**TERMS OF REFERENCE**

**for Provision of the Services by the Environmental and Social Consultant for the Project “Gas Chemical Complex within Ethane-Rich Gas Processing Complex”  
(“Project”)**

Definitions and interpretation:

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| **ECA** | Export credit agency |
| **Lenders** | Agencies for export operations crediting (export credit agencies), multi-purpose credit agencies, commercial banks acting as lenders, financial institutions, insurance companies or investors, or a miscellaneous legal entity that, if necessary, considers, provides and/or assists in arranging the financing for the Project, as well as any agent or trustee appointed, if necessary, to act on their behalf, any potential lenders of the Customer, including Russian and international financing organizations |
| **Lenders’ Consultants** | Legal consultants and other consultants appointed on behalf of the Lenders |
| **ESIA** | Environmental and Social Impact Assessment in the international banking format in accordance with the standards of the International Finance Corporation, the World Bank and International Law |
| **EIA** | Environmental Impact Assessment, carried out in accordance with the "Regulation on the environmental impact assessment by the planned economic and other activities in the Russian Federation", approved by the Russian Federation State Committee for Environmental Protection, Order No. 372 dated May 16, 2000, and the applicable Russian laws |
| **EBRD** | The European Bank for Reconstruction and Development |
| **IFC** | The International Finance Corporation |
| **IFC Performance Standards (IFC PS)** | International Finance Corporation Performance Standards |
| **IFC EH&S** | International Finance Corporation Environmental, Health, and Safety General Guidelines |
| **IUCN** | International Union for Conservation of Nature |
| **ESAP** | Environmental and Social Action Plan |
| **ESHSS** | Environmental, Social, Health, Safety and Security |
| **ESDD Report** | Environmental and Social Due Diligence Report by the Lenders’ Independent Environmental and Social Consultant |
| **ESMP** | Environmental and Social Management Plan |
| **Construction Management Plans** | Construction environmental and social management plans are a tool for managing the Project’s construction environmental and social impact, which sets forth requirements for environment, health, safety and security, and transport safety, etc. |
| **EPC** | Engineering, Procurement and Construction |
| **ESMS** | Environmental and Social Management System |
| **HSES** | Health, Safety, Environment and Security |
| **NGOs** | Non-Governmental Organizations |
| **OECD** | Organization for Economic Cooperation and Development |
| **OHS** | Occupational Health and Safety |
| **LESC** | Lenders’ Environmental and Social Consultant |
| **Audit** | Review by the Lenders’ Consultant of the Customer’s environmental and social impact assessment documents |
| **Assessment** | Assessment of the Project’s possible environmental and social impacts including proposed appropriate mitigation, management and monitoring measures |
| **Financial Closure** | Signing of Project financing agreements |
| **Health, safety, environmental and social documentation package** | Health, safety, environmental and social documentation package requested by these Terms of Reference |
| **RF** | Russian Federation |
| **Services** | Any work or services to be performed / provided under these Terms of Reference (Appendix No. 1 to Contract No. \_\_\_ dated \_\_\_\_\_\_\_\_\_\_ \_\_, 2020) |
| **Customer** | “Baltic Chemical Plant” LLC |
| **Consultant** |  |

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| 1 | *Subject of the Terms of Reference*  Development of documentation package based on results of environmental and social impact assessment (ESIA) carried out in line with the standards of the International Finance Corporation, the World Bank and international law, and provision of services of an Environmental and Social Consultant for the Project. |
| 2 | *Services provision period*  The periods of the Services provision shall be defined in Appendix No. 2 to Contract No. \_\_ dated \_\_\_\_\_\_ (hereinafter the Contract). The period of the Services provision stipulated by Phase No. 4 in Appendix No. 2 to the Contract may be extended in order to close the remaining issues pertaining to the Environmental and Social Action Plan (ESAP), in order to continuously monitor and comply with the reporting requirements (if any).. The scope and cost of the Consultant’s Services also include liaison with the Lenders and ECAs to meet all the applicable requirements of the credit documentation from the contract conclusion date and five months after the Financial Closure. |
| 3 | *Purpose of Services*  The purpose of employing a Consultant is to raise funds for the project and ensure compliance of the Customer's activities with the project financing requirements.  The main objectives of the Consultant till the Financial Closure are as follows:   1. Describe the Project’s environmental, social, health, safety and security characteristics based on: 2. Review of the existing information, and 3. A reconnaissance site visit, including the main industrial site and off-site external infrastructure facilities, and the Project's area of influence with associated facilities.   These characteristics include, but are not limited to: Project Description; regulatory legal framework; background environmental and social conditions; environmental, social, health and safety risks and impacts; reasonable alternatives study; environmental and social monitoring and risk mitigation measures;   1. Assess the Project’s compliance with the following regulations, standards and guidelines (“Lenders’ Requirements”): 2. Applicable Russian environmental and social laws, regulations and permits; 3. International Law, including treaties and conventions fully adopted by the Russian Federation and applicable to the Project; 4. Other obligations of the Project to the Russian Federation (i.e. contractual); 5. The Project’s environmental and social standards as defined in the ESIA, stipulated by the requirements of international standards under Appendix II of the OECD Common Approaches; 6. Social and environmental policies and procedures that implement the Equator Principles (IV, dated July, 2020); 7. International Finance Corporation Performance Standards (“IFC PS”) (dated January 2012); 8. International Finance Corporation Environmental, Health, and Safety General Guidelines (“IFC EH&S”) applicable to the Project and IFC applicable sector specific guidelines; 9. Relevant ECAs’ environmental and social Procedures and Guidelines; 10. Such other standards and guidelines as potential Lenders/ECAs may indicate they expect to apply to the Project; 11. IFC Performance Standard 6; 12. IFC / EBRD Guidance Note for Worker's Accommodation; 13. Requirements of the eight fundamental conventions of the International Labor Organization (ILO) (Conventions Nos. 87, 98, 29, 100, 105, 111, 138, 182); 14. Requirements of all eight IFC Performance Standards, including:   Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts  Performance Standard 2: Labor and Working Conditions,  Performance Standard 3: Resource Efficiency and Pollution Prevention,  Performance Standard 4: Community Health, Safety, and Security,  Performance Standard 5: Land Acquisition and Involuntary Resettlement,  Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources,  Performance Standard 7: Indigenous Peoples,  Performance Standard 8: Cultural Heritage).   1. OECD Guidance Note: Good Practice in the Use of Consultants by Export Credit Agencies; 2. Assess the Project with regard to conservation areas boundaries (International Union for Conservation of Nature within the relevant category);   (xvi) Any applicable international treaties and conventions in the field of environmental protection and social sphere, ratified by the Russian Federation. |
