

Environmental and Social Safeguards Policy



CORPORATE POLICIES

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Environmental and Social Safeguards Policy

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1. Preamble

1. The mandate of the Council of Europe Development Bank (“the Bank”) is to promote social cohesion across Europe. The Bank recognises that the development of sustainable communities can only be meaningfully achieved through the appropriate integration of environmental and social considerations in its operations. Accordingly, the Bank aims to maximise the environmental and social benefits and minimise the environmental and social costs of the Projects it finances.
2. The Environmental and Social Safeguards Policy (“the Policy”, and together with the Standards set forth below, the “ESSP”) develops and formalises the Bank’s commitment to financing environmentally and socially sustainable Projects. The Policy outlines the principles on which the approach to environmental and social safeguard review and management by the Bank is based, sets out the environmental and social due diligence and monitoring requirements applicable to each Project and provides the transparency and accountability measures made available by the Bank to its stakeholders. The Policy is complemented by a set of Standards providing detailed requirements that apply to a Project, depending on the risks and impacts involved.
3. The Bank’s foundations for the ESSP lie in the following documents:
 - The Bank’s Articles of Agreement, which stipulate in their Article II that solving the social problems of “victims of natural or ecological disasters” is among the Bank’s social priorities.
 - The Bank’s Loan and Project Financing Policy, which outlines the required link between eligible Projects and the strategic orientations approved by the Bank’s governing bodies as well as with the Sustainable Development Goals.¹
 - The 2015 United Nations Paris Agreement,² which serves as the basis for the Bank’s Paris Alignment Framework and Roadmap.
 - The European Principles for the Environment³ (the “EPE”), which serve as primary basis for the Bank’s recourse to the European Union’s (the “EU”) environmental principles and standards in its environmental safeguards.
 - The Convention for the Protection of Human Rights and Fundamental Freedoms⁴ and the European Social Charter,⁵ which, in light of the Bank’s institutional links with the Council of Europe, serve as primary basis for its social safeguards.

2. Definitions

4. Capitalised terms used in this Policy and across more than one Standard are explained in the Glossary. Capitalised terms that are used only in a single Standard or only in this Policy are defined in that Standard or in this Policy, respectively. In particular:
 - “Counterparty” refers to the recipient of the Bank’s financing for a Project and any other entity responsible for the implementation of the Project.
 - “Project” means the specific set of activities for which Bank financing is provided, as defined in the legal agreement governing such financing, irrespective of the financing instrument (lending or non-lending) or whether the Project is financed as a whole or in part by the Bank.

¹ The United Nations Sustainable Development Goals, adopted by all UN Member States in 2015 as part of the 2030 Agenda for Sustainable Development.

² [United Nations. Paris Agreement. United Nations Framework Convention on Climate Change, 2015.](#)

³ [Declaration on the European Principles for the Environment.](#)

⁴ [Council of Europe. Convention for the Protection of Human Rights and Fundamental Freedoms. Rome, November 4, 1950.](#)

⁵ [Council of Europe. European Social Charter \(revised\). 1996.](#)

3. Objectives

5. The objectives of the Policy are to:
- outline the process by which the Bank assesses and monitors environmental and social risks and impacts of Projects throughout the Project cycle;
 - set minimum requirements for managing environmental and social risks associated with Bank-financed Projects;
 - set a strategic goal for the Bank to promote Projects with high environmental and social standards;
 - define the respective roles and responsibilities for the Bank and its Counterparties in designing, implementing and operating Projects in accordance with this Policy;
 - provide clients with a robust framework for identifying and managing environmental and social risks and adverse impacts and;
 - facilitate cooperation on environmental and social safeguard matters with joint-financing partners.

4. Principles

6. The Bank, while existing as a legally and financially independent entity, maintains strong institutional ties with the Council of Europe. The Bank's environmental and social safeguards are therefore firmly rooted in the principles and values enshrined in the Council of Europe's human rights conventions, the Convention for the Protection of Human Rights and Fundamental Freedoms and the European Social Charter.
7. The Bank recognises that human rights and the environment are intertwined and that a clean, healthy and sustainable environment is integral to the full enjoyment of human rights by present and future generations.⁶ Noting the recommendations of the Council of Europe⁷ on the recognition of the right to a clean, healthy and sustainable environment, the Bank acknowledges the importance of environmental sustainability and ecosystem conservation, and finances Projects that support both the well-being of communities and the preservation of natural ecosystems. In doing so, the Bank contributes to a holistic vision of social development that respects human dignity and safeguards the environment.
8. The Bank upholds the principles of human rights in all its Projects. Projects supported by the Bank must respect and protect the human rights and fundamental freedoms of individuals and communities, including the rights to life, health, education, housing, and employment, as well as conditions and rights of workers enshrined in the European Social Charter.⁸ Accordingly, the Bank prohibits any form of forced labour, child labour, harassment or violence in the Projects financed by the Bank.
9. The Bank promotes social inclusion, equity, and cohesion in its Projects. The Projects financed by the Bank must respect the principles of equality and non-discrimination. The Bank also seeks to support Projects that aim to reduce poverty, inequality, discrimination and social exclusion by creating opportunities for marginalised and vulnerable groups, including women, children, persons with disabilities, indigenous peoples, refugees and migrants. At the same time, the Bank recognises that certain vulnerable people may be disproportionately affected by the Projects it finances and/or may not have equal access to the Projects' benefits. Therefore, the Bank advocates for participatory approaches that empower local communities and enhance social cohesion, with a particular focus on vulnerable groups.

