

Developing and Monitoring an Environmental and Social Management Plan (ESMP)

1. Introduction

This Environmental and Social Management Plan (ESMP) refers to the project “Leveraging high quality coffee to stimulate climate adaptation in smallholder farming communities” (previously titled “Reviving high quality coffee to stimulate climate adaptation in smallholder farming communities”) funded by the Global Environmental Facility (GEF) and executed by Nespresso SA (Nespresso) in cooperation with Technoserve (TNS) and Kyagalanyi Coffee Limited (KCL). The project has been screened on environmental and social risks and has been classified as a moderate risk project. The development of an ESMP is therefore mandatory to ensure that identified risks are mitigated through appropriate measures and the implementation of the measures monitored. The ESMP documents the project’s environmental and social risk management strategy and is an integral part of the project proposal. The ESMP serves as an “Umbrella Document” that integrates the findings of the screening and studies carried out during the design phase, the plans and other provisions for complying with the requirements of the Standards that were triggered as well as other ESMS activities required to comply with ESMS policy and principles.

2. Project description and implementation arrangements

Project component description

This project has three components: (1) resilient agricultural livelihoods, (2) equitably support smallholder coffee farming households through Nespresso’s responsible sourcing approach, and (3) knowledge sharing. The local project partners, KCL and TechnoServe will carry out activities in Uganda and DRC respectively, which are described per each component below, which will benefit 4,200 farming households (1,680 rural women), lead to the improved management of 1,260 Hectares of agricultural land and the reforestation of 60 Hectares of land. Note that the coffees sourced in the DRC will be certified organic. In Uganda, Nespresso requires the local implementing partner (KCL) to follow the TASQ tool which requires gradual reduction in crop inputs, aligned with Nespresso’s long-term strategy for regenerative agriculture. The AAA program, which is applied across both countries, promotes and provides for training on low-input agronomy including Integrated Pest Management (IPM).

The intended outcome of the first component (“resilient agricultural livelihoods”) is “increased resilience of coffee farming households in DRC and Uganda”). The first intended output (1.1) under this component is that coffee farming households have the skills and knowledge to apply regenerative, climate resilient, agriculture practices. The second intended output (1.2) is that “demonstration (demo) plots and model farms are implemented throughout the landscapes to promote climate resilient coffee production.” The third output (1.3) is “improved land cover on smallholder coffee farms and surrounding landscapes.” A fourth output is provided for DRC only (1.4), namely the “uptake of essential nutritional behaviors among coffee farming households in the Kalehe region of DRC.”

In general, this component will be based on the AAA program, where farmers are trained and supported to improve on the three points below (quality, productivity, social and environmental

sustainability). More specifically the training curriculums will cover key sustainable coffee growing practices, including and not limited to coffee nutrition, composting, rejuvenation, pruning, integrated pest and disease management, weeding, erosion control, shade management and climate resilience, mulching, record keeping, and farming as a business.

- Quality: help farmers produce higher quality coffees which benefit from increased revenues and also provide access to new and differentiated markets.
- Productivity: Enable productivity improvements and assist in farm economic management, providing greater income stability to farmers.
- Social and environmental sustainability: Improve the social and environmental sustainability of farming practices to increase the wellbeing and financial security of farmers and protect natural capital.

In Uganda, the first component will generally target a total of 2,200 coffee farming households. Under output 1.1, this means that 2,200 coffee farming households will be trained on regenerative, climate resilient, agriculture practices by KCL in the project period. At least 40% of those trained will be women. Under output 1.2 88 demo plots and 9 model farms will be established in Uganda. In both countries, these will be established on lead farmer plots and provide a real-life demonstration and farm level commercial viability of applying regenerative climate smart approaches to coffee production in a mixed agroforestry production system. Under output 1.3 of this component, in Uganda there will be reforestation of 150 acres in critical areas of the landscape (e.g., riverine buffer zones), 1,650 coffee farming households will improve erosion control on their farms, 1,760 coffee farming households will use farm environment improvement tools, and 2,200 energy saving stoves will be constructed and distributed. In Uganda, Focal Farmer Group (FFG) trainings will be completed complemented with individual household visits where AAA agronomists will provide individual and targeted trainings on good social, environmental and farming practices. Each household will help to develop and implement an annual improvement plan with the AAA agronomist.

More specifically, under output 1.3 in Uganda, tree cover and environmental management will be improved at both community and household level. Six so-called coffee youth teams will be trained to set-up and manage indigenous shade tree and coffee nurseries. These nurseries will produce 90,000 shade trees for the reforestation of 150 acres of community land in critical areas, notably as buffer strips along rivers to reduce soil erosion, improve biodiversity and protect water quality. In addition, 66,000 shade trees will be produced to improve the shade tree density in 2,200 AAA farms. The species selected for reforestation, model farms, demonstration plots and seedling supplies to farmers will be based on a pre-agreed species lists with KCL. All 2,200 households will also be trained to improve erosion control on their farms. Aligned to the gender household tools used in component 2, Kyagalanyi Coffee Ltd. will develop a set of tools that will allow households to jointly plan improved environmental management of their farms. At least 1,760 households will use these tools, resulting in 1,650 farms with improved erosion control. Given the importance of fuel wood as a driver of unsustainable land use, and its ramifications for women's empowerment, the project will also result in the construction of 2,200 energy saving cookstoves (one per AAA household). Besides running the shade tree & coffee nurseries, the six coffee youth teams will be actively involved in shade tree planting, reforestation, erosion control activities and construction of energy saving stoves. The same coffee youth teams can be hired by farmers to help them adopt the farm management practices, taught under component 1, that are labor and/or skill intensive, such as rejuvenation, soil fertility management and IPM. The interventions under this component will lead to improved soil management, which contributes to environmental and livelihood resilience.

