tourism or a professional company as required/		
Organizational Capacity and Competency	/Suitable and adequate organizational structure for E&S management/		
Emergency Preparedness and Response	/Emergency management procedures and plans with roles and responsibilities. Clear communication of the procedures/		
External Communications and Grievance Mechanisms	/External communications and grievance mechanism are in place including roles and responsibilities, complaint or grievance handling process/		
PS2: Labor and Working Conditions			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Human Resource policy	/Human resources policies and procedures appropriate to its size and workforce that set out its approach to managing workers consistent with the PSs and national law/		
Non-discrimination among employees	/Equal opportunities for employment, promotion, incentives, etc. Clear statements on equality/		
Working Relationship / Good worker – management relationship	/Provision of fair working conditions and terms of employment/		
Compliance with national employment and labor laws	/History of conflict, violation of employee rights etc. Human resource policy and management does not conflict with the law and PSs/		
Salary / Fair compensation	/Fair salary or wage to all employees whether permanent or contracted. Whether social insurances are provided/		
Occupational safety and health	/OHS plan, budget, officer, guidelines, PPEs, accident records, OHS for all employees including contracted/		
Avoid use of forced labor or child labor	/HR policy that clearly defines elimination of all forms of forced labor. Labor contracts made with		

	all employees including contracted/		
PS3: Resource Efficiency and Pollution Prevention			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Use of toxic ingredients or chemicals	/Whether the client's operation involves use of hazardous materials and ingredients/		
Waste emission (gas, solid, liquid)	/The client's waste management practices in relation to its waste emission/		
Avoid, minimize, and reduce project-related pollution	/Pollution prevention actions and mitigation measures/		
More sustainable use of resources, including energy and water	/Implementation of technically and financially feasible and cost effective measures for improving efficiency in its consumption of energy, water, as well as other resources and material inputs, with a focus on areas that are considered core business activities. Such measures will integrate the principles of cleaner production into product design and production processes with the objective of conserving raw materials, energy, and water. Where possible, the client will make a comparison to establish the relative level of efficiency/		
Reduced project-related Greenhouse Gas (GHG) emissions	/Whether the client implements technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project./		
PS 4: Community Health and Safety			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Engagement with the local community	/Any mechanism or procedure to engage or consult with the local community./		

To anticipate and avoid adverse impacts on the health and safety of the Affected Community	/Identification and assessment of the impact of the project or programme on the lives of the affected community. And programs or plans to avoid or minimize the risks and impacts (safety of the project, emergency preparedness, impact on ecosystems etc)/		
To safeguard personnel and property in accordance with relevant human rights principles	/Whether the client assesses risks posed by its security arrangements. Whether the client monitors and trains them adequately in the use of force, and appropriate conduct toward workers and Affected Communities; and require them to act within the applicable law. Whether the client uses force./		
PS5: Land Acquisition and Involuntary Resettlement			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Land acquisition / ownership	/Current land ownership status/		
Improve or restore livelihoods and standards of living	/Any programs or plans to improve the engagement of the community and thus improve their livelihoods/		
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resource			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Assessment of Biodiversity and the state of the environment and habitat	/Assessment of the current habitats in the project or programme area , use of legally protected and recognized areas/		
Impact of the project or programme on biodiversity	/Whether the project or programme involves introducing invasive alien species, endangering natural habitats, and ecosystems. Thorough analysis done by professionals might be required/		
Protection and conservation of biodiversity	/Programme or plan to protect the ecosystems where necessary/		
PS7: Indigenous People			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Identifying indigenous peoples	/Whether the project or programme involves engaging with indigenous peoples/		

Engagement with the indigenous peoples	/Internationally recognized practices for engagement with indigenous peoples. Consultations with indigenous peoples on decision making/		
PS8: Cultural Heritage			
Key component	Client's performance	E&S officer's comments	Mitigation measure
Identification of cultural heritage	/Identification of tangible and intangible cultural heritage/		
Impact of the project or programme on the cultural heritage	/If the project could have negative impact on cultural heritage, competent professionals' assistance might be required/		
Protection and preservation of cultural heritage	/Internationally recognized practices for the protection, field-based study, and documentation of cultural heritage, chance find procedures/		

E&S officer: /...../
Revised by: /...../

Environmental and Social Action Plan

Mitigation measures

	PS	Component	Mitigation Measures	Deadline / Review date	Criteria
1					
2					
3					
4					
5					
6					
7					
8					
9					

Devised by: /...../

Revised by: /...../

Agreed by: /...../

Client's Environmental and Social Review Report

Project Name:	
Project Location:	
Nature of Project:	
Project Capacity:	
Project Duration:	
Project Key Dates:	
Reporting Period:	
Report Number:	