⁶ Declaration by the Committee of Ministers of the Council of Europe, adopted at Helsinki in 2019.

⁷ Recommendation CM/Rec(2022)20 of the Committee of Ministers to Member States on human rights and the protection of the environment.

⁸ While the Bank, given its institutional links with the Council of Europe, requires compliance with the European Social Charter, this broadly entails alignment with the principles enshrined in the International Labour Organization's (ILO) Fundamental Conventions. As the ESC reflects and incorporates the core labour rights safeguarded by the ILO—such as the prohibition of forced and child labour—the Bank-financed Projects are, in practice, expected to be consistent with the requirements of these fundamental international labour standards.

10. The Bank recognises gender equality and women’s empowerment as fundamental principles of sustainable development. The Bank will not finance Projects that have negative impacts on gender equality. The Bank will pursue opportunities to finance Projects that mainstream gender considerations across all stages of the project cycle and ensure equal opportunities for women and men in access to resources, decision-making processes, and benefits. The Bank also aims to support initiatives that enhance women’s leadership, economic empowerment, and participation in public life.
11. The Bank recognises the importance of protecting and preserving the natural environment. The Bank requires the Counterparties to implement measures for biodiversity and ecosystem conservation as well as resource efficiency where appropriate and apply the precautionary principle⁹ with regard to the protection, conservation, management and sustainable use of living natural resources. The Bank promotes Projects that contribute to long-term environmental sustainability wherever feasible, consistent with the aim of achieving, at a minimum, no net loss of and, where feasible in the context of the Project, a positive impact on biodiversity. The Bank encourages the adoption of best available technologies and practices such as nature-based solutions to mitigate environmental risks and enhance environmental performance.
12. The Bank is committed to supporting member countries respond to social challenges resulting from natural, ecological, or other crises. In this context, the Bank recognises the importance of disaster risk prevention and reduction. The Bank supports, where possible, resilience-building initiatives that enhance the ability of communities and ecosystems to withstand and recover from shocks and stresses, including those related to natural disasters, climate change and other socio-economic challenges. The Bank also supports, where possible, Projects that integrate resilience-building measures, such as ecosystem restoration, disaster risk reduction and prevention, and infrastructure resilience planning, in particular to enhance the resilience of vulnerable populations and ecosystems.
13. The Bank acknowledges that the accelerating impacts of climate change can threaten Europe’s socio-economic and territorial cohesion. The Bank believes that tackling climate change can drive positive social transformation when inclusive responses specifically address the needs and constraints of vulnerable groups. The Bank systematically considers climate-related issues in the design and implementation of social investments and will only finance Projects that are aligned with the mitigation and adaptation goals of the Paris Agreement. Further, the Bank recognises that the transition to a low carbon and sustainable future should also be just, and support fairness, inclusivity, and social justice for all stakeholders, including workers, communities, and vulnerable groups. The Bank will support, where appropriate, the financing of Projects supporting a just and inclusive transition for all.
14. As a signatory of the EPE, and subject to its mandate, geographic scope of its operations and the specific conditions of this ESSP, the Bank applies the relevant EU principles and project-specific substantive environmental standards to all Projects.¹⁰ The EPE principles include, in particular, the precautionary principle, the prevention principle, the principle that environmental damage should as a priority be rectified at source, and the “polluter pays” principle. The Bank may apply the precautionary principle when it considers that the potentially adverse effects of a Project are not adequately mitigated or that the likely residual environmental impacts outweigh the expected social benefits. The implementation of these Principles is guided by the Bank’s mandate, international best practices, and the specific contexts of its operations in both EU and non-EU countries, as further developed in the relevant Standards.

⁹ The precautionary principle, as referred to in this Policy, is understood in accordance with Article 191(2) of the Treaty on the Functioning of the European Union (TFEU) and the broader integration and sustainable development principles set out in Art. 11 TFEU, to which the Bank, as a signatory to the European Principles for the Environment (EPE), has committed to.

¹⁰ For the avoidance of doubt, the principles and environmental standards taken into account for the elaboration of this ESSP are to be found in the primary and secondary legislation, such as regulations and directives, of the EU. Procedural norms addressed to EU member states and EU institutions – along with the jurisprudence of the Court of Justice of the EU and the General Court, which applies to the EU member states, EU institutions and EU legal and natural persons - are excluded from the scope of the EPE and consequently not considered.