In DRC, the first component will generally target a total of 2,000 coffee farming households. Under output 1.1, 2,000 coffee farming households will be trained on regenerative, climate resilient, agriculture practices. At least 40% of these will be women. Under output 1.2, 80 demo plots will be established. Under output 1.3 2,000 coffee farming households will receive training on nurseries for indigenous shade trees, including access to shade tree seedlings (including for on-farm woodlots to complement farm incomes, i.e., provide income diversification). A subset of coffee farmers (1,500) will receive a refresher course on shade tree management and appropriate seedlings to complement and existing training. The species selected for seedling promotion and distribution will be pre-agreed with the local implementing partner (TNS). Furthermore, in DRC, a fourth output (1.4) will focus on nutrition: 1,500 coffee farming households (targeting at least 40% women) who have already participated in the AAA Academy, will participate in a 12-month training program that includes modules focused on improving household nutrition – this will specifically include training on intercropping, kitchen gardens, and consumption of nutritious foods.

In the DRC, the AAA coffee college is comprised of tried-and-tested modules that have been developed by coffee agronomy experts together with TechnoServe in East Africa through extensive needs assessments and have been refined and localized over the past two and a half years. Interventions will support farmers improve farm soil conditions and coffee nutrition, increase shade levels in coffee fields, contribute to conservation of protected forest areas, and enhance biodiversity and habitat regeneration. Key modules will be reviewed in the second year based on actual adoption levels and farmer needs. The training will be delivered every month over a 22-month period that covers two complete coffee cycles. It leverages small, self-selected Focal Farmer Groups (FFGs) of roughly 25 farming households who learn through hands-on field-based training, practicing each technique and over time creating a demonstration plot where farmers can see first-hand the results of the regenerative agricultural practices. Farmers are given appropriate resources and planning tools that can help them get from the current situation to their objectives following inter alia a farm vision journey.

The issue around nutrition was raised in the DRC through the baseline study: in DRC, household nutrition is a major issue to resilience, i.e., that local families have knowledge about and access to enough nutritious food to eat throughout the year. TechnoServe will support improved household nutrition through the establishment of tailored kitchen gardens that support diversification of diets and access to essential micro-nutrients. This is an opportunity to improve household nutrition through an approach that leverages TechnoServe's experience in Ethiopia. Through a hands-on training approach, TechnoServe will support households to grow those crops in kitchen gardens and layer on training to build awareness on nutrition. This third outcome is that there is uptake of essential nutritious behaviors among coffee farming households in the Kalehe region. Under this fourth output of component 1 of the project, 1,500 households' members (notably women) will be trained on improving household nutrition, including on intercropping and kitchen gardens. This further contributes to biodiversity and is a household level adaptation approach that can result in improved resilience.

The second component has two intended outcomes: (2.1) “enhanced capacity of women in the coffee supply chain to translate their participation into economic empowerment, and (2.2) direct access to the coffee supply chain through the AAA Sustainable Quality program supporting coffee farmers with the commitment for long-term sourcing intention. This component has two intended outputs: (2.1.1) that “women and men have the knowledge, skills, attitudes and resources to enhance their economic resilience in coffee farming landscapes, and (2.2.2) “women and male farmers have access to the Nespresso supply chain and have stable long-term demand and receive premium prices for the coffee they produce.”

Trainings on gender equality knowledge, skills, and attitudes will cover topics such as: understanding how cultural beliefs and perceptions shape gender differences; understanding the benefits of addressing gender differences to households, farms, and communities; understanding, valuing, and analyzing women's and men's different contributions to the household and farm; understanding the relationship between women's and men's contributions and the returns on their efforts; equitable decision-making about the division of on-farm and household work; understanding the value of cooperation for planning and decision-making; and listening, communication, and team-building skills. Recruitment practices for farmers and staff will encourage female participation. Agronomy advisors will recruit agronomists from the local community after intensive training, setting a target of at least 40% women participating in the training courses to become AAA Agronomists, and hiring targets of 40% women. AAA Agronomists will support farmer groups to elect a Focal Farmer and Assistant Focal Farmer (at least one of whom will be a woman) and identify suitable demonstration plots on which the practical field trainings will be delivered. In addition to monthly hands-on field-based training, AAA Agronomists will visit farmers on a regular basis to encourage adoption of best practices and provide farmers with tailored advice. Farmers will be provided with a three-year pictorial record book and trained on maintenance of financial records and profit calculation.

In Uganda, for output 2.1.1 "Women and men have the knowledge, skills, attitudes and resources to enhance their economic resilience in coffee farming landscapes", 1,760 coffee farming households are expected to participate in a gender program and use gender tools. Furthermore, 88 Village Savings and Loans Associations (VSLAs) will be established, with a focus on women's economic empowerment, including an incentivization mechanism for best-performing VSLAs. These VSLAs will be monitored to help ensure that their governance and membership includes diverse marginalized groups, in particular members of smallholder farming households and rural women. Under output 2.2.2, "women and male farmers have access to the Nespresso supply chain and have stable long-term demand and receive premium prices for the coffee they produce", 2,200 farmers are expected to be included in the Nespresso supply chain – giving them access to a stable and long-term source of revenue for their coffee, and one that rewards excellent quality and responsible production.

