

**Republic of South Africa**  
**DEVELOPMENT BANK OF SOUTHERN AFRICA**  
**BLENDED FINANCE PLATFORM FOR SUSTAINABLE**  
**INFRASTRUCTURE**  
**(P508930)**

**ENVIRONMENTAL AND SOCIAL**  
**ACTIONPLAN (ESAP)**

**DRAFT (TO BE REVISED AND NEGOTIATED)**

**December 10, 2025**

## **ENVIRONMENTAL AND SOCIAL ACTION PLAN**

1. The Republic of South Africa (the Borrower) will implement the Blended Finance Platform for Sustainable Infrastructure (the Project), with the involvement of the of the Credit Guarantee Vehicle (CGV ) to be established to implement Part 1 of the Project and the Development Bank of Southern Africa (DBSA) in respect of Parts 2 and 3 of the Project, as Project Implementing Unit (PIU), as set out in the Loan Agreement, the IBRD Surplus-Funded Livable Planet Fund (LPF) Grant Agreement and the Clean Technology Fund (CTF) Loan Agreement, and the related Project Agreements (the Agreements). The International Bank for Reconstruction and Development Bank (the Bank) acting in its own capacity, and as the implementing entity of the CTF and Trustee of the LPF Fund has agreed to provide financing for the Project, as detailed in the Agreements.
2. The Borrower shall cause DBSA to ensure that Part 3 of the Project is carried out in accordance with the DBSA Project Agreement, the Performance Standards (PSs), and this Environmental and Social Action Plan (ESAP), in a manner acceptable to the Bank. The ESAP is an integral part of the Agreements. Unless otherwise defined in this ESAP, capitalized terms used herein have the meanings ascribed to them in the Agreements.
3. Without limitation to the foregoing, this ESAP sets out the material measures and actions that DBSA shall carry out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESAP also sets out the environmental and social (E&S) documents that shall be prepared, consulted, disclosed, and implemented under the Project, consistent with the PSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. The Borrower shall ensure that sufficient funds are available to cover the costs of implementing the ESAP.
4. As agreed by the Bank and the Borrower, this ESAP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESAP to reflect these changes through an exchange of letters signed between the Bank and the Borrower's Representative specified in the Agreement. The Borrower shall promptly disclose the updated ESAP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT <sup>1</sup>			
A	<p><b>ORGANIZATIONAL STRUCTURE</b></p> <p>a. For Parts 2 and 3 of the Project, establish and maintain a Project Implementing Unit (PIU) within DBSA as per the agreed Terms of References and in accordance with the Agreements, with qualified staff and resources to support management of environmental, social, health and safety (ESHS) risks and impacts of the Project including an Environmental and Health and Safety Specialist and a Social Specialist.</p> <p>b. For Parts 1 of the Project, prepare and share for Bank review and clearance a Terms of Reference for the appointment of the key E&amp;S staff as part of the CGV structure.</p>	<p>a. Draft Terms of Reference have been shared with the Bank prior to Appraisal. Appoint E&amp;S staff prior to the Effective Date and thereafter maintain the PIU and these positions throughout Project implementation.</p> <p>b. Within (1) one months (1) of the Effective Date</p>	<p>a. DBSA</p> <p>b. DBSA</p> <p>c. DBSA</p>
B	<p><b>CAPACITY BUILDING PLAN/MEASURES</b></p> <p>Undertake a capacity assessment to determine key capacity gaps and strengthening needs in the CGV E&amp;S structure and propose a capacity building training plan.</p>	Within (1) one month after establishing the CGV.	DBSA
<b>MONITORING AND REPORTING</b>			
C	<p><b>REGULAR REPORTING</b></p> <p>(i) Prepare and submit (and where applicable, cause the CGV to prepare and submit) to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Status of preparation and implementation of E&amp;S documents required under the ESAP.</li> <li>• Summary of stakeholder engagement activities carried out as per the Stakeholder Engagement Plan.</li> </ul>	<p>(i) Submit six (6) monthly reports to the Bank throughout Project implementation, commencing after Effectiveness. Submit each report no later than ten (10) days after the end of each reporting period.</p>	<p>(i) DBSA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<ul style="list-style-type: none"> <li>• Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.</li> <li>• Number and status of resolution of incidents and accidents reported under action E below.</li> </ul>	(ii) Submit to the World Bank the first three (3) ESDDs for review and receipt of the World Bank's no objection before the respective guarantees are issued.	
D	<p><b>INCIDENTS AND ACCIDENTS</b></p> <p>For the purposes of Parts 2 and 3 of the Project, notify the Bank of any incident or accident relating to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks. Provide available details of the incident or accident to the Bank upon request.</p> <p>For the purposes of Parts 2 and 3 of the Project, arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p>	<p>Notify the Bank no later than forty eight (48) hours after learning about the incident or accident. Provide available details upon request.</p> <p>Provide review report and Corrective Action Plan to the Bank no later than ten (10) days following the submission of the initial notice, unless a different timeframe is agreed in writing by the Bank.</p>	DBSA