5. Scope of application, exemptions and exclusions

15. **The ESSP covers all Projects:** The ESSP applies throughout the entire project cycle. It is applicable to all Projects that receive funds from the Bank, unless a Project is excluded or is exempt.
16. **Third party funds administered by the Bank:** If a Project is financed with donor funds administered by the Bank under its fiduciary operations, the Bank may consider applying supplementary environmental and social safeguards required by the donors, provided that the Bank has established that they are consistent with the ESSP and the Bank's policy framework.
17. **Joint financing with partner institutions:** When cofinancing Projects with other International Financial Institution (the "IFI"), the Bank may agree to apply the environmental and social safeguard policies and procedures of the other IFI and/or agree on a common approach. This approach requires that the Bank is satisfied that the partner-institution's safeguards and requirements are consistent with the ESSP and that appropriate monitoring modalities are foreseen. In such cases, the Bank may rely upon the partner-institution's assessment of compliance with the applied policies and procedures.
18. **Emergency situations:** In emergency or crisis situations, including natural, ecological or man-made disasters or conflicts, environmental and social due diligence can be applied in a proportionate and adaptive manner, taking into account the nature, scale and urgency of the Project.
19. **Exemptions:** To ensure appropriate and effective allocation of resources, and considering international best practice, a list of categories of activities has been compiled which are exempt from the ESSP process. Projects that consist solely of any of the following functions or activities will be exempt from the ESSP requirements:
 - preparation and dissemination of knowledge products;
 - advisory services, such as technical assistance for Project preparation;
 - organisation of capacity strengthening activities, such as workshops and training;
 - partnership coordination and management of networks; and/or,
 - global/regional/national activities (e.g. activities such as knowledge management, inter-governmental processes) with no field-level activities.

The exemption criteria only apply when they make up the entire scope of the Project.

20. **Exclusions:** The Bank has identified a list of activity types that are categorically excluded from its financing. These activities are listed in the Bank's Loan and Project Financing Policy (the "Exclusion List"). Further, the Bank only finances Projects that are deemed aligned with the mitigation and adaptation goals of the Paris Agreement in accordance with the Bank's assessment methodology.¹¹
21. The Bank shall not, to the best of its knowledge, finance directly or indirectly, Projects where Bank financing is used for activities included in its Exclusion List¹² or that (i) do not comply with the relevant national environmental, climate and social legal requirements and country's obligations under relevant international treaties; or, (ii) are not in line with the requirements of this Policy.
22. The Bank shall not, to the best of its knowledge, finance Projects that have the effect of limiting people's individual and collective rights and freedoms or violating their human rights. In particular, in relation to Bank-financed Projects, the Bank shall not tolerate any: i) forced evictions; ii) gender-based violence and harassment; or, iii) actions that amount to retaliation and harassment. It takes instances of intimidation or reprisals seriously and takes follow-up actions as and where appropriate.

¹¹ Operations that are included in the Exclusion List are always considered non-aligned.

¹² The exclusion list outlines activities defined by the NACE nomenclature of the European Union that are excluded from the Bank's financing.

6. Roles and responsibilities

23. The Bank and its Counterparties have different implementation responsibilities.
24. **The Bank.** The Bank is responsible for the following aspects of ESSP implementation:
- a. Conducting environmental and social due diligence of the Projects proposed for support. The purpose of the environmental and social due diligence is to assist the Bank in assessing whether a Project is compatible with the ESSP, deciding whether to provide support for the proposed Project and, if so, the way in which environmental and social risks and impacts will be addressed in the assessment, development and implementation of the Project. The Bank's due diligence will include, as appropriate: (i) reviewing the information provided by the Counterparty relating to the environmental and social risks and impacts of the Project, and (ii) determining the risk categorisation of proposed Projects, on the basis of information provided by the Counterparty.
 - b. The presentation of project-related environmental and social information to the public in accordance with the conditions stated in the Public Information Policy (see Section XI).
 - c. Reviewing project implementation to verify conformity with the ESSP and any other Counterparty's related obligations stipulated in the legal agreement governing the Project (see Section X) and exercise contractual remedies, if available, in case of breach.
25. **The Counterparty.** The Bank requires each Counterparty to manage the environmental and social risks and adverse impacts related to a Bank-funded Project in a manner consistent with the requirements of the ESSP. The Counterparty is responsible for the following aspects of ESSP implementation:
- a. Complying with applicable laws, regulations and international treaties, and, if more stringent, with the applicable Standards.
 - b. Providing necessary information to allow the Bank to complete its due diligence.
 - c. The carrying out of the requisite studies, assessments, mitigation and management plans that may be required, given its risk categorisation.
 - d. Ensuring disclosure obligations, public consultation and stakeholder engagement, when required by national legislation and/or the applicable Standard.
 - e. Establishment of relevant project-level grievance redress mechanisms, when applicable.
 - f. Monitoring and reporting on the management of environmental and social safeguard issues as agreed with the Bank.
 - g. Implementing the Project in accordance with the Environmental and Social Management Plan¹³ (the "ESMP" as set out in articles 48 and 49 of this Policy) if applicable per the relevant Standard or else required by the CEB.