| 4 | The Consultant shall prepare ESIA documentation in accordance with the Lenders’ Requirements and assist the Customer in addressing other environmental and social matters detailed below. The Consultant will be accountable to the Customer in all matters and will provide its services exclusively in the Customer’s interests.  The Consultant shall perform ESIA in accordance with the requirements and provisions of International Law and international standards in accordance with the principles and approaches of the Organization for Economic Co-operation and Development (OECD).  The ESIA shall include an assessment of the impact on the threatened and natural habitat within the Project's footprint zone in accordance with the IFC PS 6.  The ESIA shall be developed in accordance with the IFC / EBRD Guidance Note for Worker's Accommodation and the eight fundamental conventions of the International Labor Organization (ILO). |
| 5 | In order to ensure financing for the Project, the Project shall meet the requirements of the applicable health and safety, environmental and social standards, and the Russian Law as well as other applicable standards specified in the Project’s financing documentation. Such regulations may include international conventions ratified by the Russian Federation, policies, guidance documents and standards of the International Finance Corporation (IFC) and the World Bank (including IFC's Environmental and Social Performance Standards dated January 1, 2012), the Organization for Economic Cooperation and Development (OECD), Equator Principles 4, applicable policies of the European Bank for Reconstruction and Development (EBRD) and other documents considered by the Lenders as the best practice, as well as internal environmental and social provisions of ECAs and commercial banks who will be parties to the project financing agreements (“Lenders’ Requirements”) (collectively referred to as “Applicable Environmental and Social Standards”). |
| 6 | The Consultant shall know the Russian Law and all the Applicable Environmental and Social Standards specified in this document. The Project’s ESHSS (environmental, social, health, safety and security) package shall be developed in accordance with the Lenders’ Requirements, the Russian laws and Applicable Environmental and Social Standards. |
| 7 | The Consultant shall closely liaise and cooperate with the Customer, the Customer's advisers, and Designers selected for performing project design studies and the EIA, as well as with the Customer’s other consultants on project financing. All the project design documentation, including pre-design studies, surveys, design studies, the EIA and FEED shall be used as reference material in preparing the ESHSS documentation package. |
| 8 | *Main objectives:*  1. Prepare the Project Implementation Plan with regard to developing the ESHSS package.  2. Review the existing project design documentation for its compliance with the Russian Law and Applicable Environmental and Social Standards and issue a Gap and Inconsistency Analysis Report covering this issue and including a relevant corrective action program.  3. Prepare a document listing the Project standards.  4. Prepare the ESIA Scoping Report.  5. Prepare a preliminary Environmental and Social Impact Assessment (pre-ESIA) report.  6. Develop the final Environmental and Social Impact Assessment (ESIA) report.  7. Prepare a Stakeholder Engagement Plan.  8. The Environmental and Social Management Plan (ESMP) and related subject Construction Environmental and Social Management Plans.  9. Develop all necessary Environmental and Social Management Plans and an Environmental and Social Action Plan in accordance with the Applicable Environmental and Social Standards.  10. Prepare environmental and social chapters for the Preliminary Information Memorandum (PIM) for the Project.  11. Benchmark the main specific indicators of atmospheric emissions, water consumption, energy intensity and other parameters related to the ethane cracking and ethylene polymerization technologies being used by the Project against the same indicators of technologies that were / are used at the production facilities commissioned earlier, and issue a final reporting document, including among others a visual presentation of the benchmarking results.  12. Prepare a non-technical summary (NTS).  13. Liaise with the Lenders and ECAs to meet all the applicable crediting requirements from the signature of the Service Contract prior to the Financial Closure and five months thereafter.  14. Perform all the necessary additional studies and surveys, if necessary (except field surveys to assess the biodiversity, and the state of water, soil, and air at the proposed construction site).  15. Assist and provide consulting support in conducting public consultations, focus groups on ESIA and other ESHSS matters required by the Russian Law and the Applicable Environmental and Social Standards.  16. Assist the Customer in negotiations with Lenders and their Consultants, as well as in conducting an Environmental and Social Due Diligence review by the Lenders, and prepare responses to the Lenders’ Consultants’ enquiries and comments.  17. Conduct training workshops for the Customer employees and contractors on the Applicable Environmental and Social Standards.  18. Assist the Customer in implementing recommendations and requirements from the Lenders’ Consultant. |
| 9 | The fulfillment of the above tasks will facilitate the implementation of the Project in accordance with the Applicable Environmental and Social Standards, and the achievement of the Project’s objectives with regard to preventing and mitigating possible negative environmental and social impacts associated with the Project implementation, and raising funds for the Project by the Customer. |
| 10  10.1 | *Scope of Services*  The ESIA shall be developed partly based on the completed EIA scope. The EIA procedure set forth by the Russian Law partially corresponds to the internationally recognized ESIA procedure, though there are a number of differences between them. The Consultant shall develop the ESIA documentation in such a way that it complies with the requirements of the Russian Law and the Applicable Environmental and Social Standards, while ensuring that information, data and insights collected during the EIA are adequately reflected in the ESHSS package.  The scope of Services to be provided by the Consultant shall include all necessary works, including consulting services and documentation development, to the extent that will allow the Lenders’ Consultants to make a conclusion on the Project’s compliance with the Lenders’ Requirements.  The Consultant's Services scope shall include the development of environmental, social, health, safety and security (ESHSS) standards, plans, procedures and other documents for construction contractors, including those related to relocation of personnel.  When performing ESIA, the Project's area of influence shall be determined in accordance with the IFC PSs.  The Consultant shall evaluate the Project for the presence of associated facilities in accordance with the IFC PSs.  The Consultant shall assess the Project’s climatic impact and associated climate change risks (physical and transient risks). |