In Uganda, Kyagalanyi (KCL) will train 88 Gender Change Agents to manage the gender programme that will reach out to 1,760 AAA households. Core to the gender programme is the establishment of 88 Village Savings and Loans Associations (VSLAs) and a series of gender tools to be used at group and household level. Kyagalanyi is already using this approach with good results in other regions of Uganda, and other parts of the Mt. Elgon area. Each Gender Change Agent will work with a minimum of 20 AAA households that will form a VSLA group. The Change Agents will use specific group gender tools to help farmers analyse gender roles and root causes for gender challenges. In addition, each family will use a range of household tools to develop, amongst others, a vision for their family and their farm that promotes joined decision making, sets the family on a path to improve their livelihoods and strengthens the position of women within the household. The VSLAs improve the access of finance and thus helps AAA households to implement their joined visions. To encourage participation in the gender programme, an incentive programme is envisaged that will provide the 30-best managed VSLAs with extra capital to expand their saving & loan portfolio. In addition, the 750 households that are most serious with the implementation of their joined vision will receive a farm improvement reward (i.e., rejuvenation) to help them achieve their goals. It is also envisaged that the VSLAs will be used to further sensitize the local community on important topics, including climate change and environmental management (linking component 2 and 3) and the importance of children's education and introducing the potential for setting up a special VSLA fund for children's education.

In DRC, for output 2.1.1, 3,500 coffee farming households will participate in training programs that include gender modules on gender equity in coffee value chains. Of these, at least 40% will be women. Under output 2.2.2, in the DRC 3,500 households in the DRC project area will be integrated into the Nespresso supply chain (2,000 under the AAA Academy and 1,500 under the “AAA Plus”).

In the DRC, at the household level, training methodologies will be used to promote women and men’s joint decision-making around household finances, responsibilities, and nutrition. Practical content on farming and household business topics will support farming families to more effectively manage cash flow and grow their coffee business. In terms of the delivery approach a ‘Safe Spaces’ methodology will be used to facilitate dialogue in which men and women explore gender-related themes (e.g., household finance) and promote sharing and learning in a safe environment. Safe Spaces involves running concurrent women-only and men-only discussion sessions on specific topics in an open and non-judgmental environment. At the end of these separate dialogues, the group comes together to foster dialogue and mutual understanding between men and women. TechnoServe has for example adopted this approach in various youth entrepreneurship programs in Africa resulting in positive changes in men’s and women’s perceptions, behaviors and attitudes. In the second year (June 2023 – August 2023), the DRC program will roll out a financial literacy training to 270 women and men from 200 households (at least 40% will be women). Eight (8) focal farmer groups will participate in this training that will be adapted from curriculum being developed in the Nespresso Ethiopia program. The modules, which will be offered to households that completed previous AAA training, are being designed to work effectively in low literacy environments, to engage both women and men in the household, and to provide actionable strategies for households to improve their financial planning. Up to four modules are likely to be adapted from the Ethiopia curriculum and include financial planning and goal setting, household financial decision-making, savings and borrowing, and investing in businesses. TechnoServe’s Gender Practice will lead the adaptation of the Ethiopia pilot tools in the DRC and support as needed throughout its roll out.

The third component, “knowledge sharing”, will be implemented by Nespresso in collaboration with its partners. The outcome of this component is that “information and learnings from the projects are shared to inform other programs and initiatives by relevant stakeholders.” The output is that knowledge products are developed and shared – i.e., a case study on the DRC project, and one on the Uganda project. In addition, Nespresso will participate in one relevant international event, to be identified and determined in order to gauge possible impact, i.e., likelihood of the projects being replicated or scaled. These knowledge products and outreach on learnings will be targeted to relevant local and international groups that can benefit from the learnings and, where relevant, contribute to scaling approaches. Key groups to engage through this component include local government agencies, private sector and international groups including other groups active in coffee value chains (e.g. coffee-focused platforms) and value chains that may share some of the same structures, policy makers, researchers and donors.

Project implementation arrangements

The project will be implemented on the ground primarily by the local project partners, Kyagalanyi Coffee Limited (KCL) and TechnoServe (TNS) in Uganda and the Democratic Republic of the Congo (DRC) respectively. The Nespresso AAA team, based in Switzerland, and the origin teams coordinate and manage sourcing, including associated quality and sustainability aspects and programs.

KCL has a long track record of operating in the Ugandan coffee sector and has a highly experienced local team. The company is investing heavily in Uganda’s coffee infrastructure and its quality-

oriented business strategy seeks to lift up the entire coffee sector and improve the quality perception of Ugandan Arabica coffee around the globe. Across the country, KCL employs over 100 agronomists that assist over 26,000 coffee farming households. The KCL sustainability team will be responsible for the implementation of all project activities in the new Bumbo AAA cluster in Mt. Elgon, whereas its production and trade teams are responsible for buying the coffee from the farmers and selling it to Nespresso. KCL will also be responsible for reporting on this project. Nespresso has a long-standing relationship with Kyagalanyi.

In the DRC project site Nespresso has a partnership with TechnoServe, which is an international non-profit that promotes business solutions to poverty in the developing world by linking people to information, capital and markets. TechnoServe works with public and private sector partners to facilitate systemic change in markets to benefit smallholder farmers and small and medium-sized businesses. TechnoServe was founded in 1968 to harness the promise of emerging technologies to develop business solutions to poverty, which is the driving force behind our mission. The coffee produced by the farmers in DRC is bought by Olam, the international trading company, which sells it to Nespresso. Both parties are responsible for reporting to Nespresso on the project's activities and outcomes.

