

Swedfund

# Swedfund's Technical Assistance – Environmental and Social

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This information is aimed to provide Swedfund's portfolio companies with an overview of how Technical Assistance related to E&S and the development of an Environmental Social Management System (ESMS) can be utilised.

## 1. What is TA?

Swedfund's funds for technical assistance (TA) is a strategic tool that is used for quality-enhancing initiatives to strengthen the performance of our portfolio companies in line with our mission and goals. The funds will mainly be used to strengthen the companies' work on development impact, gender equality and sustainability, including the environment and climate, decent work and business ethics, and anti-corruption. This can be done for example through training programs, development of management systems or new processes and tools.

## 2. TA Related to E&S and ESMS Development

An Environmental and Social Management System (ESMS) provides a portfolio company with a systematic approach to manage environmental and social risks and impacts. TA support for ESMS development and implementation can be provided as a tailor-made offering based on the identified needs of a portfolio company. A TA project normally results in new and improved processes, tools and methodologies as well as conducted trainings, thereby contributing to strengthening and developing the capacity of a portfolio company.

### **E&S and ESMS development and implementation, examples of TA-activities**

#### ESMS development

- Developing an Environmental and Social policy including commitment to relevant international conventions and standards including ILO Fundamental Rights and Principles at Work and Basic Terms and Conditions of Employment, IFC Performance Standards, and UN Guiding Principles on Business and Human Rights (UNGPs)
- Identifying and documenting material Environmental and Social risks and impacts as well as proposing a process to update the risks and impacts regularly (incl. processes to manage human rights and data protection)
- Proposing relevant targets for material Environmental and Social risks and impacts

- Proposing E&S indicators and a structure for reporting progress
- E&S trainings and workshops within relevant areas for staff and key personnel, i.e. focusing on the implementation and operationalisation of new tools
- Stakeholder mapping and prioritisation, developing a Stakeholder Engagement Plan (SEP)
- Develop and implement an appropriate grievance mechanism to cover all key stakeholder groups
- Development of an Emergency and Preparedness and Response Plan
- Ensuring operational alignment of the developed ESMS

#### ESMS Implementation

- Conduct an assessment or audit to evaluate the effectiveness of the ESMS
- Summarizing the status of the ESMS implementation, and if needed, developing an action plan with recommendations and modifying the ESMS based on evaluation results