| 10.2 | The ESHSS package issued by the Consultant shall be submitted to the Lenders and the supervisory agencies, and published in accordance with the Russian Law and the Applicable Environmental and Social Standards. ESHSS package can be enclosed in whole or in part or as a brief reference note to the financial documentation (including to the information letter containing a preliminary or the final proposal or a preliminary or the final information memorandum). |
| 10.3 | The Consultant shall personally submit its deliverables to the Customer's offices in Moscow, St. Petersburg, and Kingisepp (settl. of Ust-Luga). |
| 10.4 | The Consultant shall take into account the following information pertaining to its Services:  - upon selecting a Consultant, the Consultant and the Customer shall immediately hold a meeting on developing the Project Implementation Plan with regard to delivering the ESHSS package, to confirm that the Consultant has the ability to timely deliver the documentation specified in the Terms of Reference.  - The Consultant shall immediately proceed to the review of the available project pre-design and design documentation, and survey and study results (including the EIA and other environmental and social data). The Consultant shall proceed to developing the first (preliminary) ESIA report and submit it to the Customer by October 23, 2020.  Simultaneously with submitting the preliminary ESIA report to the Customer by October 23, 2020, the Consultant shall submit as follows (under Phase 1):  - Project Implementation Plan for the development of the ESHSS Package  - Gap and Inconsistency Analysis Report and a scope of relevant corrective work  - a description of the Project standards  - ESIA Scoping Report; based on the completed ESIA scope additional work required for the development of an Environmental and Social Due Diligence for the Project shall be determined, including correcting any inconsistencies with the requirements of the Russian Law and the Applicable Environmental and Social Standards specified by the Consultant, which shall be taken into account in the final ESIA report to ensure compliance with the international standards. Scope of work definition is the process of identifying the content and scope of work on issues to be addressed in ESIA and in related documentation.  - Preliminary Stakeholder Engagement Plan.  The Consultant shall begin preparing the Stakeholder Engagement Plan immediately upon its engagement. The Consultant shall be expected to submit a preliminary Stakeholder Engagement Plan to the Customer by October 23, 2020.    For the avoidance of doubt, please be advised that the draft ESIA to be delivered by the Consultant to the Customer by October 23, 2020, shall contain (i) comprehensive information reflected in the Project’s existing EIA documentation and other information provided by the Customer (in addition to the information obtained by the Consultant during site visits, etc.), and (ii) additional information and analysis results that will be taken into account in the final ESIA, but are not currently available due to differences between the requirements of the Russian Law and those of the Applicable Environmental and Social Standards (i.e. information and analytical data identified during the development of the ESIA Scoping Report, and the Gap and Inconsistency Analysis). If the Consultant can correct the identified inconsistencies to some extent within the draft ESIA to be submitted to the Customer by October 23, 2020, the Consultant shall perform this task. The purpose of the preliminary ESIA report is to provide the Lenders’ audit team with (a) an environmental and social due diligence of the Project, and (b) a clear roadmap with additional information, which will be reflected in the final ESIA report, but which is currently missing due to differences between the requirements of the Russian Law and those of the Applicable Environmental and Social Standards.  As indicated below, the Consultant shall submit the first revision of the final ESIA report to the Customer by December 28, 2020. Simultaneously with the ESIA package, the Consultant shall submit as follows (under Phase 2):  - Stakeholder Engagement Plan  - Environmental and social chapters for the Preliminary Information Memorandum for the Project. The Consultant shall assist the Customer and ensure the development of the environmental and social part of the Preliminary Information Memorandum.  - Draft Environmental and Social Action Plan in accordance with the Applicable Environmental and Social Standards  - HSE requirements for Contractors, including specific construction environmental and social management plans  - a report on benchmarking the main specific indicators of atmospheric emissions, water consumption, energy intensity and other parameters related to ethane cracking and ethylene polymerization technologies being used by the Project against the same indicators of technologies that were / are used at the production facilities commissioned earlier  - ESIA non-technical summary (NTS).  As part of the Ethane-Rich Gas Processing Complex, it is planned to implement two closely integrated projects: a Gas Processing Complex (GPC) and a Gas Chemical Complex (GCC). As part of the ESIA package, the Consultant shall assess the cumulative environmental impact from the *Gas Processing Complex within Ethane-Rich Gas Processing Complex in Ust-Luga*, and from other existing or planned facilities and industries, which shall be either included in or omitted from the assessment by the Consultant based on its experience and professional competence.  In accordance with the updated requirements of international financial organizations, the ESIA shall include the following activities:  - a detailed assessment of greenhouse gas (GHG) emissions using international approaches, including an inventory of emission sources for the Project facilities and the associated facilities, and identification of GHG emissions reduction opportunities;  - a full assessment of climate change risks, including physical and transient risks, as required by the Task Group for the disclosure of climate-related financial information;  - Development of the Project adaptation measures to minimize risks identified.  The area is a home to the indigenous minority ethnic communities of Izhora and Vod’.  The Vod’ people live in the Luzhitsy village and the Krakolye section of the Ust-Luga village – the settlements closest to the Project area.  The Vod’ language belongs to the category of “critically endangered” languages (UNESCO).  The Project may have an impact on the intangible cultural heritage of the indigenous population – their traditions and language.  The impact may be due to the arrival of a significant number of workers, the general industrialization of the area, and potential changes in the lifestyle of the indigenous population.  Appropriate measures to minimize these impacts shall be developed as part of the ESIA.  As part of the ESIA, an assessment of the environmental and social risks and the impacts of the associated facilities, i.e. facilities, which are not financed under the Project and would not be built or expanded if the Project has not been implemented, and without which the Project would not be viable – primarily a temporary mooring on the Luga River.  