Nespresso requires adherence to the Nestlé sustainable sourcing policies and procedures and Nespresso's sustainability department (AAA team) monitors local sourcing and sustainability on a regular basis. This is done through regular checks with and on the partners, and uses the AAA program's "Tool for the Assessment of Sustainable Quality"™ (TASQ™). The latter includes guidelines to evaluate farms and coffee wet mills participating in the Nespresso AAA Sustainable Quality™ program and identifies a cluster's needs towards continuous improvement. The tool is composed of a large set of criteria gathering information on farms and wet mills and serves to inform compliance (or non-compliance). There are 3 categories that are considered in this tool: (i) Quality, (ii) Social and Environmental and (iii) Farm economics. Each of these categories are substantiated by layers of

- "pre-requisite" criteria - i.e., zero tolerance towards specific criteria,
- "core" criteria - i.e., pushing towards strategic compliance within a 3-year timeframe and
- "advanced" criteria – additional practices and performance indicators.

The criteria within the Social and Environmental category present a strong overlap with the principles and requirements of the IUCN ESMS. This has been assessed during the ESMS Screening and is demonstrated through the respective references to the AAA Sustainable Quality™ program in the ESMS Questionnaire. For instance, an important pre-requisite criteria is the ban on forced labor and on child labor.

All AAA clusters and partners are assessed on an annual basis by Nespresso's procurement, quality and sustainability departments using the TASQ™. There is continuous monitoring by the AAA country managers to ensure that AAA is implemented correctly in the origins. For this, Nespresso establishes partnership frameworks or similar formal agreements with local partners to ensure that there is clarity on roles and responsibilities (this is referred to as the "AAA Nespresso Shared Commitment"). Local partners are responsible for reporting on the implementation of the AAA Sustainable Quality™ program, which are monitored and verified by Nespresso.

3. Identified negative effects

While the ESMS Screening has demonstrated that the Nespresso AAA Sustainable Quality™ program already addresses a large number of potential environmental and social risks that project activities might trigger, a few additional potential negative impacts have nevertheless been identified that will require either active risk management or at least regular monitoring. The below table summarizes the risks that have been identified by the ESMS screening and rates the likelihood, magnitude (impact) and significance of each of them.

Because the screening was a desk-based activity and the fact that stakeholder engagement and further assessments were limited due to the COVID 19 pandemic, the table also identifies areas where further attention or assessments are required during the inception phase.

ESMS Standards	Trigger	Required assessments, management measures or plans	Likelihood (1-5)	Impact (1-5)	Significance (L, M, H)
Involuntary Resettlement & Access Restrictions	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no <input type="checkbox"/> TBD	n/a	n/a	n/a	n/a
Indigenous Peoples	<input type="checkbox"/> yes <input type="checkbox"/> no <input checked="" type="checkbox"/> TBD	The information available does not allow a conclusive decision. It appears that the site in Uganda does not include the presence of IP. In DRC, IP have migrated to the project site, but the project will only affect the land of small-scale coffee-framing households and this is not subject to traditional ownership or customary use or occupation by IP. There is also no likelihood of affecting IP's cultural heritage. For precautionary reasons it is recommended to carry out a rapid social analysis / scan during the inception phase to confirm these findings. Where this social scan identifies indigenous groups as vulnerable or marginalized, potential impacts will then be addressed as social impacts (see below risk area "vulnerable groups").	TBD	TBD	TBD
Cultural Heritage	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no <input type="checkbox"/> TBD	<input type="checkbox"/> Chance Find Procedures <input type="checkbox"/> Other:	n/a	n/a	n/a
Biodiversity & Sustainable Use Natural Resources	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	<p>Impacts on biodiversity are expected to be overall positive. Risks related to the use of pesticides and agrochemicals to the environment (and human health) are not relevant for DRC as the production is certified organic. For Uganda the project promotes IPM and the aim is to successively reduce the use of external inputs. Moreover, the application of pesticides is strictly regulated in the AAA quality program. This includes the ban of substances that are not legally registered, products that are banned under the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides and the Stockholm Convention on Persistent Organic Pollutants. It further excludes agrochemicals with technical grade Class Ia / Ib active ingredients according to the classification of the WHO. The AAA program has also strict requirements for storage, distribution areas and discharge of pesticides. Risks or negative impacts on the environment (and human health) are therefore judged well controlled.</p> <p>The risk of invasive species being introduced as part of the reforestation is considered not very likely, as the executing entities are well experienced and the project focuses on indigenous tree species. Notwithstanding a species guidance protocol should be put in place as a precautionary measure and the planning of reforestation should be closely monitored.</p>	2	2	Low