7. Standards

26. The Environmental and Social Standards (the "Standards") set forth below help guide and implement a risk and outcome-based approach that supports the identification, assessment, and management of environmental and social risks.
27. The Standards, lay out the requirements that the Counterparty needs to meet in the design and implementation of a Project financed by the Bank. Each Standard defines in its scope section the circumstances in which the relevant Standard applies. The Standards are based on the precautionary principle, the application of the mitigation hierarchy and the use of impact assessment in line with international best practice.
28. Through the due diligence carried out by the Bank for all Projects, the potential environmental and social impacts will be assessed using a risk-based approach to determine the application of the Standards. These may be supplemented during the Project's implementation phase, if and when

¹³ See Article 48 and Article 49 of this Policy and Standard 1.
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environmental and social risks arise, triggering the scope of application of a specific Standard. The Counterparty will be bound to comply with the applicable Standards by virtue of the legal agreement to be signed with the Bank.

29. Compliance with applicable laws, regulations and international treaties is an integral part of the Standards. Where the relevant laws, regulations and international treaties differ from the requirements of any applicable Standards, the Counterparty will be required to meet whichever is more stringent.
30. The Standards are appended to the Policy as follows:
 - Standard 1: Environmental and Social Impacts and Risks
 - Standard 2: Labour Rights
 - Standard 3: Resource Efficiency and Pollution Prevention
 - Standard 4: Health, Safety and Security
 - Standard 5: Involuntary Resettlement
 - Standard 6: Biodiversity and Ecosystems
 - Standard 7: Vulnerable Groups, Indigenous Peoples and Gender
 - Standard 8: Cultural Heritage
 - Standard 9: Financial Intermediaries
 - Standard 10: Stakeholder Engagement

8. Integration of climate change

31. The Bank recognises that climate change is a cross-cutting issue that is relevant in most, if not all, areas covered by the ESSP. Accordingly, climate related risks, impacts and opportunities are systematically considered throughout Project appraisal and monitoring.
32. To address the challenges of climate change, the Bank seeks to ensure that all Projects financed by the Bank are aligned with the mitigation and adaptation goals of the Paris Agreement. The Bank applies an internal Paris Alignment assessment methodology during Project appraisal that sets out the steps and analytical requirements needed to determine whether a Project is aligned with both the climate mitigation and climate resilience objectives of the Paris Agreement. Projects for which the Bank has not ascertained alignment for the goals and principles of the Paris Agreement are not eligible for financing by the Bank.
33. In addition, the Bank assesses whether the Project generates climate co-benefits, such as:
 - a. Mitigation co-benefits, typically reflecting the Project's potential to reduce or avoid greenhouse gas (GHG) emissions; and
 - b. Adaptation co-benefits, reflecting measures that enhance the resilience of beneficiaries, services or infrastructure to the effects of climate change.
34. To allow the Bank to conduct the Paris Agreement alignment assessment and to determine climate co-benefits, the Counterparty shall provide all necessary information, including but not limited to:
 - The Project's estimated GHG emissions during its economic lifetime, or relevant Project data (such as energy demand). A more detailed assessment may be required by the Bank, if the Project's estimated absolute and/or relative GHG emissions exceed 20 000 tonnes CO₂/year.
 - Information enabling the identification of potential physical climate-related risks and impacts relevant to the Project and/or its beneficiaries and the measures identified by the Counterparty to address them, if any. When the Bank identifies non-addressed physical climate risks during Project appraisal, the Counterparty could be required to undertake a climate risk and vulnerability assessment.

The outcome of the Paris Alignment assessment may trigger the establishment of certain proportionate Project specific requirements in the legal agreement, intended to mitigate climate-related risks and impacts to an acceptable level, and to enable the Bank to be satisfied with the Project's alignment with the Paris Agreement's adaptation and mitigation goals.

- Information supporting mitigation and adaptation co-benefits assessment: evidence demonstrating the Project's contribution to emission reductions and/or improved resilience, as applicable.

9. Environmental and social due diligence

35. Environmental and social due diligence focuses predominantly on Project appraisal and risk categorisation of supported activities, along with the assessment and risk management requirements of various categories of Projects.

Project appraisal

36. The Bank will undertake its own environmental and social due diligence of the proposed Project at appraisal, proportionate to the nature and scale of the Project and commensurate with the expected level of environmental and social impacts and risks.
37. The Bank will consider both the environmental and social risks and impacts of, and to, the Project. Where the Bank finances Projects through financial or public intermediaries, the focus of the environmental and social due diligence of the Bank will be the environmental and social systems of the Counterparty and their suitability as regards the nature and significance of environmental and social risks associated with the sub-projects expected to be financed.
38. The Counterparty shall provide the necessary information required to complete the appraisal of each Project. The information can be provided to the Bank via several ways, such as questionnaires, interviews, on-site missions, as applicable. The Bank may also review existing environmental and social documentation prepared by the Counterparty, to determine whether additional assessments are necessary.
39. The determination of any additional assessment, documentation, management measures or verification will be based on the materiality of the Project's environmental and social risks and impacts including, where relevant, contextual risks, cumulative impacts and associated facilities, and shall be proportionate to the Project's risk profile.
40. Based on the results of the appraisal, Projects are categorised based on the significance of the likely adverse environmental and social impacts, if applicable.