As indicated below, the Consultant shall issue specific plans and procedures to the Customer by December 21, 2020. For a more complete list, see Clause 15 of the Terms of Reference.  Listed below are the plans, the need to develop which was identified in the report on the Environmental Due Diligence review completed in April 2020:  1) A Biodiversity Action Plan that shall include activities during both the construction and operation phases of the Project facilities as follows:   * monitoring of vegetation conditions in the Project area of influence, including rare and protected species, * compensatory (offset) actions for the conservation of rare and protected species, hunting and game species and their habitats; * monitoring activities for:   o rare and protected bird and mammal species,  o hunting & game bird and mammal species,  o rare and protected fish species,  o fish species that are subject to commercial and recreational fishing,  o aquatic ecosystems essential for the conservation of aquatic biological resources.  2) Land Acquisition and Sources of Livelihood Rehabilitation Plan.  The plan shall include the following:   * Review of regulatory requirements and standards for land acquisition; * Detailed description of Project impacts on different landowners and land users; * Information on consultations held and planned with landowners and land users (including those who operate informally); * Matrix of rights to be compensated by the Customer and to have livelihoods rehabilitated; * List of possible actions to improve livelihoods; * Procedure for submission and consideration of complaints and petitions; * Monitoring of progress for land acquisition and rehabilitation of livelihoods.   3) Plan for assistance in development of Indigenous Ethnic Minorities (IEM).  The plan shall reflect the Customer's approach to interaction with indigenous peoples, identify the need to obtain free, prior and informed consent (FPIC), assess the main impacts of the Project on indigenous peoples, identify livelihood rehabilitation activities to facilitate the development of the IEM. Emphasis shall be given to measures to minimize the impact on intangible cultural heritage (culture and especially language), as well as appropriate support measures. In developing such measures, it is recommended that ethnographers with knowledge of intangible cultural heritage of the IEM be involved.  4) Local Communities Development Plan.  The purpose of the Plan is to develop local communities and areas where the populations affected by the Project live. The Plan shall be developed in cooperation with the local community and other relevant parties, which will contribute to maintaining constructive relations between the Customer and the local community, reduce the risks in Project implementation, as well as improve efficiency and focus of development activities to be implemented. The Plan will define the timing and the methods of its implementation, monitoring activities and responsible parties, which will enhance the effectiveness of activities outlined therein.  5) Traffic Management Plan to manage risks associated with the Project's truck and passenger vehicles usage.  Specifically, the Plan shall determine the routes of motor transport traffic to ensure the safety of the local population (in particular at extremely vulnerable/hazardous road sections) and of other road users, address the issues of roads repair in case quality of road surface is impaired, as well as outline monitoring procedure related to vehicular traffic and present a plan with measures to ensure the safety of motor transport driving, construction and special equipment transportation on the Project's non-public roads and along associated facilities.  Schemes (routes) of vehicles traffic and scope of transportation loads will be provided by the Customer as input data.  6) Plan for managing greenhouse gases emissions, including measures to reduce, monitor and control greenhouse gas emissions.  7) Workforce site management plan which shall include, inter alia, consideration of the following aspects:  • Security of site residents and site visitors;  • Cultural and amenities conditions;  • Accommodation standards;  • Dining facilities and food quality;  • Communication means;  • Monitoring of living conditions.  8) Workforce Demobilization Plan. This plan shall be developed to ensure that contractors fulfil their contractual obligations to their employees, that the process of dismissing employees meets Russian and international requirements, and that risks associated with transporting employees are mitigated, it shall also include a procedure for reducing positions and numbers of employees.  9) Framework Action Plan for Emergency Management for the Project during operational phase.  10) Action plan for prevention and elimination of possible accidents, upset conditions and emergency situations at the construction phase, which shall include a combination of fire safety provisions.  11) Oil spill containment and response plan, which shall include instructions on the containment and response of oil spills for the construction phase.  12) Procedure for dealing with accidental finds, which shall include arrangements for monitoring the compliance with the Procedure for handling and reporting on finds during earthworks, as well as procedures for dealing with accidental finds.  13) Instructions for responding to meteorological hazards (strong wind, heavy rain, etc.).  The instructions shall include an action plan on awareness of employees and contractors about their actions in such cases, i.e. due regard to current weather conditions when choosing special clothing, personal protective equipment, outdoors working hours schedule, heat supply mode.  14) Procedure for promoting recruitment of local population.  This procedure shall also apply to contractors and subcontractors. The procedure shall provide a precise definition of "local workforce" (e.g. a person must be registered in the Kingisepp District) and establish a ratio for local to non-local employees within each category of staff (unskilled, semi-skilled and qualified).  15) Local Content Procedure.  The procedure for engaging local suppliers of goods and services is similar to the procedure for promoting recruitment of local population. Based on its experience in engaging local contractors, it is recommended that the Customer should determine a procedure for engaging them, giving preference to local organizations (registered in the Kingisepp District and Leningrad Region). If justified, the procedure may define exceptions for certain categories of services. Once implemented, the procedure shall apply to contractors and subcontractors.  The procedure shall specify that preference for local companies may only be given on a competitive basis provided that they meet the Customer's requirements.  16) General Security Procedures (safeguarding means to prevent third parties from entering the site during construction and operation)  Assuring means to prevent third parties from entering the territory of site facilities at both construction and operation phases (fencing, checkpoints, alarm system, etc.). In particular, complex engineering and technical means of security are to be used at the shift camp area).  