



FRILIA ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT TOOLKIT

LAGOS STATE GOVERNMENT



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT TOOLKIT

Introduction to Toolkits

The Environmental and Social Risk Management (ESRM) toolkit provides templates for environmental and social (E&S) standards on the operationalization of FRILIA. The Lagos State Environmental Protection Agency (LASEPA) typically manages and regulates these standards. However, the Office of the Surveyor General of Lagos State (OSGL) and the Lagos State Investment Promotion Agency (LIPA) may manage certain social components. Therefore, the environmental and social risk management toolkit provides LASEPA, OSGL, and LIPA with the framework to guide investors in implementing the various environmental and social sustainability safeguards, including the health and safety of stakeholders.

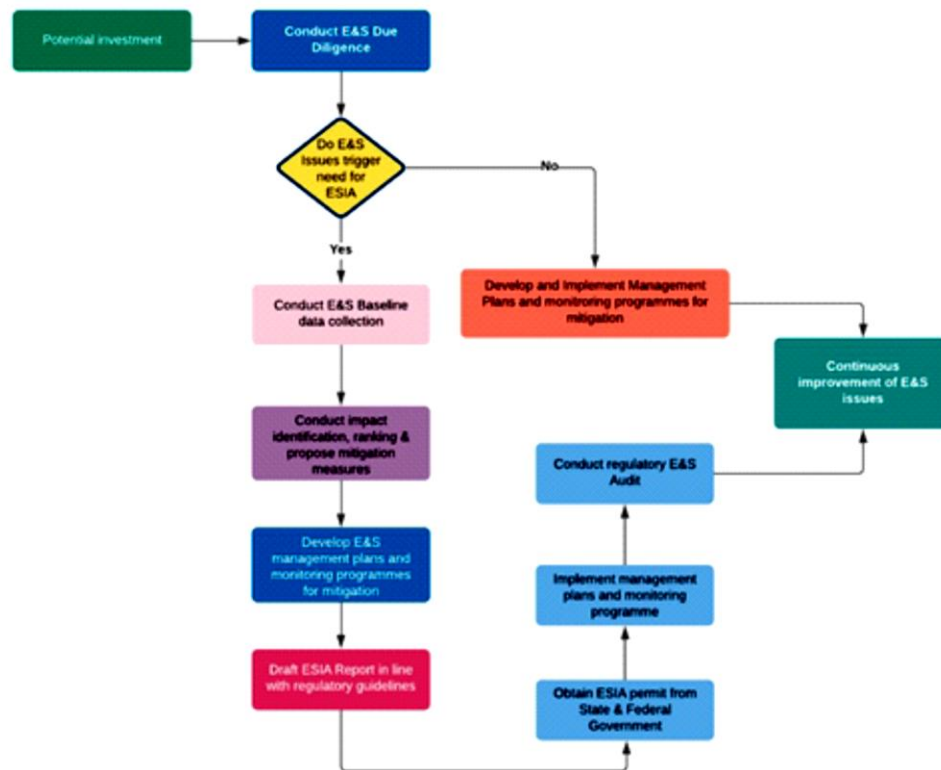
Scope of the Toolkit

The scope of the toolkit is the provision of an E&S Management framework for potential investment activities via FRILIA, from the planning to the operation stage of such investments. More specifically, the toolkit covers the following:

1. Understanding the environmental and social due diligence for proposed development projects. This includes embedding E&S screening and assessment mechanisms for proposed interventions.
2. Conducting E&S baseline data collection to interpret potential E&S risks and impacts.
3. Managing potential positive and negative environmental and social risks and impacts (including climate change mitigation and adaptation) in line with best practice requirements.
4. Providing sustainable agriculture investment templates in line with best practices.
5. Developing E&S management plans for mitigating and/or enhancing risks and impacts and monitoring and evaluation (M&E) of the effectiveness of these management plans.



APPROACH TO ESRM TOOLKIT



ESRM Visual Processes in line with LIPA's Investment Stages

- **Level 1: Initial Enquiry**

At this stage, the investor conceptualizes the components of the potential investment, including the environmental and social (E&S) elements.

- **Level 2: Detailed Enquiry (including a site visit)**

After enquiry and conceptualization, the investor then conducts an E&S due diligence.

- **Level 3: Negotiations / Signing of Memorandum of Understanding (MoU)**

This stage involves a review of the Environmental and Social Due Diligence (ESDD) report to ascertain if the investment triggers an Environmental and Social Impact Assessment (ESIA).