Risk categories

41. The Bank classifies Projects in one of three risk categories: High, Medium, Low, reflecting the Project's characteristics and the estimated degree of environmental and social risks and the severity and likelihood of the associated impacts. Projects consisting of several components, or well-identified sub-projects are classified in the category of the component or sub-project with the highest environmental and/or social risks. The Bank may revise the Project's categorisation if environmental and/or social risks evolve during the lifetime of the Project.
42. The risk category assigned to a Project informs the level of depth, documentation, stakeholder engagement, disclosure, monitoring and supervision expected for that Project. These requirements are proportionate to the nature, scale and significance of the risks and impacts identified.
43. The risk category reflects the overall environmental and social risk profile as determined by the Bank's due diligence process. Specific Standards may apply where the Project presents material risks in the areas covered by the relevant Standards, irrespective of the risk categorisation.
44. For Projects with identified use of proceeds, there are three levels of categorisation:
 - a. **Category A (High risk):** The Project is likely to cause significant adverse environmental and/or social risks and impacts and include direct, irreversible and cumulative risks that cannot be readily identified, assessed or mitigated. These Projects always require a formalised and participatory Environmental Impact Assessment (the "EIA")/Environmental and Social Impact Assessment (the "ESIA").

- b. **Category B (Medium risk):** The Project is likely to have significant to moderate adverse environmental and social risks and impacts that are generally site-specific, largely reversible, and readily addressed through mitigation measures. Given the diverse typology of category B Projects, the Bank's approach will vary according to the nature and significance of the identified environmental and social risks and impacts. These Projects may also be subject to an EIA/ESIA or to an abbreviated assessment focused on specific environmental and social risks when required.
 - c. **Category C (Low risk):** The Project is likely to have limited environmental and social risks and impacts. Category C Projects do not require environmental or social impact assessment.
45. The Bank provides financing administered by two types of intermediaries: financial intermediaries and public intermediaries. The Bank relies upon the implementing institution to ensure that sub-projects respect the applicable environmental and social requirements.
46. To determine the categorisation of the intermediary operations, the Bank conducts a due diligence of the Counterparty, notably as regards their environmental and social risk management process and systems in place, but also the potential level of environmental and social risks and impacts associated with the expected sub-projects and the host country's systems, as and when applicable.¹⁴ The Bank classifies financing operations provided through intermediaries in three categories, high (1), medium (2) and low (3) to reflect the estimated degree of environmental and social risk expected for the Project as identified in the due diligence.

Environmental and social risk management

47. The Counterparty is responsible for managing the environmental and social risks and impacts as identified in the relevant documentation (e.g. EIA, ESIA, Environmental permits) and as agreed with the Bank, in alignment with the Standards and in line with the mitigation hierarchy.¹⁵
48. An Environmental and Social Management Plan (the "ESMP") consists of the set of actions designed to address the identified environmental and social risks and impacts and/or other aspects identified during the assessment.¹⁶
49. An ESMP may be required for a Project of any risk categorisation based on the environmental and social risks identified. Whether or not an ESMP is required for a Project is determined by the Bank on a case-by-case basis. In such cases, the Counterparty will develop and implement the ESMP in accordance with the requirements specified in Standard 1.

10. Environmental and social safeguard monitoring

50. Regular Project monitoring of environmental and social mitigation measures is a responsibility of the Counterparty.
51. The extent of monitoring by the Counterparty shall be commensurate with the environmental and social risks associated with the Project. When applicable, the Counterparty will provide regular reports to the Bank as set out in the legal agreement governing the Project.¹⁷
52. The Counterparty shall inform the Bank immediately of any environmental or social incident or accident relating to the Counterparty or the Project, which has, or is likely to have, a significant adverse impact. The Counterparty shall conduct an appropriate investigation into any such incident or accident, define and implement corrective actions as necessary, and report these to the Bank.

¹⁴ Key considerations in the risk assessment process can include: the risk of impact; contextual risk; country context; client leverage and capacity; counterparty's implementation of previous Bank-financed Projects; Project location and the views of stakeholders. The Bank can further consider residual reputational risks as necessary.

¹⁵ Measures taken to avoid environmental or social impacts wherever possible and, where unavoidable, to minimise, mitigate and, as a last resort, offset or compensate residual adverse impacts.

¹⁶ For information related to the ESMP, see ESS 1.

¹⁷ The regular reports should address the environmental and social performance of the project, including as applicable, compliance with the requirements set for the project in the contractual agreements, the implementation of the ESMP, and potential grievances received from stakeholders when relevant, amongst others.

53. The Counterparty shall inform the Bank immediately of any changes to the Project's scope, design or operation that is likely to materially change its environmental and/or social risks and impacts. When relevant, the Counterparty shall carry out any additional assessment and stakeholder engagement and amend the ESMP accordingly.
54. If the Counterparty fails to comply with its social and environmental commitments, as set out in the legal agreement governing the Project, the Bank can request the Counterparty to develop a corrective action plan. The plan shall specify the measures necessary to restore compliance. During the implementation of the corrective action plan, the Bank reserves the right to exercise any suitable contractual remedies, such as suspension of disbursements. Lack of compliance by a Counterparty with a corrective action plan may give rise to the exercise by the Bank of any available contractual remedies.
55. When relevant, the Bank may verify monitoring information prepared by Counterparties through site visits by the Bank's environmental and social specialists and/or independent experts. Where monitoring identifies significant incidents, repeated non-compliance, material changes in risk profile, or persistent implementation weaknesses, the Bank may require enhanced reporting, time-bound corrective measures, and, where appropriate, independent verification, and may exercise contractual remedies.

