

CONSULTANT TERMS OF REFERENCE – ENVIRONMENTAL AND SOCIAL DUE DILIGENCE AND SUPERVISION

[This template can be used as a guide for developing a Terms of Reference (ToR) for a Consultant to perform certain aspects of the E&S appraisal of prospective investments of the Company, as well as ongoing supervision of the investment portfolio.]

“Introduction

The purpose of this Terms of Reference is to ensure that the Consultant performs the environmental and social review of a prospective investment, and later, the ongoing evaluation and supervision of portfolio projects according to the Company’s environmental and social management policies and procedures.

It is [ORGANIZATION NAME]’s policy that *[provide a summary statement of the E&S Policy, including a reference to that all projects in which the Company invests will comply with all applicable E&S laws and regulations of the host country(ies) in which the project is located and operated. In addition, it should explicitly indicate that it will seek to ensure that these same projects are operated in a manner consistent with IFC’s Performance Standards on Environmental and Social Sustainability. These eight standards establish clear requirements for investee performance and project outcomes. The Company’s review of a prospective investment in relation to the IFC Performance Standards shall determine the scope of the E&S conditions of the Company’s financing.]*

“Consultant Qualifications

The Consultant must have substantial experience in the E&S review of projects located in [Africa], with particular focus on the support of project finance activities. He/she must be thoroughly knowledgeable of the Company’s environmental and social management policies and procedures, including the IFC Performance Standards.

“Scope of Work

The Consultant will conduct the E&S appraisal of a prospective project, as well as the ongoing supervision of E&S performance of a portfolio project consistent with the Company’s policies and procedures. For **new project appraisals**, the four tasks include:

1. Preliminary Review. Review all available information and documentation related to project environmental and social impacts and risks. Prepare a list of additional information and/or questions that will be needed to continue the appraisal.
2. Site Visit and Further Review. Conduct site inspections, review facility-based records, and interview key staff, including both sponsor personnel and relevant stakeholders (regulatory officials, community leaders, suppliers, and customers).
3. E&S Performance Gaps and Necessary Corrective Actions Analyses. Analyze project environmental and social performance in relation to the Company’s Environmental and Social policy, including IFC Performance Standards. Identify these gaps and any corresponding corrective actions that will be

necessary. Prioritize these and recommend acceptable and justified implementation schedules.

4. Due Diligence Documentation. Prepare a report (see Appendix) summarizing the results of the E&S due diligence (ESDD). The ESDD report shall include a summary of the impacts and risks associated with the project, including the related performance gaps and corresponding correction actions that will be necessary in order for the Company to invest.

For **supervision** of the Company's portfolio projects, the three tasks include:

1. Review Monitoring Reports. Review periodic documentation submitted by the project sponsor regarding implementation of any corrective actions included as conditions of investment, as well as overall environmental and social performance. Also, review information submitted by the sponsor concerning significant incidents or fatalities. Identify any follow-up corrective actions that might be necessary.
2. Site Visit and Further Review (Optional). Where directed by the Company Manager, conduct site visit to confirm E&S performance and/or to investigate incidents. Identify any follow-up corrective actions that might be necessary.
3. Supervision Documentation. Prepare a report summarizing the findings of the supervision activity.

“Schedule

The Consultant shall submit a draft [*Due Diligence/Supervision*] Report by [*insert date*]. The final Report shall be submitted within 2 weeks after receiving comments from the Company Manager on the draft report. All reports should be written and prepared in English and delivered in electronic and hard copy.”

