



GLO-DJIGBÉ INDUSTRIAL ZONE

ZÈ BENIN (GDIZ)



**Environmental and Social
Governance Framework**



 **GDIZ**
GLO-DUGBE INDUSTRIAL ZONE

GDIZ

Mitsubishi
Heavy
Industries



CONTENTS

I.	Scope of the ESGF	6
II	Key Principles and Processes for ESIA Approvals	8
III	Key Principles for Monitoring, Audit and Inspection	14
IV	Key Roles and Responsibilities	18

APPENDIX

Background: Regulatory Context

26

ACRONYMS AND ABBREVIATIONS

ABE : Agence Béninoise pour l'Environnement

CEC : Certificate of Environmental Conformity

E&S : Environment and Social

ESIA : Environment and Social Impact Assessment

ESGF: Environmental and Social Governance Framework

ESMP : Environment and Social Management Plan

ESMR : Environnement & Social Management Requirements

GDIZ : GLO-DJIGBE INDUSTRIAL ZONE

IFC : International Finance Corporation

SEZ : Special Economic Zone

SIPI : Société d'Investissement et de Promotion de l'Industrie



The image shows two construction workers in silhouette, wearing hard hats and work clothes, standing on a steel beam of a building under construction. They are positioned in the center of the frame, with a cluster of vertical rebar rods rising behind them. The background is a bright, hazy sky at sunset or sunrise, with a warm orange and yellow glow. The overall scene is industrial and captures a moment of labor in a dramatic, low-key lighting style.

SCOPE OF THE ESGF

Permitting & monitoring

Defines how investor businesses that contract and operate within the GDIZ will be permitted and be monitored by SIPI Benin and the government.

Classification of investors businesses

Provides a simple classification of businesses based to their potential environmental and social impacts.

Environnement & Social Management Requirements (ESMR)

Introduces the ESMR and its use as part of the contractual agreement with investor businesses in defining the environmental and social measures that the businesses must adhere to.

Roles & Responsibilities

Defines the roles and responsibilities of the key parties involved in the E&S governance for the industrial zone during the operations phase.

KEY PRINCIPLES AND PROCESSES FOR ESIA APPROVALS

Summary of Organisational Responsibilities for E&S Management



- References are made to Articles in Law 2017-07 where appropriate.

1/ Administrative Authority: Responsible for overseeing the application of and respect for all applicable E&S legislation by SIPI and by all investors and stakeholders in the SEZ (Article 7).

2/ Single Window: Responsible for the administrative formalities and procedures for all stakeholders in the SEZ, including coordinating permit applications and the inspection, monitoring and audit of businesses on behalf of government (Article 7).

3/ SIPI: As the Development and Management Company defined in Article 12, E&S management of all infrastructure for which it is responsible, as well as overall control of construction, installations and activities within the Zone. SIPI will provide basic information to Investor Businesses on E&S requirements, including directing them to the applicable Single Window resources, but is not responsible for their actions or ensuring their compliance.

4/ ABE: As part of their function within the Administrative Authority, review ESIA applications and advise the Minister of the Environment on the issuance of CEC to Investor Businesses and to SIPI for the common infrastructure that is under their control. Conduct monitoring.

5/ Investor Businesses: Responsible for the Impact Assessment application as defined by Decret No 2022-417 of 20 July 2022 and the E&S management of their activities, in line with Benin law, the measures outlined in the ESIA and the CEC, and the General Operational Guidelines. Responsible for complying with the requirements for using shared infrastructure, including compliance with water and waste management standards as defined by SIPI

6/ GDIZ Regulatory Authority: As per Article 17, a consultative body responsible for giving advice and recommendations in the event of conflicts between actors and alerting the Government to any situation that could compromise the achievement of the objectives of GDIZ.

■ Key Principles: ESIA of Investor Businesses

- 1/ All Investor Businesses must develop an Impact Assessment for E&S aspects in line with Decree 2017-332 and the decret No 2022-417 of 20 July 2022 and apply through the Administrative Authority for a Certificate of Environmental and Social Compliance where applicable, as well as industrials water permit discharge and the permit for air emission as per the law defining the conditions for delivery of those permits.
- 2/ The decret No 2022-417 of 20 July 2022 determine the activity categorisation and the level of Impact Assessment required (Impact notice, Simplified or In-Depth) based on a Project Notice to be prepared by the Investor Business.
- 3/ In-Depth ESIA will be prepared based on a Terms of Reference that will be developed for each In-Depth ESIA and be agreed with ABE.
- 4/ Impact notice, Simplified or In-Depth ESIA must be prepared by competent Environmental and Social Consultants, which can be specialised consultants in consortium or a consulting company.

