

**ENVIRONMENTAL AND SOCIAL
DUE DILIGENCE FOR
INYENYERI PLANTATION WOOD
SOURCING**

1.0 INTRODUCTION

Inyenyeri is planning to expand their improved cookstove operations in Rwanda and the company's business model requires a scaling up of sourcing of wood sources for its pellet production. If the expansion outpaces their current *crowdsourcing* model for obtaining biomass, then the logical source for this wood is expected to be government plantations. Consequently, the World Bank's Forest policy, OP 4.36 is triggered for this project. The objective of OP 4.36 is to ensure clients harness the potential of forests to reduce poverty in a sustainable manner, to effectively integrate forests into sustainable economic development, and to protect the vital local and global environmental services and values of forests. Projects undertaking forest restoration and plantation development are expected to maintain or enhance biodiversity and ecosystem functionality.

A key aspect of this World Bank policy is the mandate that activities engaged in industrial-scale commercial harvesting operations in areas outside critical forest areas (e.g., government plantations) are either certified as meeting standards of responsible forest management under an independent forest certification system acceptable to the World Bank, or adhere to a time-bound, phased action plan acceptable to the World Bank for achieving certification to such standards.

This annex contains provisions for Inyenyeri E&S due diligence for satisfactory sourcing of wood for its production system from existing government (or other commercial) plantations. These provisions will satisfy both World Bank and GoR environmental and safeguard requirements. It is anticipated that Inyenyeri will use the services of an independent third party "certifying" entity (there are currently several globally operating certification companies) and this certification will also allow Inyenyeri to market itself as an "environmentally friendly/forest certified" company. These provisions are also expected to meet the Carbon Emissions Purchase E&S standards requirements

2.0 PROJECT E&S DUE DILIGENCE IMPLEMENTATION ARRANGEMENTS

Inyenyeri will ensure that all plantation sourcing is undertaken in coordination with MINIRENA and appropriate Forest Plantation officials.

In addition, they will engage a forestry specialist to conduct due diligence on the sourcing of biomass used in the production of their pellets, this will provide the information required to complete a simple annual due diligence report according to the format below, and will involve:

- i. Prior review of the forestry management plan and arrangements for the source plantation, to ensure that they are consistent with a forestry certification standard or an approach to its eventual achievement.
- ii. Due diligence with local communities to identify any unresolved grievances or land disputes.
- iii. Verification that the wood supplied is from the appropriate source.
- iv. Updates on the implementation of the management plan.

The process will ensure that:

- Management keeps current on the E&S sustainability of their expanded wood supply
- Environmentally friendly or forest certified principals are part and parcel of the company profile

The forestry specialist should have the following qualifications:

- At least a Master's degree in the related fields (biodiversity, forestry, environment/natural resources management, landscape management, or related areas).
- A minimum of 3 years' relevant experience related to forestry management planning and verification, preferably in Rwanda.

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- The consultant in this assignment should be conversant on forest management issues as well as socio-economic, ecological, wildlife, soil and water conservation, biomass production and management aspects in the forestry sector.

3.0 THE WORLD BANK GROUP ROLE IN REVIEW AND IMPLEMENTATION SUPPORT

A number of activities shall be administered by the World Bank Group to support Inyenyeri in meeting acceptable standards and requirements.

Implementation Support

The WBG shall provide advise and review of these Plantation E&S due diligence provisions. To determine the effectiveness of these provisions the Bank will periodically review the process and the results of the social and environmental due diligence conducted by Inyenyeri. The frequency and focus of supervision visits will be determined and agreed by both parties during the year.

Environmental and Social Due Diligence Annual Report

The WBG shall review the Annual Plantation Report from Inyenyeri in a timely basis.

INYENYERI ANNUAL ENVIRONMENTAL & SOCIAL DUE DILIGENCE REPORT TO THE WORLD BANK GROUP

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes.

Completed by (name):			
Position in organisation:		Date:	
Reporting period	From:	To:	

For the reporting period, please provide the following information **where applicable**:

Plantation Wood Sourcing

Plantation Name	Location & Description	Total amount wood acquired	Plantation Manager Approving Purchase

Plantation Information

Plantation Details: Attach location map (longitude – latitude coordinates (GPS reading) if available)	
	Comments
Forest Management Plan? <i>When was this approved, what is the species grown, what is the rotation cycle</i>	
<i>If there is no Approved Management Plan, what are the actions undertaken?</i>	
<i>Has there been litigation or complaints associated with the Plantation?</i>	
<i>Are there outstanding land disputes?</i>	