11. Transparency and accountability measures

56. **Transparency.** The Bank will make Project-related environmental and social safeguard information public when appropriate and in accordance with the conditions stated in its Public Information Policy. For Projects that are subject to an EIA or an ESIA, a non-technical summary of the project shall be made accessible through the Bank website at least thirty (30) days in advance of the Bank Administrative Council decision.
57. **Accountability.** The Bank has developed an internal procedure to establish a formal process for managing complaints relating to an alleged failure of a Project financed in whole or in part by the Bank to comply with the ESSP (the "Procedure"). The Bank's Office of the Chief Compliance Officer (OCCO) will be responsible for receiving, assessing and investigating such complaints and for proposing corrective actions if deemed suitable.
58. Any natural or legal entity¹⁸ who alleges that a Project financed by the Bank is not in compliance with the ESSP, and that the Project has caused, or is likely to cause, harm to them, will be able to submit a complaint.
59. Complaints may be submitted with a request for confidentiality. Where a complainant indicates concerns regarding intimidation or reprisals linked to the submission of a complaint, the Bank will take such risks into account when handling the complaint and all reasonable efforts will be made to maintain the confidentiality requested.
60. The following complaints fall outside the scope of the Procedure and will therefore be declared inadmissible:
 - The subject matter of the complaint challenges the legality of Bank's policies as decided by the Bank's governing bodies;
 - The subject matter of the complaint concerns the Bank's financing or investment decisions *per se*, its credit policy, or other related, purely commercial or banking discretionary decisions;
 - The complaint relates solely to the details of the design or implementation of a Project;
 - The complaint is incomplete, *i.e.* missing the minimum required information as per the instructions available on the Bank's website; or
 - The complaint is clearly implausible, frivolous, made in bad faith (*mala fide*), or with the intention of gaining a competitive advantage.

¹⁸ For the purposes of the Procedure, "legal entity" means any entity, association or group around which civil society voluntarily organises itself, which is authorised according to relevant jurisdiction to represent specific interests of a group of individuals that has suffered or is likely to suffer harm as a result of a Bank financed project not being compliant with the ESSP.

61. To be admissible, the complaint must be submitted within one (1) calendar year from the date that the alleged facts would have been reasonably known by the complainant.
62. Although complaints may be admissible, there may, nonetheless be limitations on the handling of complaints submitted when the contractual relationship with the Counterparty no longer exists (e.g., after full reimbursement of the loan) as the Bank may no longer have the means to restore compliance with the ESSP.
63. The Procedure deals only with complaints that are directly related to alleged non-compliance with the ESSP. Complaints relating to non-compliance with the law in the relevant jurisdiction and unrelated to compliance with the ESSP are dealt with by competent bodies/courts in the jurisdiction in question or, if applicable, by the project-level grievance mechanism. In case a complaint is considered not admissible, the OCCO may advise following any alternative complaints procedure, if applicable.

12. Final provisions

64. This Policy will apply to Projects approved as of November 2026.
65. All operations receiving approval by the respective decision-making bodies of the Bank prior to the entry into force of this Policy shall remain subject to the policies, principles and standards in force at the time of their initial approval.
66. The Policy and its implementing frameworks are subject to a continuous relevance assessment process.

Standard 1 – Environmental and social impacts and risks

Introduction

1. This Standard outlines the Counterparty's responsibilities for identifying, assessing, and addressing environmental, climate, and social risks and impacts associated with Projects throughout the project life cycle.

Objectives

2. The objectives of this Standard are to:
 - a. identify and assess the environmental and social risks and impacts of, and to, Projects;
 - b. apply the mitigation hierarchy approach to address environmental and social risks and impacts on project-affected people, communities and workers, as well as on the environment;
 - c. identify measures to maximise the positive effects of Projects; and,
 - d. monitor and report on the implementation of agreed mitigation actions.

Scope

3. This Standard applies to a Project that is likely to have significant environmental, climate and/or social impacts and risks, unless they are excluded or exempt during appraisal. Identified risks and impacts need to be taken into account at the earliest possible stage of planning and decision-making.
4. For all Projects with significant adverse environmental, climate and/or social impacts and risks, regardless of location, the Counterparty shall carry out an Environmental Impact Assessment ("EIA") or an Environmental and Social Impact assessment ("ESIA").
5. The applicability of this Standard as set out in the preceding articles does not limit the Bank's ability to require the development and implementation of an Environmental and Social Management Plan ("ESMP") for a Project of any risk categorisation as set out in article 49 of the Policy.¹⁹