17) A waste management plan for the construction phase, which shall be a key management tool in this sphere and shall include relevant aspects of planning, forecasting, training and waste management throughout the construction period. The Plan will be updated as the construction phases progress. Each construction/erection contractor shall also develop its own customized waste management plan based on the provisions of this Plan.  The Consultant shall develop a comprehensive Environmental and Social Management Plan for the Project, based, in part, on the work completed by the Consultant during the preparation of the ESIA report and the Stakeholder Engagement Plan. It is expected that the Consultant will begin developing the Environmental and Social Management Plan for the Project in the nearest future so that the comprehensive draft Environmental and Social Management Plan is available for the Customer’s review by December 21, 2020.  The draft framework Environmental & Social Management Plan (ESMP) shall describe, with prioritization, further steps to ensure the Project's compliance with requirements of the Russian Federation laws and applicable environmental and social standards (including, but not limited to, development of management plans for mitigation and monitoring of impacts listed in the draft ESIA, identification of occupational health and safety precautions, etc). For the avoidance of doubt, please be advised that the Environmental and Social Management Plan for the Project shall be part of the Project’s Environmental and Social Management System and will cover the following: environmental and social risks and risk effects management issues for the Project, organizational resources, public engagement programs, monitoring, reporting and corrective actions (if any), which shall be addressed in order to comply with the Russian Law and the Applicable Environmental and Social Standards.  The ESIA, the Stakeholder Engagement Plan and the Environmental and Social Management Plan shall be subject to review and commenting by the Lenders and the Customer, and the Consultant shall update all the documents developed and issued by the Consultant in order to reflect such comments from the Lenders and the Customer. |
| 10.5 | The Consultant shall complete each of the tasks described in this chapter. The Consultant shall also provide advice and recommendations on any additional issues not specified in detail, but described in general terms in the body of this Scope of Services, as well as provide other advice as requested by the Customer from time to time in connection with this Project. |
| 10.6 | The Consultant shall also fulfill the following requirements related to the ESHSS Package development by the Consultant:  • Cooperate with, provide advice and recommendations to the Consultants and the Customer, and to other parties providing consulting services to the Customer, as necessary;  • Cooperate with the Customer on environmental and social issues related to project financing and other matters related to the content of the ESIA documentation and related documentation prepared by the Consultant, provide prompt and complete responses to any enquiries, provide support in preparing presentations, and participate in meetings and conference calls at the Customer’s request;  • Promptly provide information and responses to individual specific enquiries from the Lenders and the Customer in the process of conducting a due diligence review, which pertain to the background of the issue or require clarification (the maximum time for response to the enquiry is 2 days); and  • Coordinate its actions with the Consultants and the Customer and its advisers or consultants on relevant issues, as necessary, in order to achieve and maintain a comprehensive and streamlined information exchange process to ensure data consistency and timely compliance with relevant requirements. |
| 11 | Launch the process of developing project design ESHSS documentation Package and prepare Project Implementation Plan to develop the ESHSS documentation Package (Phase 1)  After the commencement of the Services, the Customer will provide the Consultant with access to all the pre-design and design documentation available by the time of commencement of the Services (in particular: the report on the Environmental Due Diligence review of the Project completed in April 2020, the results of surveys, the EIA and FEED documentation, if any), and will inform the Consultant on the development of new documents. All the design documentation is in Russian, in soft copies.  The Consultant shall jointly with the Customer, the Financial Consultant and the Legal Consultant develop a Project Implementation Plan with regard to the development of the ESHSS documentation Package. The Consultant shall organize a short complete training course (3-5 hours) to be held in person or, at the Customer's request, via audio or video conferencing, at the Customer's offices (Moscow, St. Petersburg, or Kingisepp / settl. of Ust-Luga), for the Designer’s personnel involved in raising funds for the Project; the course shall cover the development of the Project Implementation Plan with regard to the development of the ESHSS documents Package, and briefly highlight international ESIA procedures. |
| 12 | Gaps and Inconsistency Analysis (in the scope of Services under Phase 1).  The Consultant shall study applicable environmental and social requirements including the following:  • Confirm and analyze the Russian environmental and social laws (including relevant permits and approvals) related to the planned work under the Project;  • Confirm and analyze relevant international standards and good sector practices applicable to such a work, including all applicable environmental and social regulations;  • Based on the foregoing, determine a set of environmental and social requirements to be met in order to ensure compliance with all the above requirements;  Study the project design documentation and management system.  The Consultant shall perform the following types of work:  • Collect and study the project design documentation (including EIA) for all the future facilities of the Project and associated facilities;  • Assess the level of current environmental and social development measures being taken by the Project, including EIA and obtaining environmental and social permits and approvals;  • Collect and study all the available procedures currently used for the Project’s ESHSS Management System;  • Based on the above documentation, identify gaps and inconsistencies in the design documentation and the Management System in relation to the Russian Law and the relevant environmental and social regulations, as well as determine the future scope of work; and  • Assess the key effects of compliance with the Project’s environmental and social requirements, in particular, how this can affect the nature and location of infrastructure facilities, what additional obligations may arise, or how this will affect the Project implementation program and associated costs.  Presentation of results.  The Consultant shall perform the following types of work:  • Prepare a Gap and Inconsistency Analysis Report highlighting this issue and including a program to address them based on the completed documentation review and studies mentioned above;  • Prepare a document listing the Project standards;  • Prepare a detailed description of the Scope of Services for the next phases in order to address any inconsistencies or gaps identified during the gap and inconsistency analysis; and  • Present the results of the completed reports to the Customer’s offices in Moscow, St. Petersburg, and Kingisepp (settl. of Ust-Luga). |