Performance Standards review

Components	Client's performance	E&S officer's summary	Further steps
PS 1: Assessment and management of E&S risks and impact			
Stakeholder engagement, Grievance management	<i>Overview on adherence to this PS. Any improvement, or changes should be noted</i>	<i>Conclusion and comments</i>	<i>whether more actions need to be taken</i>
Emergency Preparedness			
Ongoing reporting and Transparency			
PS 2: Labor and Working Conditions			
Employees' salary and compensation			
Working conditions (OHS, and fair conditions)			
HR policy			
Employees' grievance management			
PS 3: Resource Efficiency and Pollution Prevention			
Waste Management			
Pollution Control			
Sustainable use of resources			
GHG emission			
PS 4: Community Health, Safety and Security			
Engagement with the local community			
Impacts of the project or programme on the health and safety of the Affected Community			
PS 5: Land Acquisition and Involuntary Resettlement			
Land access agreements			
Resettlement			
Improve or restore livelihoods and standards of living			
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resource			

Impact of the project or programme on biodiversity			
Protection and conservation of biodiversity			
Sustainable management of resources			
PS 7: Indigenous People			
Impact of the project of programme on indigenous people			
Engagement with indigenous people			
PS 8: Cultural Heritage			
Protection and preservation of cultural heritage			
Consultation and community access			

Mitigation Measures Review

	PS	Component	Mitigation Measures	Due date	Client's performance/E&S officer's comments	Further action
1						
2						
3						
4						
5						

Devised by:

/...../

Revised by:

/...../

1. Disclosure and complaints of Project or programmes funded by the Green Climate Fund

- 1.1. The Bank shall disclose to the public and observers and to the GCF board through the GCF secretariat both in local language of Mongolia and in English:
 - 1.1.1. in case of Category A projects, the Environmental Impacts Assessment (EIA) and an Environmental and Social Management Plan (ESMP) at least 120 days in advance of the the Bank's Credit Committee decision or GCF's Board decision, whichever is earlier;
 - 1.1.2. in the case of Category I-1 programmes, the Environmental and Social Management System (ESMS) at least 120 days in advance of the Bank's Credit Committee decision or GCF's Board decision, whichever is earlier;
 - 1.1.3. in the case of Category B projects, the EIA and an Environmental and Social Management Plan (ESMP) at least 30 days in advance of the Bank's Credit Committee decision or GCF's Board decision, whichever is earlier; and
 - 1.1.4. in the case of Category I-2 programmes, the ESMS at least 30 days in advance of the Bank's Credit Committee decision or GCF's Board decision, whichever is earlier.
- 1.2. Regardless of the risk category of the GCF-funded project or programme, the following information of the project or programme will be disclosed to the public through the bank's webpage for projects and programmes:
 - 1.2.1. Name, address, and nationality of the beneficiary;
 - 1.2.2. Purpose of the funding;
 - 1.2.3. Funded amount with details like rate, period, etc.
- 1.3. The bank will have in place an effective complaint mechanism to receive grievances at all stages of the project or programme funded by the Green climate fund. Section 2 of this annex sets out the operating procedures of the Bank's Complaint mechanism for GCF-funded projects and programmes.
- 1.4. The borrower must have a complaint mechanism to receive and redress grievances related to GCF-funded projects and programmes and offer effective solutions to people that have been negatively affected by projects and programmes.
- 1.5. The bank and the borrower will inform the people who have been or may be negatively affected by GCF-funded projects and programmes of the complaint mechanism in all stages of implementation starting from the consultation stage with the stakeholders in a clear and effective way.
- 1.6. After the project or programme has been closed, the following information of the project or programme shall be posted on the Bank's website within 15 business days:
 - 1.6.1. Actual and planned results and outcome;
 - 1.6.2. Adherence to budgets, cost and timelines;
 - 1.6.3. Brief summary of the project.
- 1.7. If there is request for more information about the GCF-funded project or programme from the public, the E&S officer will disclose the information if it is not confidential upon approval of the director of the department.

2. Introduction of Complaint mechanism for GCF-funded projects and programmes

- 2.1. The Complaint mechanism for projects and programmes is TDB's grievance redress and accountability mechanism (GRAM) only applicable to complaints received from a person or a group of two or more persons or communities who have been or may be affected by adverse impacts through the failure of a project or programme, or by clients, and entities regarding GCF-funded projects and programmes. Complaints regarding other operations of the bank will be handled according to "TDB's procedures for addressing requests and complaints by clients".
- 2.2. TDB's Complaint mechanism for projects and programmes is designed to assist people negatively affected by a GCF-funded project or programme to submit their complaints freely and have their grievances redressed. TDB would ensure that the Complaint mechanism functions effectively,

efficiently, legitimately, and independently in a manner that is accessible, equitable, predictable, transparent, and that allows for continuous learning.