The final decision will be a major component of negotiations and the signing of the MoU.



- **Level 4: Due Diligence and Facilitation of Implementation**

From the decision in Stage 3, this stage can either involve conducting an ESIA or developing mitigation measures for E&S issues from the due diligence in cases where ESIA is not triggered.

- **Level 5: Operations Initiated**

This stage involves implementing the management plans and monitoring programme to mitigate E&S impacts and conducting regulatory E&S audits.

- **Level 6: Aftercare**

As the investor continues operations, aftercare should focus on the continuous improvement of E&S performance.

Environmental and Social Risk Management Framework (ESRMF)

Principles for ESRMF in line with FRILIA

The component of FRILIA principles that address the E&S component is “*Principles related to the environmental and social sustainability of investments.*” The FRILIA principles related to E&S are:

- Safeguard against environmental damage unless adequately mitigated (FRILIA principle 4.1).
- Investments preceded by independent assessments of potential positive and negative impacts on tenure rights, food security, livelihoods, and the environment (FRILIA principle 4.3).
- Promote community, individual, and worker safety (FRILIA principle 4.4).
- Promote fair treatment, non-discrimination, and equal opportunity of workers and prevent all forms of forced and child labour (FRILIA principle 4.5).
- Promote the use of recognized good practices related to hazardous materials generated (FRILIA principle 4.6).

Institutional Framework for ESRMF

The Lagos State Environmental Protection Agency (LASEPA) is responsible for coordinating all efforts related to the management of E&S risks associated with FRILIA. Cross-cutting topics will be appropriately supported by the Office of the Surveyor General of Lagos State (OSGL), the Lagos State Investment Promotion Agency (LIPA), and the Lagos State Community and Social



Development Agency (LCSDA), alongside other institutional members of the FRILIA Working Group (FWG).

The FWG reports to the Project Management Unit (PMU) of the Lagos State Program-for-Results initiative and, ultimately, to the State Executive Council. At the Federal level, LASEPA will be supported by the Federal Ministry of Environment (FMENV) and the Federal Ministry of Labour & Employment to ensure compliance obligations of FRILIA projects are met and to obtain the necessary permits and licenses (see GMOU Template 4).

Institutional Roles and Responsibilities

Below is a summarized list of the roles of the key institutions to drive the Environmental and Social Risk Management Framework (ESRMF) in FRILIA:

- **LASEPA** is responsible for coordinating all efforts related to the management of E&S risks associated with FRILIA.
- **OSGL** is responsible for providing expertise on land availability and acquisition issues.
- **LIPA** is responsible for coordinating all investments in the state, including FRILIA-related projects.
- **LCSDA** is responsible for ensuring sustainable development of communities benefiting from FRILIA projects.

Capacity Building Requirements

Efficient and effective implementation of the FRILIA ESRM toolkit requires the right mix of knowledge and skills in environmental studies, social sciences, data management, monitoring & evaluation (M&E), and best practices in sustainable agriculture. All personnel responsible for FRILIA-related work must be trained on the contents of the FRILIA ESRM.

Based on the roles and responsibilities of the key agencies, the following broad areas of capacity building have been identified and recommended:

- E&S risks and impacts identification and assessment.
- Stakeholder engagement.
- Reinforced ESIA process to include socioeconomic assessments, physical culture assessments, and conflict analysis.
- Understanding an Environmental and Social Management System (ESMS).



- E&S audits.
- Best practices on pesticide use, waste management, water conservation, and irrigation.
- Occupational Health and Safety (OHS) Management System.

It is essential to ensure that all site personnel have a basic level of E&S awareness training. Capacity building will therefore cover the applicability and use of this FRILIA ESRM toolkit, as well as the relevant regulations and standards listed in the subsequent sections.