| 13 | Scope Definition of Services on ESIA Scoping (in the scope of Services under Phase 1).  Определение объема Услуг по определению объема работ в рамках выполнения ОВОСС (в объеме Услуг по Этапу 1).  The Consultant shall perform the following types of work:  - Determine the composition and volume of environmental and social information, subject to study and inclusion in the reports of the ESIA documentation package, including:  - Assessment of the baseline environmental and social situation;  - Review of achievable preferred social and environmental alternatives;  - the Project’s environmental and social impacts;  - Auxiliary facilities;  - Cumulative impact;  - Greenhouse gases, climate change risk assessment, and Project adaptation;  - Mitigation measures and assessment criteria;  - Public consultation;  - Employment conditions;  - Efficiency of use of resources and pollution prevention measures;  - Public health and safety;  - Obtaining land allotments and forced relocation;  - Preservation of the biodiversity and balanced wildlife management;  - Assessment and management of main major risks;  - Social and economic impacts;  - Human rights;  - Indigenous peoples; and  - Cultural heritage;  - Organization and holding of additional meetings with relevant stakeholders, government agencies, local population, the Customer and other parties as necessary, as well as the development of reports of (social, cultural, biodiversity, etc.) studies, if necessary, at this phase.  Presentation of results.  The Consultant shall perform the following types of work:  - Prepare a draft ESIA Scoping Report;  - Prepare a detailed Scope of Services for the next phases (if necessary);  - Present the results to the Customer in its office; and  - Coordinate the ESIA Scoping Report between the Customer, its Financial and Legal Consultants and the Lenders. |
| 14 | ESIA Documentation Package (in the scope of Services under Phase 2).  Development of documentation and site visits  The Consultant shall perform the following types of work:  - Conduct field surveys and collect information in order to obtain data required to ensure compliance with the Russian Law and the Applicable Environmental and Social Standards. This type of work involves visiting the construction site area and collecting data at the locality;  - Perform ESIA in accordance with the Russian Law and Applicable Environmental and Social Standards so that at the time of the final investment decision and throughout the construction and operation phases, the Project follows good practices that ensure compliance with such legal requirements and regulations; prepare a preliminary version of ESIA report;  - Jointly with the Customer conduct consulting and informational meetings on the Project-related environmental and social protection issues for the Project’s stakeholders (regional and local government authorities, the general public), as well as local non-governmental organizations;  - Develop an Environmental and Social Management Plan (to be reviewed and commented upon by the Lenders and the Customer) and provide support in implementing such a plan by the Customer and its Contractors; and  - Develop additional management plans required in accordance with the Applicable Environmental and Social Standards, including:  a Stakeholder Engagement Plan, an Operational Safety Plan, a Framework Emergency Response and Contingency Preparedness Plan, information disclosure procedures, a brief summary report (a non-technical summary), etc., and, if necessary, the Project’s Resettlement Action Plan (such plans may be included in the Environmental and Social Management Plan as chapters);  - A report on benchmarking the main specific indicators of atmospheric emissions, water consumption, energy intensity and other parameters related to the ethane cracking and ethylene polymerization technologies being used by the Project against the same indicators of technologies that were / are used at the production facilities commissioned earlier.  As part of the Project compliance assessment with regard to greenhouse gas (hereinafter referred to as GHG) emissions, an analysis of similar projects / best sector practices will be carried out taking into account the completed GHG assessment, as well as the approaches stated in the current guidance and reference documents, including:  - 2006 IPCC Guidelines for National Greenhouse Gas Inventories:  - 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories of the Intergovernmental Panel on Climate Change (hereinafter — the IPCC);  - Compendium of Greenhouse Gas Emissions Estimation Methodologies for the Oil and Natural Gas Industry, American Petroleum Institute, 2009 (API Compendium);  - Reference document on the best available technologies in oil and gas processing, 2015;  - Climate Change 2013: The Physical Science Basis. Working Group I contribution to the Fifth Assessment Report of the IPCC;  - Methodological Guidance on the Quantification of Greenhouse Gas Emissions by Organizations Performing Economic and Other Activities in the Russian Federation (approved by the Ministry of Natural Resources of Russia Order No. 300 dated June 30, 2015);  - Methodological Guidance for the Quantification of the Greenhouse Gas Indirect Energy Emissions (approved by the Ministry of Natural Resources of Russia Order No. 330 dated June 29, 2017).  - Coordinate actions with the Financial Consultants, Legal Consultants, the Insurance Consultant and the Lenders’ Independent Environmental and Social Consultant, including coordination of Project site visits or other events related to the Lenders’ assessment of the Project; collect comments and responses from the Customer, the Consultants and the Sponsors, as well as further joint work with the Lenders’ independent Environmental Consultant (when the latter is appointed) in the course of a due diligence review.  Presentation of results.  The Consultant shall perform the following types of work:  - Prepare the final versions of ESIA report, the Action Plan, the Stakeholder Engagement Plan, and the Environmental and Social Management Plan for the Project. This includes the regular submission of documentation for review by the Customer and other Consultants, and the integration of their comments in the documents;  - Present each document included in the ESIA package at the Customer’s office; and  - Coordinate review and revising of the ESIA report, the Environmental and Social Management Plan, the Stakeholder Engagement Plan with stakeholders and the Action Plan with the Financial Consultants, Legal Consultants and the Lenders’ Independent Environmental Consultant (after its appointment). Please note that the Environmental and Social Management Plan and the Action Plan can be combined into a document entitled The Health, Safety, Environmental and Social Action Plan, which will cover both the fundamentals of the Project’s HSE management system, and any identified corrective activities. |