- 2.3. The objective of TDB's Complaint mechanism for GCF-funded projects and programmes is to receive complaints regarding a GCF-funded project or programme and forward them to the project implementers through the relevant bank units, respond to the complaints in collaboration with the project implementers and resolve the issues the best possible way.
- 2.4. These operational procedures set out in detail how complaints are to be submitted by an individual, organization and entity, what channels are to be used for submitting complaints, how the complaints will be received, how the eligibility of the complaint will be determined, how the complaint will be solved, how to report on the complaint, and how to close the complaint.
- 2.5. The Bank shall follow these procedures to handle complaints regarding projects or programmes funded by the GCF.

3. Rights and responsibilities of the Complaint mechanism for GCF-funded projects and programmes

- 3.1. The Internal Audit Department of Trade and Development Bank shall monitor the implementation of the procedures and effective resolution of complaints.
- 3.2. The Internal Audit Department will take corrective actions to solve the issue in collaboration with other units of the bank that are directly responsible for the issue based on the explanations, clarifications and information received.
- 3.3. The Internal Audit Department can monitor the resolution of complaints with the comments and information received from clients and where necessary, request for additional information.
- 3.4. Where necessary, the Complaint mechanism can contact the project implementers regarding complaints to have the issue solved.
- 3.5. TDB's Complaint mechanism for projects and programmes is only responsible for solving issues related to projects or programmes funded by the GCF.

4. Submitting complaints

- 4.1. The complaint must include the following information:
 - 4.1.1. Full name of the complainant;
 - 4.1.2. Phone number;
 - 4.1.3. Address;
 - 4.1.4. Email address;
 - 4.1.5. Name of the GCF-funded project or programme at issue;
 - 4.1.6. The harm or negative impact that has been caused or expected to be caused by the GCF-funded project or programme;
 - 4.1.7. Whether the client has contacted the project implementer or the other stakeholders to resolve the harm. If yes, the name of the point of contact, how and when the complainant contacted them, the response the complainant received and whether there is any evidence to prove the communication. If no, comments on why the complainant did not contact the project implementers (optional);
 - 4.1.8. The results or the outcome the complainant expects by submitting the complaint to TDB;
 - 4.1.9. Suggestions by the complainant on resolving the issue;
 - 4.1.10. Supporting documents, evidence or photos regarding the complaint (optional).
- 4.2. The complainant may submit their complaint in Mongolian or English language.
- 4.3. The complainant may submit their complaint through the following channels:
 - 4.3.1. Hand-deliver or mail the complaint in a letter form to TDB's head office;
 - 4.3.2. Email the complaint to projectgrievances@tdmn.mn

- 4.3.3. Submit the complaint online by filling the online complaint form on TDB's web page for Complaint mechanism for projects and programmes.
- 4.4. Complaint can be submitted by the following persons:
 - 4.4.1. A person or a group of two or more persons or communities who has been negatively affected or expected to be negatively affected by a GCF-funded project or programme;
 - 4.4.2. Authorized representative of the complainant.
- 4.5. If the complainant has requested for confidentiality and the complainant's identity does not need to be revealed to solve the issue, the identity of the complainant will be kept confidential. However, the identity of the complainant will be disclosed to the Bank officers in charge of the Complaint mechanism for projects and programmes and the project or programme.
- 4.6. If the Complaint mechanism for projects and programmes decides that the identity of the complainant must be revealed to the project implementers and the other stakeholders to solve the issue, the Complaint mechanism will ask the complainant for their consent. If the complainant objects to revealing their identity in a situation where the identity must be revealed to solve the issue, the complaint will be dismissed on the basis that agreement could not be reached.

5. Receiving complaints

- 5.1. Complaints submitted by email or through other channels of the bank will be registered and forwarded to the officer in charge of the Complaint mechanism within 1 business day by the Customer Service Unit.
- 5.2. Complaints submitted through the online form and by email will be received by the Internal Audit Department directly.
- 5.3. The Internal Audit Department will notify the complainant within 2 business days that their complaint has been received.

6. Determining the eligibility of complaints

- 6.1. Within 10 days after receiving the complaint, the officer in charge of the complaint will determine the eligibility of the complaint by contacting or meeting the complainant to receive more information.
- 6.2. If the complaint includes any of the following component or attribute, the complaint shall be regarded as ineligible:
 - 6.2.1. Complaints submitted 2 years after the GCF-funded project or programme has been closed;
 - 6.2.2. Complaints submitted 2 years after the date that the complainant became aware of the negative impacts by a GCF-funded project or programme;
 - 6.2.3. Complaints that do not relate to a GCF-funded project or programme;
 - 6.2.4. Complaints submitted again regarding an issue that has been resolved by the Complaint mechanism for projects and programmes; (complaints containing elements or evidences that were previously not included can be submitted again)
 - 6.2.5. Complaints submitted again regarding an issue that has been resolved by the project implementers or other parties involved;
 - 6.2.6. Complaints submitted by minors or persons judged by the court as lacking legal capacity without the guardians' consent;
 - 6.2.7. Complaints submitted on behalf of someone without authorization to represent them;
 - 6.2.8. Complaints that would require breaking the Mongolian laws or legislations to be solved;
 - 6.2.9. Complaints containing elements that are insulting, mocking, slanderous, unreasonable, or ostentatious;
 - 6.2.10. Complaints submitted to gain competitive advantage;