■ Key Principles: Classification of ESIA's

- 1/ Classification of Investor Businesses will follow the definitions given in Decree 2017-332 (Articles 24 to 26) and No 2022-417 of 20 July 2022
- 2/ Investor Businesses categories 1 will be developing a Notice Of Environment and Social Impact and request approval by ABE
- 3/ Investor Businesses categories 2 will be developing a simplified ESIA and request approval by ABE

4/ All categories of business still need to address the General Operational Guidelines and ESG Code of Conduct and any other applicable laws and requirements as per contract with GDIZ.

5/ The decret No 2022-417 of 20 July 2022 determine the activity categorisation.

■ **Key Principles: Support to the ESIA of Investor Businesses**

1/ ABE regulatory responsibilities will be performed through the Administrative Authority. ABE will have staff within the Administrative Authority to conduct the regulatory processes for ESIA review and certification of Investor Businesses.

2/ The Single Window will provide the interface between ABE and Investor Businesses, and will advise on the procedural requirements for ESIA.

3/ SIPI will provide basic information to Investor Businesses on the requirements for ESIA. SIPI will also encourage Investor Businesses to adopt International Finance Corporation E&S standards, and will provide the names of consultants that can help support this.

4/ Examples of other ESIA prepared by Investor Businesses will be made available, in line with the public disclosure provisions of Decree 2017-332.

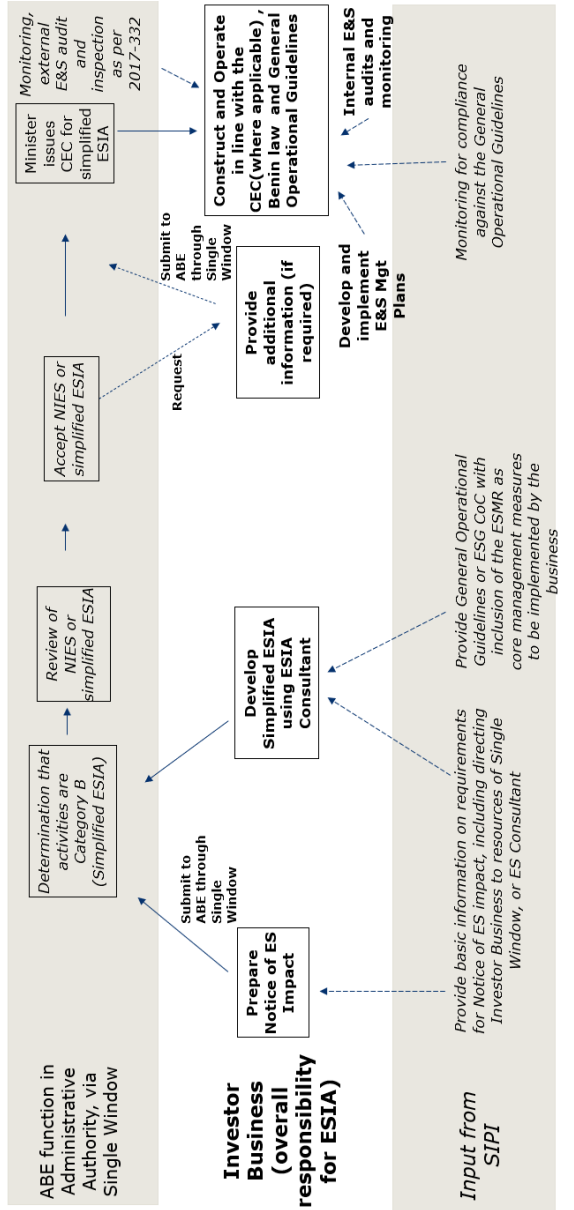
■ **Key Principles: Application of the E&S Management Requirements (ESMR)**

1/ The ESMR document defines the core set of E&S management measures that SIPI will require all Investor Businesses to comply with.

- 2/ The ESMP of each Investor Business will refer to the ESMR as being the core set of mitigation measures that they will comply with.
- 3/ SIPI will require Investor Businesses to comply with the ESMR which will be binding on the Investor Business under their contract with SIPI.



Process for Notice of ES Impact(NIES) and Simplified ESIA



A hand holding a magnifying glass over a document, symbolizing inspection and monitoring. The background is a blurred office setting with a keyboard and a person's hand.

KEY PRINCIPLES FOR MONITORING, AUDIT AND INSPECTION

The following principles are based on the regulatory requirements and the measures that are defined in the GDIZ ESIA, as well as good practices for E&S governance.