| 15 | The Consultant's Scope of Services shall include development of the following standards, procedures and plans (in the scope of Services under Phase 3):  1) Change Management Procedure.  2) Land Acquisition and Sources of Livelihoods Rehabilitation Plan.  3) Plan for assistance in development of Indigenous Ethnic Minorities (IEM). Obtaining free, prior and informed consent (FPIC) of indigenous peoples for the implementation of the Project.  4) Local Community Development Plan.  5) Traffic Management Plan to manage risks associated with the Project's truck and passenger vehicles usage. Action Plan for the traffic safety of road transport, and construction and special-purpose machinery on non-public roads of the Project and the associated facilities.  6) Plan for managing greenhouse gases emissions, including measures to reduce, monitor and control greenhouse gas emissions.  7) Workforce site management plan.  8) Workforce Demobilization Plan.  9) Framework Action Plan for Emergency Management for the Project during operational phase.  10) Action Plan for prevention and mitigation of possible accidents, contingencies and emergencies at the construction phase, including fire safety measures.  11) Oil spill containment and response plan, which shall include instructions on the containment and response of oil spills for the construction phase.  12) Procedure for handling random finds.  13) Instructions for responding to meteorological hazards.  14) Procedure for promoting recruitment of local population.  15) Local Content Procedure.  16) General Security Procedures.  17) Waste Management Plan for the construction phase.  18) Project environmental and social aspects Management Plan.  19) Development and implementation of an integrated management system (ISO 14001, ISO 45001, (ISO 50001, if applicable)) – consulting support.  20) Personnel policy and personnel and contractors management procedures.  21) Framework Emergency Preparedness and Response Plan.  22) Hazardous Materials Handling Plan.  23) Construction Camp Management Policy (Temporary Construction Facilities).  24) Human Rights Policy.  25) The procedure for identifying, assessing and monitoring potential supply chain risks related to health, safety and labor management relations, in accordance with the requirements of SD2.  26) Permit Management Plan.  27) All necessary Environmental and Social Management Plans in accordance with the Project requirements, including procedures for information disclosure, safety assurance, and a brief summary report (non-technical part).  28) Action Plan for residents’ relocation from the Project area and other necessary procedures and plans.  29) Framework Action Plan for emergency response to be updated after the commissioning of the hazardous production facility.  30) Develop statistical accounting forms related to health, safety and fire safety, to obtain systematized and reliable information clearly categorized by incidents and accidents, set target values and indicators to monitor the situation and correlate recorded figures with the man-hours worked.  31) Atmospheric Air Quality Management Plan for the operation phase, including specific measures to mitigate and control impact and comply with the WHO air quality standards, indicating the location of control points and the frequency of monitoring.  32) Noise Management Plan for the operation phase, including all noise reduction measures developed based on the completed ESIA. The Plan shall indicate the responsible parties and key performance indicators (KPIs).  33) Wastewater Management Plan – no later than three months before the startup of the facilities, indicating the frequency of monitoring and the location of control points.  34) Waste Management Plan, including the following: the layout of the temporary waste storage yard, agreements with waste collection and disposal contractors, the frequency of waste removal and the capacity of site temporary storage facilities, audits of third-party waste disposal facilities, and transfer bills.  35) Present annual statistical reports on the Project’s greenhouse gas emissions (including related associated facilities).  36) Energy Efficiency Management Plan for the operation phase, including measures and procedures to ensure maximum energy efficiency. In particular, the following shall be performed:  - identify areas with inefficient energy use;  - identify areas where energy consumption indicators significantly differ from the general level;  - set realistic target values for improvement.  37) Land Reclamation Plan, accurate data on the size (in hectares) and location of habitats temporarily affected by the Project facilities / land clearing activities for each facility of the Project; include a detailed description of the reinstatement activities and measures to be taken in these areas.  38) Framework Environmental and Social Management Plan for the construction phase, and construction management plans.  Additionally, the Consultant’s Scope of Services shall include:  - Additional emission dispersion modeling  - Inventory of GHG emissions for the Project;  - Assessment of climate change impact on the Project,  - A report on benchmarking the main specific indicators of atmospheric emissions, water consumption, energy intensity and other parameters related to the ethane cracking and ethylene polymerization technologies used in the Project against the same indicators of technologies that were / are used at the production facilities commissioned earlier, in case results of GHG emissions inventory for the Project require an adjustment of such report prepared on the previous stage.  - Supervising issues related to the implementation of the documents by the Customer and Contractors.  - Conducting audits of contractors and subcontractors for compliance with the Customer’s Construction Management Plans during the Project implementation period, and after its Financial Closure.  - Carrying out audits for residences of construction workers participating in the Project until the Financial Closure, and preparing relevant checklists.  - Conducting training workshops for the Customer and the Contractors on the implementation of the Construction Management Plans and reporting to potential Lenders.  - Updating documents developed earlier by the Consultant, as necessary. |
| 16 | Preliminary Information Memorandum – the Consultant shall ensure preparation of the environmental and social chapter of the Preliminary Information Memorandum to be presented to the Lenders. This chapter describes the compliance of the Project with the Russian Law and the Applicable Environmental and Social Standards, as well as the ESHSS Package developed under the Project. |
| 17 | HSE requirements for Contractors.  The Consultant shall assist the Customer in analyzing ESHSS requirements for contractors or subcontractors, including general conditions for contractor selection. |
| 18 | Support the Project after the Final Investment Decision.  The Consultant shall provide coordination and development of all other necessary environmental and social protection plans (or make changes, as necessary, to existing plans), and also assist in managing the flow of this information (including issuing written requests and providing written responses to enquiries) in accordance with the requirements of the Project Lenders and their Environmental and Social Consultant until the Financial Closure, and five months thereafter.  Any results of rendered services in the scope of this Terms of Reference are to be considered and reviewed by Lenders and/or the Customer, and the Consultant shall provide corresponding revisions of the documentation for the purpose of implementation the respective requirements. |