Legal / Regulatory Framework

Application of National and State Laws and Policies, International Best Practices

National Laws, Regulations, and Policies

- Criminal Code, 1990
- Environmental Impact Assessment (EIA) Act No. 86 of 1992
- Employee's Compensation Act, 2010
- Labour Act, 1990
- Land Use Act, 1978
- National Adaptation Strategy & Plan of Action on Climate Change for Nigeria, 2011
- National EIA Procedural Guidelines, 1995
- National Environmental (Air Quality Control) Regulations, 2014
- National Environmental (Control of Bush, Forest Fire, and Open Burning) Regulations, 2011
- National Environmental (Desertification Control and Drought Mitigation) Regulations, 2011
- National Environmental (Hazardous Chemicals and Pesticides) Regulations, 2014
- National Environmental (Noise Standards and Control) Regulations, 2009
- National Environmental (Sanitation and Waste Control) Regulations, 2009
- National Environmental (Soil Erosion and Flood Control) Regulations, 2011
- National Environmental (Surface Water and Groundwater Quality Control) Regulations, 2011
- National Environmental (Wetlands, Riverbanks, and Lake Shores Protection) Regulations, 2009
- National Environmental Protection (Management of Solid and Hazardous Wastes) Regulations, 1991
- National Policy on Environment, 2016
- National Policy on Occupational Health and Safety, 2020



- National Policy on Solid Waste Management, 2018
- Nigeria's Cultural Policy, 1996
- Pension Reform Act, 2004

Lagos State Laws, Policies, and Reference Materials

- Lagos State Environmental Management and Protection Law, 2017
- Lagos State Environmental Impact Assessment (EIA) Regulations
- Lagos State Land Use Charge Law, 2018 (as amended)
- Lagos State Urban and Regional Planning and Development Law, 2010
- Lagos State Environmental Protection Agency (LASEPA) Regulations
- Lagos State Waste Management Authority (LAWMA) Policy Framework
- Lagos State Climate Change Policy, 2022
- Lagos Resilience Strategy (aligned with global C40 and 100RC commitments)
- Lagos State Infrastructure and Urban Development Master Plan
- Lagos State SABER Program for Results, 2023–2025
- FRILIA Executive Order, 2023 (as applicable in Lagos context)

International Standards and Best Practices

- Africa Agenda 2063
- FAO and World Health Organization (WHO) International Code of Conduct
- FAO Code of Conduct for Responsible Fisheries, 2011
- Food and Agriculture Organization (FAO) Environmental and Social Management Guidelines, 2015
- IFC Corporate Governance Guidelines, 2019
- IFC Good Practice Note on Animal Welfare, 2014



- International Finance Corporation (IFC) Performance Standards (PS 1–8) and Guidance Notes, 2012
- International Organization for Standardization (ISO):
 - 14001:2015 (Environmental Management System)
 - 45001:2018 (Occupational Health and Safety Management System)
 - 26000:2010 (Social Responsibility)
 - 37101:2016 (Management Systems for Sustainable Development in Communities)
- Rotterdam Convention on the Prior Informed Consent Procedure for Hazardous Chemicals and Pesticides, 2014
- Stockholm Convention on Persistent Organic Pollutants, 2004
- UN Sustainable Development Goals (SDGs), 2015–2030
- United Nations (UN) Convention Against Corruption, 2005
- World Bank Environmental, Health, and Safety (EHS) Guidelines for:
 - Aquaculture
 - Perennial Crop Production
 - Annual Crop Production
 - Forest Harvesting Operations
 - Mammalian Livestock Production
 - Poultry Production
 - Water and Sanitation
 - Waste Management (2007–2012)
- World Bank Environmental and Social Standards (ESS1–10), 2017
- World Bank General Environmental, Health and Safety (EHS) Guidelines



Environmental and Social (E&S) Screening

E&S Screening involves the initial assessment of the investment to understand the potential environmental and social impacts. This screening determines whether FRILIA investments fall under:

- **Category I (High Risk)** – projects with significant, wide-ranging, and/or irreversible E&S impacts, requiring a full Environmental and Social Impact Assessment (ESIA).
- **Category II (Medium Risk)** – projects with limited and site-specific impacts, requiring a partial ESIA or Environmental and Social Management Plan (ESMP).
- **Category III (Low Risk)** – projects with minimal or negligible E&S impacts, not land-intensive, and thus not bound by FRILIA law. For such projects, this toolkit is not applicable.

(See ES Template 1 for the E&S Screening Categorization criteria.)

Regulatory ESIA Process

At the federal level, the Federal Ministry of Environment (FMENV) sets policy guidelines on environmental issues and ensures compliance with national environmental standards in line with the EIA Act No. 86 of 1992.

At the state level, the Lagos State Environmental Protection Agency (LASEPA), under the Ministry of the Environment and Water Resources, is responsible for implementing the ESIA process, monitoring compliance, and ensuring that environmental performance during project implementation aligns with the approved Environmental and Social Management Plan (ESMP).