Projects located in EU countries

6. For Projects located in the EU, the Counterparty shall:
 - a. Carry out an EIA according to the EU directive on the assessment of the effects of certain public and private Projects on the environment²⁰ (the "EIA Directive") for Projects included in Annex 1 of the EIA Directive, for Projects included in Annex 2 of the EIA Directive for which competent authorities require the preparation of an EIA, and/or for Projects requiring an EIA as per national law;
 - b. When relevant, the EIA shall take into consideration the conclusions of the assessments arising simultaneously from other applicable EU legislation, such as the assessment defined in the Eu Directive on the conservation of natural habitats and of wild fauna and flora²¹ (the "Habitats Directive") and the EU directive on the conservation of wild birds²² (the "Birds Directive") and the outcomes of a relevant strategic environmental assessment;
 - c. Carry out or support the competent authorities (as outlined in Standard 10) in carrying out the relevant public participation process as defined in the EIA Directive, including in a transboundary context, where applicable;
 - d. Obtain the decision(s) of the relevant competent authorities which include the conclusion of the EIA process, or otherwise, the decision stating that an EIA is not required;

¹⁹ The content requirements for an ESMP are set out in Annex 3 of this Standard.

²⁰ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, as amended.

²¹ Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora, as amended.

²² Directive 2009/147/EC on the conservation of wild birds, as amended.

- e. Implement all environmental conditions and measures to avoid, prevent, reduce, or offset significant adverse effects, including any required monitoring.
- 7. The Counterparty shall submit to the Bank, when requested by the Bank, the documentation related to the assessment of environmental and social risks and impacts, including the EIA and related documentation, notably the decisions of the competent authorities.
- 8. The Counterparty shall supplement the assessment by any additional studies or requirements for topics that are identified by the Bank as necessitating particular attention, such as biodiversity and ecosystem services, climate change, cultural heritage, social impacts, gender aspects, human rights, as relevant and proportionate to the risks identified.
- 9. The Counterparty shall submit periodic reports, as stipulated in the legal agreement signed with the Bank regarding the environmental and/or social conditions of the Project, and promptly notify the Bank of any significant environmental or social accidents or incidents, including cases of gender-based or other forms of violence and harassment, while taking immediate action to address and prevent recurrence.

Projects located in non-EU countries

- 10. For Projects located in non-EU countries, the Counterparty shall undertake the Environmental and Social Impact Assessment (“ESIA”) in accordance with the applicable national legislation and the requirements of this Standard and its annexes, as laid out in articles 10 to 31 of this Standard.
- 11. The Counterparty shall submit to the Bank, when requested by the Bank, the documentation related to the assessment of environmental and social risks and impacts, including the ESIA and related documentation, notably the decisions of the competent authorities.
- 12. The Counterparty shall supplement the assessment by any additional studies or requirements for topics that are identified by the Bank as necessitating particular attention, such as biodiversity and ecosystem services, climate change, cultural heritage, social impacts, gender aspects, human rights, as relevant and proportionate to the risks identified.
- 13. The Counterparty shall submit periodic reports, as stipulated in the legal agreement signed with the Bank, regarding the environmental and/or social conditions of the Project, and promptly notify the Bank of any significant environmental or social accidents or incidents, including cases of gender-based or other forms of violence and harassment, while taking immediate action to address and prevent recurrence.
- 14. In assessing, developing and implementing the project supported or planned to be supported by the Bank, the Counterparty may request the Bank, to rely on solely all or part of the Counterparty’s national environmental and social safeguards legislation to address the risks and impacts of the project. The Bank may accept such a request, provided it will enable the project to achieve objectives materially consistent with the ESSP.
- 15. The ESIA process involves some or all of the following steps: (i) the determination of the need for an ESIA; (ii) the scope and level of details of the assessment; and (iii) the preparation of an ESIA Report and an Environmental and Social Management Plan (the “ESMP”); (iv) stakeholder engagement as an integral part of the ESIA process, as outlined in Standard 10, notably in the case of transboundary context.
- 16. The Counterparty shall consider Standards 3 to 9 in the ESIA when assessing specific risks and impacts, to the extent that such risks and impacts are deemed relevant to the Project.

Determining the need for an Environmental and Social Impact Assessment

17. The Counterparty will prepare an ESIA for Projects listed in Annex I to the EIA Directive and/or when an ESIA is required by national legislation.
18. For Projects listed in Annex 2 to the EIA Directive for which no ESIA is required as per national legislation, the need to carry out an environmental and/or social impact assessment will be determined through a case-by-case examination in close coordination between the Bank and the Counterparty.
19. For the above determination, the Counterparty may be requested to provide to the Bank the information specified in Annex 1 of this Standard. The Counterparty shall provide information that is comprehensive enough to provide the basis for this determination.