| 19 | Provide reports on completed work.  The Consultant shall develop and provide maintaining the formal project management system providing a monthly report on compliance with the budget and the schedule. This report will be a detailed electronic message sent by the Consultant to the Customer (a mailing list will be provided by the Customer) presenting a list of the works in progress and a status for each of the tasks specified in this Terms of Reference.  The report shall be submitted on a monthly basis. The reporting period shall be a calendar month. The report shall be submitted no later than the 5th day of the month following the reporting one.  The report shall cover at least the following issues:   * Key points regarding the work in progress; * Work scheduled for the next two weeks; * Areas of concern associated with the tasks to be completed; * A progress report, progress indicators broken down by tasks; and * Statement of expenses (invoicing). |
| 20 | Documentation to be developed.  The Consultant shall submit the documents developed by it to the Customer in the following format: five (5) bound hard copies and soft copies on a flash card and a hard drive of each of the documents both in English and Russian.  All preliminary versions of documents shall be submitted in soft copy in Microsoft Word or Excel format, depending on their type. All final versions of documents shall be submitted in Adobe PDF format on a flash drive.  All documentation issued by the Consultant as results of services rendered according to the Contract and in the scope of the Customer support and consulting, including any correspondence shall be submitted both in Russian and English. The Consultant shall provide the translation thereof using its own resources and at its own expense.  Each document shall be submitted by the Consultant to the Customer in person at the Customer’s office in Moscow, St. Petersburg, or Kingisepp (settl. of Ust-Luga).  A draft of each document shall be submitted to the Customer ten business days before the agreed deadline for each Report for review and comments / requests to clarify and correct any errors, omissions or misconceptions before the reports are submitted to potential Lenders. See the "Timelines and Cost" chapter of this Terms of Reference for the agreed deadlines for each Report. |
| 21 | Schedule of actions.  As indicated in the Scope of Services chapter above, the Consultant shall simultaneously work on the preparation of all the documents listed in the Scope of Services, prioritizing the documents in accordance with the schedule below. The draft ESIA and the Action Plan may indicate outstanding issues or gaps, which will require additional analysis or study to be carried out by the Consultant after the issuance of draft documentation, and the format of these actions shall comply with the Lenders’ requirements for documentation to be reviewed. The final versions of the ESIA report, Environmental and Social Management Plan, Stakeholder Engagement Plan, and the Action Plan shall be provided before the Financial Closure. These documents shall integrate comments from the Customer, the Consultants of the Customer and the Lenders, and independent environmental experts, if necessary. |
| 22 | Qualification requirements.   * The Consultant undertakes to ensure liaison with the Financial Consultants, Legal Consultants and other consultants of the Customer, and the Lenders’ consultants in order to verify data provided by the Customer or the Financial Consultants at the initial stage. * The Consultant shall have experience of:   + Liaison with international financial institutions (environmental and social services for lenders);   + Independent Consultant shall confirm the experience of conducting at least three international ESIAs according to the requirements of international financial institutions in the Russian Federation over the past three years;   + Providing environmental and social services to at least 3 oil and gas companies; * The Consultant shall ensure employing necessary personnel with required qualifications in all main areas of the work and provide experience details of the main personnel; * The Consultant undertakes to retain all the necessary qualified personnel, including Russian and foreign experts, who possess appropriate Russian and English language skills, and knowledge of the Russian laws and regulations, International Law and the Lenders’ Requirements applicable to the Project’s environmental and social issues, throughout its entire service provision period. * The Services shall be performed by the Consultant in accordance with applicable laws of the Russian Federation, including, but not limited to, environmental and social laws, and laws on occupational safety, labor compensation, working hours, working conditions and prevention of employment discrimination. |
| 23 | Services transfer and acceptance, and payment procedure  Services transfer and acceptance shall be certified by the Transfer and Acceptance Certificate (hereinafter — the Certificate) in relation to each Services Phase (Phases 1-4).  The Customer shall accept the rendered Services by signing the Certificate drawn up and submitted by the Consultant in relation to each Phase, or provide a motivated written refusal to accept the Services with a relevant punch list within fifteen (15) business days after receiving the Services deliverables for the Phase. Documentation for Phase 1 and Phase 2 is accepted in two stages: initially, the developed documentation is submitted to the Customer for consideration and further handing over to the Lender's Consultants, and secondly, the documentation is submitted to the Customer as the Service deliverables for the Phase with the Certificate attached thereto. The timeline for submission of the Service deliverables for the Phase to the Customer with the Certificate attached thereto shall be specified in the schedule. The Customer shall pay for the Services for each Phase within twenty five (25) business days after the Customer signs the Certificate, based on the invoice issued by the Consultant.  Advance payments are not provided. |
| 24 | Conflict of Interests  When submitting a proposal, the Consultant shall provide a detailed report on any conflict of interests cases, past or present, direct or indirect, real or implied, for a given region / project. This report will be used, along with an appropriate investigation, to identify potential conflicts of interests. |
| 25 | Technical and financial proposal has to contain the following details:  1. Detailed overview of experience in the environmental and social assessment (ESIA) as Lenders’ and Borrows’ consultants for similar projects indicating the year(s) in which the assignment was undertaken (taking into account specific features - greenfield-project implemented in the Russian Federation, structured in the form of project financing), including:  1.1 Experience in the environmental and social assessment of gas chemical projects facilities;  1.2. Experience in Russia and CIS;  1.3. Experience of acting as a Borrower’s Consultant (Customer’s) in gas chemical projects  1.4. Experience of ESIA implementation in projects with ECA participation (in particular, Euler Hermes, SACE, EXIAR, CEXIM / SINOSURE, K SURE / Korea Eximbank, NEXI / JBIC, SERV);  1.5. Experience in projects with similar technologies;  1.6. Other relevant experience.  2. Qualified personnel to be utilized on this project.  3. The total cost of proposal, including the cost of each Phase 1-4 in Russian Ruble including VAT (20%).  4. The time schedule including calendar dates taking into account starting immediately after the signing of the mandate (Letter of Intention) by the Customer. Any concern with regard to the timeline and start of activities should be clearly stated. |