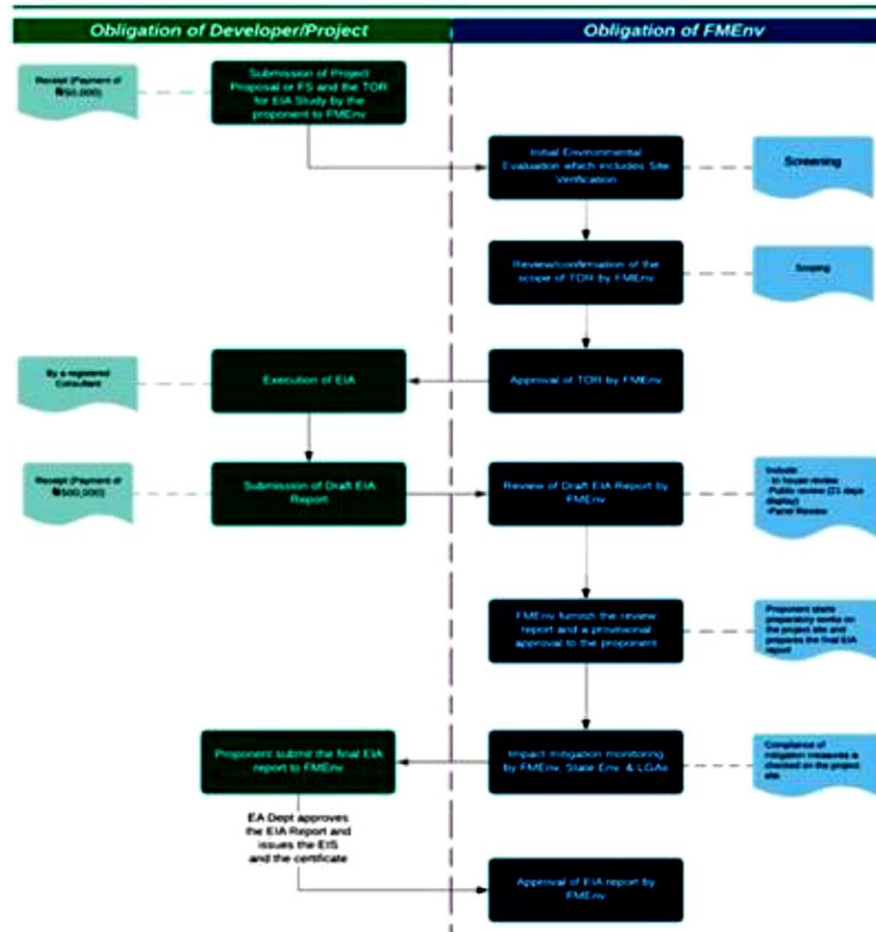
The ESIA process is carried out in collaboration between:

- The Project Proponent (Investor/Developer)
- LASEPA (State Regulator)
- FMENV (Federal Regulator)

The most fundamental output of the ESIA process is the ESIA Report, developed in line with statutory regulations and international best practices. *(See ES Template 2 for the recommended ESIA Report Outline.)*



Figure 2: Regulatory ESIA Process Flow



Project Proposal

The project proposal shall include the following:

1. Brief Description of Project

- Project title, name of proponent, and contact person (name, telephone, email).
- Nature of the project and location (with site plans, if available).
- Details of land clearing or preparatory activities required for construction and/or operation that may result in:
 - emissions,
 - noise,



- night-time operations,
- waste and/or by-products generated.
- Process flow diagrams, site layout plans, and current land use maps.

2. Outline of the Planning and Implementation Programme

- Project plan and proposed implementation timetable.
- Project interactions (if applicable), such as out-grower models (refer to FRILIA Out-Grower and Food Security Toolkit).

3. Outline of Significant Elements of the Surrounding Environment

- Residential developments, schools, hospitals, parks, cultural features, sites of archaeological or historical interest.
- Groundwater and surface water resources, fishing areas, surrounding communities, and potential project-affected persons (PAPs).
- Environmentally sensitive areas or protected ecosystems.