	<p>New or enhanced market opportunities might lead to expansion of coffee cultivation areas with potential negative impacts on protected areas, other areas of high biodiversity value or high conservation value forests. This risk is considered low as this is adequately addressed by the AAA quality program; including through regularly monitoring of farm areas through GIS tools and tracking of production volumes (sudden increases trigger investigation) as well as the program's focus on productivity as strategy to avoid expansion.</p>			
Environmental and Social Risks		Likelihood (1-5)	Impact (1-5)	Significance
<p>Adverse gender-related impacts (including gender-based violence, GBV): A gender analysis has been carried out in both sites in order to better understand the specific realities women are facing and identify gender risks and local inequalities as well as opportunities. Component 2 has been explicitly designed to address the main findings of this analysis. One risk issue that stands out is the risk of GBV that has been identified a prevalent risk in the socio-cultural context of both sites. While it is not considered likely that incidents of GBV are necessarily triggered by specific activities of the project, due to the potential magnitude of impacts from violence, the risk should nevertheless be actively addressed by the project by putting in place preventative measures.</p>		2	3	Moderate
<p>Risks of affecting vulnerable groups: The project beneficiaries are small-scale coffee farmers and through training and the provision of resources the project provides opportunities for them to improve practices and become more climate resilient. These changes are not expected to affect material or non-material conditions of disadvantaged or vulnerable individuals. However, it is conceivable that by promoting the cultivation of coffee, farmers may be encouraged to shift land use from subsistence to cash crops, making them more vulnerable to price fluctuations and quality demands of the the international coffee markets (e.g., if the farmers don't meet quality requirements/not able to sell their coffee or if the coffee price drops) and increasing food security risks. The project addresses this risk by promoting on-farm agroforestry systems, intercropping with indigenous species and farm income diversification – including by promoting kitchen gardens for household nutrition needs in the DRC and as such it is considered low risk. Notwithstanding this intention, the risk should be monitored, in particular in Uganda that does not include a kitchen garden component.</p> <p>It is understood that lack of ownership to land or of use rights to land are economic constraints in both sites and a main reason for vulnerability of specific social groups or households. To overcome this constraint landless people often enter into a sharecropper relationship with a larger landholder, a concept which is known in the sites in DRC as "concessionaire". Sharecroppers often experience difficult working conditions as they are confronted with high costs for the use of small plots of land and in DRC are also required to provide two days of volunteer work ("Salongo") for the benefit of the concessionaire. The limited scope and size of the project will not allow the project to address and improve complex issues around land tenure. However, it needs to be ensured that by providing new opportunities to landholders it does not aggravate the situation of sharecroppers, e.g., by reducing land available for sharecroppers important for their survival or by deteriorating the conditions of sharecroppers (e.g., pressure to increase the extent of volunteer work). It is recommended that the project seeks opportunities to provide training and agronomic services to sharecroppers and also to link them to cooperatives and washing stations where they could supply coffee cherries.</p> <p>The project team should also ensure that vulnerabilities within the target groups of small-scale farming households are well understood through the rapid social analysis in order to avoid any risks of discrimination against vulnerable households in terms of access to training or agronomic support services.</p> <p>The intention of the proponent to monitor the activities connected to the VSLA loan facility as a measure to promote inclusive governance and opportunities for vulnerable groups is well received. Indicators to monitor the changes are established in the ESMP table.</p> <p>Due to restrictions related to the COVID 19 pandemic the extent of stakeholder consultation was constraint and therefore the data about vulnerable groups in the</p>		2-3	2-3	Low - Moderate

<p>localities are overall considered limited. Therefore, a rapid social scan should be carried out in each locality supported by the project in the inception phase. Topics to be covered are presented in annex 3. This includes verifying the presence of indigenous communities, their social status and issues or vulnerability and marginalization. It should also assess whether there might be any potential risks to these groups caused by specific project activities.</p> <p>The rapid social analysis will also be instrumental for a final confirmation of the risk status of this risk category (whether low or moderate).</p>			
<p>Risk of undermining human rights: The selection of the sites (villages, washing stations etc.) where project resources are allocated, and the targeting of individual farmers that will benefit from access to training and agronomic support etc., might lead to or be interpreted by local stakeholders as unjustified preferential treatment. This is overall considered a low risk as the project applies a transparent and open process: all farmers in the respective geographical area that are willing and interested to improve their coffee growing ability in order to be able to meet the high quality requirements of Nespresso are able to access training and agronomical support. However, it is acknowledged that some farmers – after having attended the trainings for years - may still not be able to meet the quality specification and as such will no longer be able to participate. This is considered outside the influence of the project. It is also important to note that none of the farmers has a contractual obligation to sell to Nespresso – it is an opportunity.</p>	2	2	Low
<p>Community health, safety and security risks: The security situation in eastern DRC remains unstable with armed groups being present and regular incidents affecting civilians or humanitarian or development programs¹; also, intercommunal violence can affect the security situation. The Congolese army is carrying out operations against foreign and domestic armed groups operating in North and South Kivu provinces. Large numbers of civilians remain displaced as a result of the conflict. Acts of violence include killing, rape and looting continue against the civilian population. Uganda in general is considered stable but has experienced some political unrest with the recent presidential election. This has led to violent riots in the pre-election phase as well as an internet shutdown for the days during the election. The Ugandan opposition leader and presidential challenger continues to dispute the results of the elections on the international stage.</p> <p>These security risks are contextual factors and are not the consequence of the project. Generally, it is expected that by providing market access for coffee farmers and income for workers in the value chain and on the farms, the project will contribute to improvements of the economic situation which will hopefully lead to stabilization of security. Notwithstanding, supporting the economic success of individual farmers may make them a target of organized crime / armed group; the same is possible to community members working in infrastructure places supported by the project such as washing stations. While this risk is difficult to ascertain in terms of probability and magnitude it is overall considered moderate risk for DRC and towards the lower end for Uganda. Nespresso and the local partners KCL and TNS will need to continue to monitor the situation. For DRC emergency preparedness measures should be put in place right at project start.</p> <p>Another risk factor is related to the fact that intervening in a complex and politically and socially instable context and the stimulation of economic well-being of some members of the community might carry the risk of fueling conflicts between or within communities or social groups. In the project sites in DRC around Minova Kiniezire small-scale land disputes between land holders and small farmers have been observed, that could escalate, especially among certain purchasers and farmers-tenants. While it is acknowledged that a conflict sensitivity analysis is being carried out in DRC, because of the significance of the risk, this should be included in the ESMP in order to ensure monitoring the implementation of suggested mitigation measures. A Grievance mechanism is described in the prodoc and covers both sites; this will also be instrumental to receive complaints to be able to address any issues before conflicts might escalate.</p>	3	3	Moderate
<p>Labor and working conditions: The AAA program provides clear criteria as pre-requisite to be able to join the AAA Sustainable Quality program. This is considered to ensure that working conditions</p>	3	3	Moderate