■ **Key Principles: Monitoring**

- 1/** Investor Businesses are responsible for conducting the E&S monitoring that is necessary to ensure the compliance of their activities with national law and the General Operational Guidelines or ESG CoC.
- 2/** GDIZ is responsible for conducting the E&S monitoring that is necessary to ensure the compliance with national law and IFC Performance Standards of the activities and infrastructure that are under GDIZ responsibility.
- 3/** Investor Businesses and GDIZ must prepare an environmental monitoring report for their activities and issue to ABE (via the Single Window) once a quarter, in line with Art. 45 of Decree No. 2017-332 and No 2022-417 of 20 July 2022.
- 4/** GDIZ will conduct monitoring of Investor Businesses' compliance with the GDIZ Operational Guidelines / ESG CoC on atmospheric emissions, noise levels, water discharges, and waste management, as per the commitments in the GDIZ ESIA section 10.5.1.9. However, compliance remains the responsibility of the Investor Business.
- 5/** Monitoring is also done by ABE as part of the Administrative Authority in order to check the implementation of environmental and social mitigation measures as per Art. 47 of Decree No. 2017-332.
- 6/** Investor Businesses must inform ABE (via the Single Window) by formal letter of the commencement of construction and operations activity.

■ Key Principles: E&S Audit

- 1/** ABE (via the Single Window) must formally notify Investor Businesses and GDIZ of the requirement to conduct annual internal E&S audits for any assets or activities that have to be subject to audit.
- 2/** Investor Businesses that have applicable assets or activities, as well as GDIZ for any applicable assets or activities that are under GDIZ responsibility, must conduct and issue to ABE (via the Single Window) an internal E&S audit of their facilities each year, in line with Art. 81 of Decree 2017-332.
- 3/** Internal E&S audit reports must be submitted to ABE (via the Single Window) no later than 15th December of each year.
- 4/** ABE organise external E&S audits of Investor Businesses that have applicable assets or activities, as well as for any applicable activities under GDIZ responsibility. External E&S audits will be undertaken once every two years.
- 5/** ABE will issue letters of acceptance for internal and external E&S audits, in line with Art. 107 of Decree 2017-332.
- 6/** Auditors must be those approved by ABE.

Key Principles: Inspection

- 1/** Environmental inspection of Investor Business and GDIZ assets and activities will be carried out under the authority of the Minister of the Environment at the request of the Administrative Authority, as per Art. 109 and Art. 117 of 2017-332.
- 2/** Environmental and social inspection will be carried out (a) based on complaints, including grievances received by ABE or the Administrative Authority, (b) issues of concerns raised by monitoring or audit, and (c) on a 'spot-check' basis in the absence of any known complaints or concerns.

3/ An Environmental Inspector(s) will be allocated to the GDIZ site, to have responsibility for inspection of Investor Business and GDIZ assets and activities.

4/ A Labour Inspector(s) will be allocated to the GDIZ site, to have responsibility for inspection of Investor Business and GDIZ assets and activities, as defined within the Labour Code.





KEY ROLES AND RESPONSIBILITIES

The following roles and responsibilities are based on the regulatory requirements and the measures that are defined in the GDIZ ESIA, as well as good practices for E&S governance.

Key E&S Roles



¹ For some businesses one person may take both of these roles.
² Consultants used as and when required by the businesses that are subject to internal audit.

■ **Administrative Authority E&S Manager**

Responsible organisation for the role: Administrative Authority

- 1/ Overall responsibility for overseeing the application of and respect for E&S legislation by SIPI and by all investors and stakeholders in the SEZ, in line with Art. 7 of Law 2017-07.
- 2/ Ensure resourcing and plans are in place for adequate E&S monitoring of assets and activities by the Administrative Authority.
- 3/ Management of the E&S functions within the Single Window.
- 4/ Communicate and promote to SIPI and all Investor Business the requirements arising from E&S legislation in Benin.
- 5/ Provide senior-level support to the resolution of any significant non-compliances and grievances related to E&S matters.
- 6/ Represent the Administrative Authority in engagement with stakeholders on E&S matters.

■ **Single Window E&S Management Officer(s)**

Responsible Organisation for the role: ABE

- 1/ Inform Investor Businesses of the E&S management requirements of national law.
- 2/ Receive and review the quarterly E&S reports and internal audits undertaken by Investor Businesses and by SIPI for common infrastructure.
- 3/ Liaise with ABE technical and sector experts on issues of E&S concern and potential non-compliance by Investor Businesses or SIPI.

4/ Coordinate external audits to be performed within GDIZ under the direction of ABE.

5/ Undertake E&S monitoring under the direction of ABE in order to verify the effectiveness of mitigation measures, as per Art. 47 of Decree No. 2017-332.