4. E&S Protection Measures Incorporated in the Design and Implications

- Contractual controls for mitigating adverse impacts.
- Identification of beneficial/adverse effects (short- and long-term).
- Secondary/induced and cumulative effects.
- Lessons learned from similar projects and feasibility of mitigation measures.
- Outcomes of consultations or comments with stakeholders (if already conducted). *(See FRILIA Stakeholders Engagement Toolkit for guidance).*

Screening

Each project or activity shall be assigned to a category based on potential Environmental and Social (E&S) impacts:

- **Category I (High Risk):** Requires a full Environmental and Social Impact Assessment (ESIA).



- **Category II (Medium Risk):** May not require full ESIA; however, an Environmental and Social Management Plan (ESMP) is mandatory.
- **Category III (Low Risk):** Projects expected to have beneficial impacts only. For these, the FMENV/LASEPA will issue an Environmental Impact Statement (EIS).

Upon completion of the screening:

- The **FMENV/LASEPA** shall provide appropriate written advice (Screening Report) to the project proponent.

Execution of ESIA

The ESIA scope must cover the following:

- Review of national and international laws, regulations, and codes applicable to the ESIA study and the proposed investment project.
- Scoping and stakeholder engagement exercise (with FMENV and LASEPA/LASG).
- Description of all actions/activities that will be carried out during the proposed project.
- Baseline data gathering of environmental and social parameters and laboratory analysis (with FMENV and LASEPA).
- Analysis of data obtained and description of the study area based on baseline data.
- Identification, evaluation, and significance ranking of potential environmental and social impacts of the project.
- Recommendations of appropriate risk mitigation and/or opportunities enhancement measures, including an ESMP.
- Preparation of the ESIA Report.



Draft ESIA Report: The content of a Draft ESIA report is shown in ES Template 2. The investor shall submit copies of the report to FMENV and LASEPA for review. All other stages are appropriately summarized in the figure above.

Environmental and Social Baseline

Guidelines and methodology for environmental data collection

Environmental baseline data shall cover: hydrogeology, air quality and noise, surface and groundwater quality, aquatic biodiversity (hydrobiology), soil, land use, and terrestrial biodiversity (flora and fauna). The environmental baseline data collection will be guided by the FRILIA ESIA baseline data collection tool for environmental parameters (see ES Template 3).

Guidelines and methodology for social data collection

Socioeconomic baseline data shall be collected using appropriate methodologies. Relevant parameters for FRILIA investments include: demography, ethnicity, language, religion, vulnerable groups, administrative and socio-cultural institutions, migration trends and patterns, land acquisition, economics, livelihoods, community grievances and expectations, education, employment, health status and access to health services, culture, settlement patterns, and community infrastructure and services. The social baseline data collection will be guided by the FRILIA ESIA baseline collection tool for social parameters (see ES Template 4).

Impact Identification and Ranking Methodology

The potential for environmental and social (E&S) impacts exists where an environmental aspect has been identified—i.e., where a project activity has the potential to interact with the biophysical and socio-cultural environment.

This can be done using an interaction matrix of project activities versus receptors. The significance of each impact is determined as a product of:

- **Impact magnitude** (ranked as positive, negligible, low, medium, or high); and
- **Receptor sensitivity** (ranked as low, medium, or high).



Qualitatively, the impact significance is then ranked on four widely accepted levels:

- Major
- Moderate
- Minor
- Negligible

Potential E&S Impacts and Significance Ranking

Potential E&S impacts are any changes to the E&S baseline—whether adverse or beneficial—resulting from investor activities. Impacts should be identified by considering the interaction between project activity (e.g., site clearing, planting, construction, processing, etc.) and the E&S aspect (e.g., emissions, noise, waste, land use change, etc.).

The potential impacts can be defined as follows:

- **Negative:** An impact representing an adverse change from the baseline or introducing a new undesirable factor.
- **Positive:** An impact representing an improvement to the baseline or introducing a new desirable factor.
- **Direct:** Impacts resulting from the direct interaction between a planned project activity and the receiving environment.
- **Indirect:** Impacts resulting from other activities encouraged as a consequence of the project.
- **Cumulative:** Impacts that may result from incremental changes caused by other past, present, or reasonably foreseeable actions together with the project.

The potential E&S impacts associated with FRILIA projects are illustrated in ES Template 5. While the template is structured for a typical crop-based agricultural system, it can be adapted to livestock rearing, poultry, agroforestry, aquaculture, and other models. The list is indicative, not exhaustive, and should be tailored for each project.



Determination of Significance and Ranking

After identifying potential impacts, the determination of significance and ranking follows three stages:

1. Determination of Impact Magnitude

- Based on extent, duration, scale, and frequency.
- Magnitude categories: negligible, low, medium, or high.