<b>PS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<p><b>ENVIRONMENTAL AND SOCIAL ASSESSMENTS</b></p> <p>(i) Cause the CGV to prepare, adopt and implement an ESMS consistent with the requirements of the IFC Performance Standards as outlined in the agreed Terms of Reference and to the satisfaction of the Bank. The ESMS shall contain as a minimum the following core elements:</p> <p>a. An overarching Environmental and Social Policy for its financing activities which has been endorsed by CGV senior management.</p>	<p>(i) Upon establishment of the CGV as a legal entity in accordance with the Loan Agreement and before issuing any guarantees.</p>	DBSA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>b. Clearly defined procedures for the identification, assessment and management of the ESHS risks and impacts of the CGV portfolio.</p> <p>c. Exclusion list with activities which are not eligible for guarantee support.</p> <p>d. Enhanced appraisal procedures for projects classified as substantial risk and above following environmental and social due diligence (identification of environmental and social risks and impacts and means to eliminate/minimize those, capacity of the client to implement, monitoring requirements etc).</p> <p>e. Integration of E&amp;S requirements of the appraisal phase in the investment decision-making process and transaction approval.</p> <p>f. Procedures for monitoring environmental and social performance of CGV clients and CGV's portfolio and managing environmental and social non-compliances.</p> <p>g. Organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities, and</p> <p>h. External communication mechanism, including procedures for community feedback loop and redress of grievances/inquiries.</p>	<p>(ii) Prior to CGV undertaking any transactions.</p> <p>(iii) Where applicable, ESAP documents addressing PSs shall be prepared prior to the decision by the CGV to issue a guarantee.</p>	<p>(i) DBSA</p> <p>(ii) DBSA</p>
1.2	<p><b>TECHNICAL ASSISTANCE</b></p> <p>Carry out the consultancies, studies (including feasibility studies, if applicable), capacity building, training, and any other technical assistance activities under the Part 2 of the Project in accordance with terms of reference acceptable to the Bank that are consistent with the PSs. Thereafter, prepare and finalize the outputs of such activities in compliance with the terms of reference.</p>	Throughout Project implementation.	DBSA
<b>PS 2: LABOR AND WORKING CONDITIONS</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.1	<p>a. Implement labor and working conditions requirements of the CGV's ESMS, in line with OP/BP 4.03 and in particular Performance Standard 2: Labor and Working Conditions of International Financial Corporation (PS2).</p> <p>b. For the purposes of Parts 2 and 3 of the Project, ensure that Project workers are engaged in the implementation of the Project in accordance with PS2. To this end, implement the following measures:</p> <ul style="list-style-type: none"> <li>i. Provide workers with information and documentation that is clear and understandable regarding their terms and conditions of employment through written contracts setting out their rights, including, <i>inter alia</i>, rights related to hours of work, wages, overtime, compensation, and benefits, as well as written notice of termination of employment, and details of severance payments, as applicable;</li> <li>ii. Implement occupational health and safety (including personal protective equipment, and emergency preparedness and response) measures, taking into account the General Environmental, Health and Safety Guidelines (EHSGs), the industry-specific EHSGs and other Good International Industry Practice (GIIP), as relevant;</li> <li>iii. Implement measures, as applicable, to, <i>inter alia</i>: (i) prevent the use of all forms of forced labor and child labor; (ii) enable workers to benefit from, <i>inter alia</i>, access to grievance mechanisms without fear of retaliation; and (iii) provide effective freedom to form and join workers organizations or alternative mechanisms for expressing their concerns and protect their rights related to labor and working conditions, in line with legislation of the Borrower and principles of PS2.</li> </ul>	<p>a. Throughout Project implementation.</p> <p>b. Throughout Project implementation.</p>	DBSA
<b>PS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b></p> <p>Cause CGV to consider resource efficiency and pollution prevention and management measures consistent with national legislative requirements and PS3 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<p><b>COMMUNITY HEALTH AND SAFETY</b></p> <p>Cause the CGV to consider community health and safety measures, consistent with national legislative requirements and PS4 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
5.1	<p><b>RESETTLEMENT PLANS</b></p> <p>Cause the CGV to consider community health and safety measures, consistent with national legislative requirements and PS4 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	<p><b>BIODIVERSITY RISKS AND IMPACTS</b></p> <p>Cause the CGV to consider biodiversity risks and impacts, consistent with national legislative requirements and PS6 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
7.1	<p><b>INDIGENOUS PEOPLES PLAN</b></p> <p>Cause the CGV to consider impacts indigenous people consistent with national legislative requirements and PS7 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 8: CULTURAL HERITAGE</b>			
8.1	<p><b>CULTURAL HERITAGE RISKS AND IMPACTS</b></p> <p>Cause the CGV to consider impacts on cultural heritage consistent with national legislative requirements and PS8 as part of the CGV ESMS in Action 1.1(i).</p>	Same timeframe as the preparation of the ESMS	DBSA
<b>PS 1: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN</b></p> <p>Adopt and implement a Stakeholder Engagement Plan (SEP) for Parts 2 and 3 the Project, consistent with PS1, which shall include measures to, <i>inter alia</i>, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	Disclosed XXX prior to Appraisal, and thereafter implement throughout Project implementation.	DBSA
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously.</p>	Throughout Project implementation	DBSA

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.		
<b>INDICATORS FOR IMPLEMENTATION READINESS</b>		
<p>The following actions are indicators for implementation readiness:</p> <p>Draft Terms of References for the appointment of PIU E&amp;S Staff</p>		