■ **GDIZ E&S Manager**

Responsible Organisation for the role: SIPI

1/ Responsible for the E&S management of the assets and activities that are under the control of SIPI, including ensuring that they are permitted and adequately monitored...

2/ Approve and ensure the implementation of the E&S management plans that are required for the assets and activities that are under the control of SIPI.

3/ Direct the SIPI monitoring of the E&S performance of Investor Businesses to verify that they are addressing the requirements of the General Operational Guidelines / ESG CoC. Note that compliance with national law and the General Operational Guidelines / ESG CoC remains the responsibility of the Investor Businesses.

4/ Direct the resolution of non-compliances with E&S standards and ensure that community grievances are addressed in line with the Grievance Mechanism.

■ **GDIZ E&S Support Officer(s)**

Responsible Organisation for the role: SIPI

1/ Support to the GDIZ E&S Manager for the management and monitoring of the assets and activities that are under the control of SIPI.

2/ Preparation of monitoring and other E&S management reports.

3/ Track and support the resolution of non-compliances with E&S standards and grievances in line with the Grievance Mechanism.

■ **GDIZ E&S Advisor(s)**

Responsible Organisation for the role: SIPI

1/ Provide basic information to Investor Businesses on the requirements for ESIA.

2/ Provide advice to Investor Businesses on the requirements of the General Operational Guidelines / ESG CoC.

3/ Perform monitoring of Investor Businesses to check their compliance with the General Operational Guidelines / ESG CoC.

Note that the GDIZ E&S Advisor provides advice to Investor Businesses, but compliance with national law and the General Operational Guidelines / ESG CoC remains the responsibility of the Investor Businesses.

■ **GDIZ Community Liaison Officer**

Responsible Organisation for the role: SIPI

1/ Plan and undertake regular engagement with local communities and other stakeholders, providing updates on GDIZ activity and receiving feedback.

2/ Prepare and implement various communication materials, including brochures, website updates, etc.

3/ Receive community grievances and manage their resolution in line with the GDIZ Grievance Mechanism.

- 4/ Coordinate the participation of other GDIZ staff and other stakeholders in engagement activity as required.
- 5/ Update the Stakeholder Engagement Plan, as and when required.
- 6/ Document engagement activity through engagement registers and meeting records.

■ **Environmental Inspector(s)**

Responsible Organisation for the role: ABE

- 1/ Fulfil the responsibilities of an environmental inspector and apply the environmental inspection procedure as defined in Decree 2007-332.
- 2/ Undertake inspections within GDIZ of the assets and activities of SIPI and Investor Businesses, and report to them on non-compliances with the applicable environmental regulations and the required corrective actions.

Responsible Organisation for the role: Labor Inspection

- 1/ Fulfil the responsibilities of a Labour Inspector as defined in the Labour Code (Law 98-004).
- 2/ Perform the inspection role for the work places of SIPI and Investor Businesses, and report to them on non-compliances with the Labour Code and the required corrective actions.

■ **Investor Business E&S Manager**

Responsible Organisation for the role: Each Investor Business

- 1/ Responsible for the E&S management of the assets and activities that are under the control of the Investor Business, including ensuring that they are permitted and adequately moni-

tored to ensure compliance with the E&S laws of Benin and the General Operational Guidelines / ESG CoC.

- 2/ Approve and ensure the implementation of E&S management plans.
- 3/ Arrange and coordinate internal E&S audits, if required.
- 4/ As and when required, provide information and reporting on E&S performance to SIPI, Administrative Authority, and Environmental Inspectors and auditors.
- 5/ Participate in quarterly or monthly meetings with the GDIZ E&S manager in order to help ensure compliance.

Note: For some businesses, the E&S Manager and Health and Safety Manager role may be done by one person, i.e. a single combined HSSE role.

■ **Investor Business Health and Safety Manager**

Responsible Organisation for the role: Each Investor Business

- 1/ Responsible for the health and safety (H&S) management of the assets and activities that are under the control of the Investor Business.
- 2/ Undertake and approve H&S risk assessments for all hazardous activities.
- 3/ Approve and ensure the implementation of a H&S management plan for the Investor Business.
- 4/ As and when required, provide information and reporting on H&S performance to SIPI, Administrative Authority, and Labour Inspectors.

Note: For some businesses, the E&S Manager and Health and Safety Manager role may be done by one person, i.e. a single combined HSSE role.



BACKGROUND: REGULATORY CONTEXT

The following Laws and Decrees have been identified as applicable to the design and implementation of the ESGF.