2. Determination of Receptor Sensitivity/Fragility/Value

- Based on the economic, social, and/or ecological importance of the receptor, including:
 - reliance on the receptor by communities for sustenance, livelihood, or economic activity; and
 - importance of direct impacts to people linked to the resource.
- Sensitivity categories: low, medium, or high.

3. Determination of Impact Significance

- Derived as the “product” of the impact magnitude and receptor sensitivity (see Table 2)

Table 2: E&S Impact Significance Matrix

Impact Significance Matrix				
Impact Magnitude		Sensitivity of Receptors		
		Low	Medium	High
	Negligible	Not Significant	Not significant	Low
	Low	Not significant	Low	Medium
	Medium	Low	Medium	High
	High	Medium	High	High

The significance ranking of potential impacts requires expert consultation within the respective fields of environment and social development. In addition, active engagement with relevant stakeholders is necessary to ensure that both impact magnitude and receptor sensitivity are accurately determined.



This approach prevents bias, ensures inclusivity, and reduces the risk of omissions. The process should therefore combine:

- Technical expertise from certified environmental and social specialists;
- Community knowledge and stakeholder input to capture context-specific sensitivities; and
- Regulatory guidance from Lagos State environmental and social authorities to ensure compliance with existing laws and FRILIA principles.

Only through this integrated process can the final significance ranking be considered robust, transparent, and representative of both professional and community perspectives.

Concept of Impact Mitigation and Enhancement

Mitigation refers to the measures or interventions necessary to **avoid, minimize, reduce, or offset adverse impacts**. The standard approach for selecting appropriate mitigation measures is as follows:

- **Avoid** adverse impacts as far as possible by the use of preventive measures.
- **Minimize or reduce** negative impacts to “as low as reasonably practicable” (ALARP).
- **Offset, remediate, or compensate** for adverse impacts that cannot be otherwise mitigated, including residual impacts.

In proffering mitigation measures, preference should always be given to **avoidance and prevention**. Where not feasible, practical and cost-effective measures using the **best available technology and practices** should be adopted. Examples include:

- Climate-smart agriculture
- Innovative farming (aquaponics, vertical farming, reforestation, etc.)
- Irrigation and water management systems
- Sustainable livestock management
- Sustainable soil and agricultural waste management
- Integrated pest management



Compensation (see FRILIA Involuntary Resettlement, Valuation and Compensation Toolkit) should only be considered as **a last resort**.

Enhancement, on the other hand, refers to the **identification, management, and improvement of positive impacts**. Positive impacts or opportunities should be maximized through well-designed management plans, monitoring tools, and procedures to track progress.

Recommended Mitigation and Enhancement Measures

The proposed recommendations for impact mitigation and enhancement (see ES Template 6) should be based on the identified potential E&S impacts.

- The template is tailored for plant-based agricultural systems, but it can be adapted to livestock, poultry, agroforestry, aquaculture, and other investment types.
- The list of recommendations is non-exhaustive and not to be interpreted as covering all project-specific impacts.
- Final recommendations should consider project specificity, scale, sustainability, and best available technology.

The overall aim remains: to avoid or reduce adverse impacts as much as possible and enhance opportunities in a sustainable manner.

An Environmental and Social Management Plan (ESMP) (see ES Template 7 for outline) should be developed to ensure effective management of all significant mitigation and enhancement measures. The ESMP must be monitored, audited, reviewed, and continuously improved.

E&S Monitoring, Audit, and Reporting

An E&S Monitoring Programme shall be developed using the ESMP schedule to track compliance with mitigation measures.

- ES Template 8 provides a typical monitoring programme in tabular form, showing E&S parameters to be monitored, frequency, and the responsible party within the project management team.
- The Federal Ministry of Environment (FMENV), the National Environmental Standards and Regulations Enforcement Agency (NESREA), and the Lagos State Environmental Protection



Agency (LASEPA) require projects to submit evidence of monitoring activities through quarterly Environmental and Social Compliance Monitoring Reports.

E&S Audit

In addition to monitoring, the FMENV, NESREA, and LASEPA mandate that projects submit an Environmental (and Social) Audit Report (EAR) every three (3) years after commencement of operations.

- The EAR must be developed in line with the National Guidelines for Environmental Audit in Nigeria (2011) issued by NESREA.