¹ Most recently an incident affected a convoy visiting a project supported by the WFP (see: <https://edition.cnn.com/2021/02/22/africa/italian-ambassador-dead-intl/index.html>)

<p>meet national labor laws and are consistent with ILO minimum standards. These criteria, which are regular audited in the AAA clusters, include:</p> <ul style="list-style-type: none"> • Farmers protect employees from all forms of forced labor, including working under a regimen of imprisonment • Every worker shall be treated with respect and dignity • The hiring of minor workers under the legal age and the worst forms of child labor are prohibited. • Minimum wage & freedom of association and collective bargaining <p>Risks related to exposure of project workers to occupational health and safety (OHS) risks with respect to the normal operations are considered negligible as standard operating procedures are followed and monitored through AAA program assessments (at the level of the coffee farms as well at cooperative level). However, the security situation mentioned in above does not only present risks for community members but also for project workers, including to people employed or engaged directly by the project executing entity (KCL and TNS) to work specifically in relation to the project, (ii) people employed or engaged through third parties to perform work related to core functions of the project, (iii) individuals engaged by the project in public or community work programs or as volunteers. Nespresso and the local partners KCL and TNS will need to continue to monitor the situation. For DRC, in addition to the existing security guidelines, emergency preparedness measures should be put in place right at project start.</p>			
<p>Resource efficiency, pollution, wastes, chemicals and GHG emissions: This risk area is appropriately addressed through the AAA Sustainable Quality program. .</p>	2	2	Low

The planned measures to avoid adverse environmental and/or social impacts, to minimise them to acceptable levels or to compensate for them are depicted the ESMP in annex 1 including indicators, responsibilities (staffing), resource needs / cost estimates and schedule for implementing.

4. Description of the executing entities' capacity to implement the ESMP

The executing agencies are Technoserve in DRC and Kyagalanyi Coffee Limited (KCL) in Uganda. Both organizations have been working with Nespresso and the AAA Programm for more than two years. Hence, they are fully familiar with the Nestlé sustainable sourcing policies and procedures and the Nespresso AAA Sustainable Quality™ program. As described in chapter 2 the quality program consists of a large set of criteria to inform compliance of farms and processing infrastructure (wet-mills) with environmental and social quality requirements.

However, there might be small gaps with regards to agency staff's understanding of the IUCN and GEF safeguard requirements. In order to close this gap a training for staff of both entities will be organized by IUCN at the inception phase. The training will focus in particular on the GEF safeguard requirements and on the IUCN Standard on Indigenous Peoples.

5. ESMP Monitoring and Supervision

The ESMP needs to be monitored to track the progress in implementing the agreed mitigation measures. This should be done annually by completing the ESMP Monitoring Table (Annex 2) and in synchronization with the project's overall monitoring.

The first two columns in the table will include the data from the ESMP. For each mitigation measure it should be signaled whether implementation is on schedule (or ahead of schedule or completed), slightly delayed or delayed - using the suggested color coding. Where delays are encountered, the reasons need to be explained and solutions suggested.

Aside from progress, also the effectiveness of the mitigation measures will need to be monitored. The executing agency should use observations and stakeholder consultations (in particular with affected groups) in order to judge the measures' effectiveness. The findings are entered in the column on the right.

Annual monitoring should also identify any additional environmental or social risks that may have emerged since the project started and establish appropriate mitigation measures for any significant new risk. These additional risks and their mitigating measures should be added to the ESMP (Annex 1) and reported on as part of annual monitoring in the ESMP Monitoring Table.

The annual ESMP Monitoring Table is reviewed by IUCN as part of the periodic project supervision missions.

Annex

Annex 1: ESMP

Table 1: Environmental and Social Management Plan (ESMP)