Note: The English translations given in this document are not official translations of the original French. This summary is provided in order to inform the drafting of the ESGF and is not a legal opinion. Loi 2017-07 du 19 Juin 2017

■ LAW 2017-07 OF 19 JUNE 2017

Law establishing the regime of Special Economic Zones in the Republic of Benin.

Identifies the key actors with responsibilities for managing SEZs in Benin:

- **Administrative Authority** (*Autorité Administrative*): responsibility for overseeing the application of and respect for all legislation in force by the Development and Management Company and by all investors and stakeholders in the SEZ (Art. 7).

- **Single Window** (*Guichet unique*): under the authority of the Administrative Authority, responsible for the administrative formalities and procedures for all stakeholders in the SEZ (Art. 7).

- **Development and Management Company** (*Société d'aménagement et de gestion*): powers and responsibilities include:

- Control of construction, installations and activities as well as movement of goods and people within the Zone (Art. 12).

- Assist investors in preparing their license applications (Art. 12).

- **Regulatory Authority** (*Autorité de regulation*): a consultative body responsible for ensuring that the rights and obligations of the various actors in the SEZ are respected (Art. 17). Functions include giving advice and recommendations in the event of conflicts between actors, and alerts the Government to any situation that could compromise the achievement of the development objectives of the Zone (Art. 17).

■ **DECREE N°. 2022-390 OF JULY 13, 2022**

Decree on the organization of environmental and social assessment procedures in the Republic of Benin

ESIA and Environmental and Social Impact Notice Processes

- ESIAAs are carried out for any project or activity that is likely to have an impact on the environment and that is classified in categories A and B (Article 26). The process for conducting these studies is as follows (Article 31):
 - The transmission of the draft Terms of Reference of the ESIA by each individual business to the ABE (Agence Béninoise de l'Environnement) for validation,
 - The completion of the ESIA by the promoter and its submission to the ABE for correction and final approval.

This procedure can be dematerialized using government e-services (Article 32).

The approval of an ESIA by the ABE is carried out by a technical committee whose composition varies according to the category of the project (Article 33).

Thus, for a category A project, this committee is composed of high-level experts including academics, practitioners, representatives of sectoral ministries and local authorities concerned. For a category B project, the committee is composed of practitioners, representatives of sectoral ministries, NGOs working in the sector, representatives of local authorities and relevant deconcentrated services.

- Category C projects are not subject to a technical approval committee. They are subject to an Environmental and Social Impact Notice (Articles 26 and 33).
- After the ESIA or the Environmental and Social Impact Notice, the promoter submits a file to the ABE. When the

latter is deemed complete by the ABE, the final ESIA report / Environmental and Social Impact Notice is approved, and the Environmental and Social Compliance Certificate / Letter of Acceptance is then issued by the Minister of Living Environment and Sustainable Development after technical advice from the ABE (Article 47).

- The ESIA and the Environmental and Social Impact Notice are the responsibility of the promoter, who must use an approved consulting firm (Article 39).

Monitoring and Audit

There are two types of environmental and social audits in Benin (Articles 75 and 76):

- 1. Internal environmental and social audit: This is the responsibility of the company. It is initiated by the company and is carried out by auditors appointed by the company.**
- 2. The external environmental and social audit: It is initiated by the Minister in charge of the Environment on the technical advice of the ABE and conducted by an audit team.**
 - All infrastructures or facilities and activities that can threatened the environment are subject to an internal environmental and social audit procedure at least once a year (Article 79). This report must be sent to the ABE by December 15 of each year (Article 83).
 - Any infrastructure or facility and activity that can threatened the environment is subject to an external environmental and social audit procedure at least once every three years (Article 89).

- Upon receipt of the final internal or external audit report, and the timetable for implementation of corrective measures, the ABE issues an Acceptance Letter (Articles 85 and 106).

Inspection

- The purpose of the environmental inspection is to investigate and establish environmental violations. It is under the authority of the Minister in charge of the Environment (Articles 107 and 108).

- In carrying out his mission, the inspector may enter any place where an activity likely to have an impact on the environment is carried out (Article 111). The environmental inspection is carried out either on the initiative of the inspected party, or upon information or a complaint, or at the request of the administrative authority or as part of a follow-up to the implementation of corrective measures (Articles 112 and 113).

Certified Environmental and Social Consultants and Auditors

- The carrying out of an environmental assessment study by individual consultants or consultancy firms is subject to prior approval by the Minister for a period of three years (Article 131).









GLO-DJIGBÈ INDUSTRIAL ZONE (GDIZ)

Plot : No. F-1,
National Road No. RNIE2, République
of Bénin

+229 53 04 67 22 / +229 67 77 94 94

www.gdiz-benin.com

gdiz-benin@arisenet.com