- 6.2.11. Complaints submitted regarding environmental or social issues that have been caused by illegal activities or not fulfilling their duties of an organization that is not related to GCF-funded project or programme;
- 6.2.12. Complaints that do not contain name and information of the complainant;
- 6.3. If the officer in charge of the complaints determines that the complaint is eligible, the complaint will be presented to the director of the department for further processing and registered on the Complaint mechanism webpage.
- 6.4. If the officer in charge of the complaint determines that the complaint is ineligible, the complaint will be forwarded to the direct manager and the decision will be made either to dismiss the complaint or forward the complaint to Customer Service Unit in the case the complaint is regarding other operations of the bank.
- 6.5. Upon determining the eligibility of the complaint, the officer in charge of complaint will notify the complainant.
- 6.6. If the officer in charge of the complaint determines that the complaint can be made eligible with certain changes made, the complainant will be advised to make changes to their complaint and submit it within 10 business days for it to be accepted.

7. The problem solving process

- 7.1. The Internal Audit Department shall follow the following steps when resolving issues:
 - 7.1.1. The bank will collect all evidences and information about the issue, visit the site and conduct a thorough analysis regarding the issue in a way suitable to the nature of the issue raised. In this stage, the Bank can seek assistance from an independent professional or consulting company to determine if the harm has been caused or could be caused by a GCF-funded project or programme. If, in this stage, it is concluded that the issue cannot be solved or there cannot be more done to solve the issue, or it is proven that the harm has not been caused by a GCF-funded project or programme, the complaint will be dismissed;
 - 7.1.2. Explanation, clarification and evidences will be collected from The Internal Audit Department, the project implementers, and the relevant parties. If, in this stage, it is found that the issue is being addressed by the project implementer and the relevant parties, it will be taken into consideration.
 - 7.1.3. The officer in charge of the complaint will present the findings to their direct manager to receive further guidance on resolving the issue.
 - 7.1.4. Upon discussing the issue with the relevant parties, the Bank will determine the actions to be taken to reduce or mitigate the negative impact that has been caused or is expected to be caused by a GCF-funded project or programme and to redress the grievances of the complainant.
 - 7.1.5. The final decision will be made upon approval by all of the parties involved.
 - 7.1.6. If the harm has been caused or it is proven that a situation has arisen where a harm could be caused because of the Bank's non-compliance with its own policy and procedures, corrective measures will be taken to ensure the same breaches will not be repeated again. If the issue has been caused by the employee's unethical behavior, the issue will be forwarded to the Ethics Committee of the Bank.
 - 7.1.7. If the complaint cannot be solved by the Complaint mechanism for projects and programmes, the issue will be presented and forwarded to the Deputy CEO to solved.
 - 7.1.8. The Internal Audit Department will contact the complainant and present the solutions to resolve the complaint as the outcome of the previous steps. If the complainant agrees to the solutions offered, the implementation will be initiated. If the complainant objects to the solutions offered by the Complaint mechanism for projects and programmes, further solutions will be offered based on discussion with the relevant parties.

- 7.1.9. If the Complaint mechanism for projects and programmes decides that the requirements of the complainant are not possible to be met and it is evident that an agreement cannot be reached with the complainant, the complaint will be dismissed and the complainant will be notified.
- 7.1.10. After the complaint has been resolved, the Internal Audit Department will prepare a Complaint resolution report on complaint resolution, the outcome, and the next steps to take.
- 7.1.11. The report will be delivered to relevant parties for their approval. If the report is approved by the relevant parties, the report will be finalized and posted on the webpage of Complaint mechanism for projects and programmes within 5 business days. If the relevant parties object to disclosing the report, short description of the complaint and the outcome of the problem solving process will be posted on the complaints registry section of the webpage and the status of the complaint will be changed to 'resolved'.

8. Monitoring

- 8.1. The issue will be kept open for two years after the issue has been solved based on mutual agreement of all parties. During this period, Complaint mechanism will be open to receiving feedback and comments and shall monitor the process.
- 8.2. The complaint will be closed 2 years after the decision has been made on resolving the complaint. The complaint status will be updated within 5 business days after the complaint has been closed.