Table 1: Environmental and Social Management Plan (ESMP)					
ESMS Standards		Triggered	Main issues, how they will be addressed and whether a stand-alone plan is required (e.g. Indigenous Peoples Plan, Process Framework etc.)		
Involuntary Resettlement and Access Restrictions		<input type="checkbox"/> yes <input checked="" type="checkbox"/> no <input type="checkbox"/> TBD	n/a		
Indigenous Peoples		<input type="checkbox"/> yes <input type="checkbox"/> no <input checked="" type="checkbox"/> TBD	Social scan to confirm the preliminary finding that there is no presence of indigenous Benet communities in the project area in Uganda; in DRC the field assessment has identified the presence of Batwa people in some of the villages targeted by the project; the Batwa have migrated to the project site, but the project will influence only the land of small-scale coffee-farming households and these areas are not subject to traditional ownership or customary use or occupation by the indigenous Batwa communities. It is also not expected that cultural heritage of Batwa people will be affected. A quick social scan should notwithstanding be carried out during inception phase to confirm these findings. Where the social scan identifies indigenous groups as vulnerable or marginalized, potential impacts will be addressed as social impacts (see below risk area “vulnerable groups”).		
Cultural Heritage		<input type="checkbox"/> yes <input checked="" type="checkbox"/> no <input type="checkbox"/> TBD	n/a		
Biodiversity Conservation and Sustainable Use Natural Resources		<input checked="" type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> TBD	Impacts are expected to be overall very positive; only the risk of invasive species being introduced as part of the reforestation has been identified. This risk, however, is considered not very likely as the executing entities are experienced. Notwithstanding a species guidance protocol should be put in place as precautionary measure and planning of reforestation should be closely monitored.		
Category	Activities to comply with ESMS policy and provisions		Resources	Implementation Responsibility	Schedule
Disclosure Requirements	n/a		n/a	n/a	n/a
Stakeholder Engagement	See stakeholder engagement plan (annex 1 of prodoc)		n/a	n/a	n/a
Grievance Mechanism	Each project partner (TNS and KCL) has a grievance mechanism in place. The mechanism of TNS is currently being reviewed local grievance mechanism to ensure compliance with best practice. The revised grievance process will be put in place prior to the start of the project. Note that TNS has an existing (global) grievance mechanism, implemented through EthicsPoint. During inception phase the system will be further adjusted to also allow escalation of grievances to the IUCN institution-level GRM. Being Rainforest Alliance certified, KCL also has a grievance mechanism and complaint procedure in place; an Assess and Address system; a Non-compliance procedure for farmers; and a Conflict of Interest procedure. The grievance mechanism is described in Annex 1.1 of the prodoc.		TBD	KCL and TNS, reviewed by Nespresso	Inception phase

	During inception phase a comparison table will be established assessing the two existing systems against the IUCN Grievance Mechanism Guidance Note ⁱ - this is to identify gaps. Any identified gaps will be further adjusted including allowing escalation of grievances to the IUCN institution-level GRM.				
	Ensure that the GRM are communicated and well understood by the local stakeholders	TBD			
Gender Mainstreaming	n/a given project activities under component 2	n/a	n/a	n/a	n/a
Safeguards Training staff	While the partners TNS and KCL are both very familiar with the E&S criteria of the AAA Program there might exist small gaps with regards to IUCN and GEF safeguard requirements. In order to close this gap a training for staff of both entities will be organized by IUCN. The training will focus in particular on the GEF safeguard requirements and on the IUCN Standard on Indigenous Peoples.	IUCN	IUCN		Inception phase
Social & Environmental Impactsⁱⁱ	Mitigation measuresⁱⁱⁱ	Indicators or other evidence of completion	Resources	Implementation Responsibility	Schedule
Indigenous Peoples Standard					
Risk for indigenous groups	Quick social scan to assess presence of indigenous Batwa (DRC) or Benet (Uganda) communities in project sites, their social status and issues or vulnerability and marginalization as well as whether there might be any potential risks to these groups caused by project activities	Report rapid social assessment	Covered by PM and consultation budget	TNS, KCL	At project start
	In case risks are identified – see measures under risks to vulnerable groups	n/a	n/a	n/a	n/a
Biodiversity Standard					
Risk of invasive species being introduced as part of the reforestation (low risk)	Development of a species guidance protocol..	Evidence list of species	n/a	Nespresso, KCL and TNS	At project start
	Monitoring of reforestation planning		n/a	Nespresso, KCL and TNS	Annually
Community health, safety and security risks:					
Risk of fueling conflicts between communities or social groups due to economic successes of selected individuals/households/communities (low)	Ensure that the grievance mechanism in both places include these risk issues and that this is well understood by community members;	Evidence of policies and implementation	n/a	Nespresso, KCL and TNS	At start and annually
	regular consultation with local communities to prevent issues from building up	Selected community interviews	n/a	Nespresso, KCL and TNS	At start and annually
Risk of violence and incidents affecting civilians associated with the project (e.g. farmers, participants of trainings) (moderate)	Procedure to ensure regular monitoring of the security situation	Update to local risk matrix (risk register)	n/a	Nespresso, KCL and TNS	At projects start

ⁱ Available at: https://www.iucn.org/sites/dev/files/iucn_esms_grievance_mechanism_guidance_note-v2.1.pdf

ⁱⁱ If Standards are triggered and it has been decided that the mitigation measures are not presented in form of a stand-alone plan (e.g. IPP, Process Framework etc.), the measures are described in this table

ⁱⁱⁱ Where mitigation measures have already been conceptualized as project activities, only the codes of the activities need to be entered (e.g. “-> see Activity 1.2.3”); other columns are not applicable to avoid repetition.

	For DRC: Emergency preparedness measures should be put in place right at project start.	Evidence of emergency policies	n/a	TNS	At projects start
Labor and working conditions:					
Security risks for project workers (moderate)	Procedure to ensure regular monitoring of the security situation	Update to local risk matrix (risk register)	n/a	Nespresso, KCL and TNS	At projects start
	DRC: ensure up-to-date security guidelines and emergency preparedness measures.	Evidence of emergency policies & training	n/a	TNS	At projects start
	Training security guidelines and emergency preparedness	Training summaries	n/a	TNS	At projects start
Gender-based violence (moderate)	Integrate into the trainings for project staff and stakeholders information about forms of GBV affecting both genders.	Training summaries	n/a	TNS, KCL Support from IUCN Global Gender Office	At projects start and as applicable
	Develop other measures, as culturally appropriate, to raise awareness about GBV risks and to actively prevent incidents of sexual exploitations, abuse or harassment in the context of the project to happen (e.g. posters etc.)	Evidence of measures	Low cost measures that can be covered by PM budget	TNS, KCL, Gender Expert Nespresso, support from IUCN Global Gender Office	At projects start
	Develop a procedure to address incidents of sexual exploitations, abuse or harassment (e.g. how to act in case of incidents, report, investigate, remedy such actions)	Evidence of policies and implementation	n/a	TNS, KCL	Annually
	Prevent perpetrators of GBV from being (re-) hired or (re-)deployed	Staff hiring procedures	n/a	TNS, KCL	At projects start
Risk of child labour (low)	This risk appears well managed through the AAA program. For precautionary reasons, monitor results from the audits on an annual basis.	Reports from FARM	n/a	Nespresso, KCL and TNS	Annual
Risks of affecting vulnerable groups:					
Coffee practices and supply to Nespresso aggravates economic situation of sharecroppers by reducing land available for sharecropping or increasing work demanded by concessionaire from sharecropper	TBD based on the quick social scan	Report rapid social assessment	n/a	TNS, KCL	At project start
	Address identified risks – e.g. by providing training and agronomic services to sharecroppers and linking them to cooperatives and washing stations where they could supply coffee cherries.		n/a	TNS, KCL	Annually
	To be monitored in both sites	Selected community interviews	n/a	TNS, KCL	Annually
Food security risks when shifting from food crops to coffee (low)	Monitoring effectiveness of on-farm agroforestry systems, intercropping with indigenous species, farm income diversification and kitchen gardens as a measure to prevent food security risks	Selected community interviews	n/a	TNS, KCL	Annually
Risk of discrimination against vulnerable farm households in terms of access to training and agronomic services	TBD based on the quick social scan; address identified risks (to the extent possible given the scope of the project)	Report rapid social assessment, Selected community interviews	n/a	TNS, KCL	Annually
	Monitor VSLA activities to ensure inclusive governance and as such enable access of vulnerable groups to the loan facility	Selected community interviews	n/a	KCL	Annually
Risk of undermining human rights:					

Risk of unjustified preferential treatment when selecting sites (villages, washing stations etc.) and individual farmers to join the program (low risk)	Monitor that selection of sites is based on transparent criteria and that farmers that are interested are not excluded to participate	Selected community interviews	n/a	TNS, KCL	Annually
<i>New ESMS risks that have emerged (to be completed as relevant during project implementation)</i>					

Annex 2: ESMP Monitoring

Note: The progress of implementing mitigation measures should be color-coded in column C:
 Green = On Schedule/ Ahead of Schedule/ Completed, Orange = Slightly Delayed, Red = Delayed

ON SCHEDULE / AHEAD OF SCHEDULE/ COMPLETED	SLIGHTLY DELAYED	MAYOR DELAYS/ ISSUES
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ESMP Monitoring Table				
Period covered by the report:				
ESMS Standards	Describe the progress of implementing the required tools (Indigenous Peoples Plan, Process Framework etc.):			
Social & Environmental Impacts^{iv}	Mitigation measures	Color coding	Describe status of completion , suggest solutions where problems are encountered	Early judgement: Does this measure seem effective?
<i>New ESMS risks that have emerged</i>				
<i>Other ESMS provisions</i>	Describe status of completion and evidence			Outstanding action and timing
Disclosure				
Grievance Mechanism				
Gender Mainstreaming				
Stakeholder Engagement				
<i>TO BE COMPLETED BY IMPLEMENTING AGENCY (IUCN)</i>			Date/Name of reviewer:	
ESMP monitoring - main findings:			Status ESMP <input type="checkbox"/> on schedule <input type="checkbox"/> slightly delayed <input type="checkbox"/> major delays/issues	

^{iv} Column A and B are copied from the ESMP.

Rapid social analysis - guidance

The purpose of the rapid social analysis is to provide a quick overview of the social composition and the social diversity of each of the villages where farms or washing stations are supported by the project. The information should be based on readily available literature and social statistics as well as on consultations with key informants. Where indigenous people are present, their representatives should be consulted or, if there is no system of representation, a few selected individuals of the indigenous community.

The following topics should be covered:

- Specify the name of villages supported by the project, preferably with indication of size of population (at least approximate) of each village and a map with geographic location.
- For each village identify the main social groups; these could include ethnic groups or minorities, indigenous peoples (indicate the ethnicity/tribes), vulnerable groups such as landless persons, marginalized groups, female-headed households or displaced people etc.;
- Provide a brief, qualitative description of the main social groups (including of indigenous communities) in terms of:
 - main livelihood activities,
 - ownership of land or usufruct rights (including communal land),
 - major risks and challenges faced by social groups,
 - issues of discrimination and marginalization and existing or potential conflicts between or among social groups;
- With respect to indigenous peoples in addition to the above also describe their
 - customary cultural, economic, social or political institutions including specifying who are legitimate representatives of the groups in the sites,
 - traditional livelihoods, spiritual / cultural beliefs and values,
 - relations with other social groups, including economic relations (trade) and relationships with private companies; are there issues of economic, social or political marginalization?
 - existing conflicts within communities and between communities or other outside groups
- Identification of any risks for specific social groups triggered by project activities; consider risks such as
 - aggravating marginalization of social groups
 - worsening the economic status of social groups, their employment or income opportunities
 - negative impacts on land use arrangements including through increased land use competition or adverse impacts on sharecropping relationships (e.g. reducing land available for sharecropping, reducing the economic returns for sharecroppers)
 - risk of increasing social conflicts due to project activities (e.g through changes on land use)