Determining the level of detail of the assessment: scoping

20. Scoping is the process that defines the content and extent of the information to be included in the ESIA, to help identify the key environmental, climate and social impacts and/or risks to and from the project and determine those that need detailed assessment, based on the nature, size and location of the project amongst others. This step shall be undertaken at early stages of project development if deemed necessary by the Bank and/or required by national legislation.
21. To this effect, the Counterparty should analyse the following aspects:
 - a. key environmental issues, including the need for further investigations;
 - b. the socio-economic context including the identification of persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics;
 - c. the alternatives that have to be considered, including the “do nothing” scenario;
 - d. the need for data and studies (baseline data, methodologies, criteria, etc)

Assessment and content of an Environmental and Social Impact Assessment Report

22. The ESIA process shall be commensurate with and proportionate to the potential impacts and risks of the Project and cover all relevant significant direct and indirect environmental and social risks and impacts of the project and the relevant stages of the project cycle.
23. When assessing risks and impacts, the Counterparty shall:
 - a. use up-to-date baseline data and credible external sources;
 - b. consider contextual risks (political, social, environmental context);
 - c. Include and assess cumulative impacts;²³
 - d. consider gender aspects throughout the assessment process including risks such as gender-based violence and harassment;
 - e. identify vulnerable groups and assess if the project would disproportionately affect them and ensure these groups can benefit equally from the project.
24. If relevant, the Counterparty may also need to complement its assessment with further studies on specific risks and impacts and assess potential improvement opportunities in line with article 12 of this Standard.
25. The assessment of environmental, climate, and social impacts should also consider related risks from (a) associated works or facilities essential to the project, (b) enabling/supporting activities or facilities owned by contractors or other involved parties, and (c) independently owned facilities necessary for the project’s viability, even if not financed by the Bank.
26. The Counterparty shall prepare an Environmental and Social Impact Assessment Report that includes at least the information specified in Annex 2 of this Standard and cover all relevant stages of the project.

²³ Assessing cumulative impacts means assessment of risks and impacts of the project together with past, present and foreseeable developments.

27. The Environmental and Social Impact Assessment Report shall be subject to public disclosure and stakeholder's engagement as outlined in Standard 10.

Environmental and Social Management Plan

28. Considering the findings of the ESIA, relevant assessments or studies, and the outcomes of stakeholder engagement process, the Counterparty will develop and implement a programme of actions to address the identified impacts and risks, and opportunities for improvement of the project's performance. The programme of actions shall be documented in the ESMP or equivalent document(s). The Counterparty must ensure that the level of detail, complexity and prioritisation of the measures are proportionate to the nature and severity of the project's impacts and risks. Annex 3 of this Standard includes minimum information required for the ESMP.

Counterparty's organisational capacity and competencies

29. The Counterparty shall establish an Environmental and Social Management System (ESMS) or equivalent, proportionate to the scale and nature of the project's environmental and social impacts and risks.
30. The ESMS shall outline the management processes and procedures needed to comply with the applicable environmental, climate and social legal framework, international best practices and the Bank requirements, where relevant.
31. The Counterparty shall allocate and maintain sufficient human and financial resources to ensure the effective operation of the ESMS.

ANNEX 1 – Criteria to determine the need for an ESIA

1. The characteristics of Projects must be considered having regard, in particular, to:
 - the size and design of the whole project;
 - cumulation with other existing and /or approved Projects
 - the use of natural resources, in particular land, soil, water and biodiversity.;
 - the production of waste;
 - pollution and nuisances;
 - the risks of major accidents and/or disasters, relevant to the project concerned, including those caused by climate change;
 - the risks to human health;
 - any likely social impact of the project, including social risks (such as presence of indigenous people, violation of human rights, including any actual and potential discrimination, conflict and/or social violence, gender-specific risks, issues related to labour rights²⁴).
2. The environmental sensitivity of geographical areas likely to be affected by Projects must be considered, with particular regard to:
 - the existing and planned land use;
 - the relative abundance, availability, quality and regenerative capacity of natural resources, (including soil, land water and biodiversity) in the area;
 - the absorption capacity of the natural environment;²⁵
 - areas in which there has already been a failure to meet the environmental quality standards;
 - densely populated areas;
 - socio-economic characteristics of the area;
 - areas known to have significant social risks as well as any conflict-affected and fragile situations;
 - landscapes and sites of historical, cultural or archaeological significance.
3. Type and characteristics of the potential impact with particular regard to:
 - the magnitude and spatial extent of the impact (such as the geographical area size of the population likely to be affected);
 - the nature of the impact;
 - the transboundary nature of the impact;
 - the intensity and complexity of the impact;
 - the probability of the impact;
 - the expected onset, duration, frequency and reversibility of the impact;
 - the cumulation of the impact with the impact of other existing and/or approved Projects;
 - the possibility of effectively reducing the impact.

ANNEX 2 – Recommended table of contents for the ESIA Report

1. A description of the applicable environmental and social legal framework, including a gap analysis indicating the differences between the relevant national legislation and Bank's Environmental and Social Standards, as applicable.
2. The description of the country and/or sector context relevant to the specific social-related risks at project level, such as human rights, labour rights, enabling environment for public participation, gender-based and other types of violence and harassment, including risks of reprisals, socio-economic inequalities including those related to gender, as well as any impacts and risks specific to conflict-affected and fragile situations.

²⁴ The list is not exhaustive and may include sexual and other types of violence, human trafficking and/or forced and compulsory labour, child labour, sexual exploitation and abuse, high concentration of internally displaced people, migrant workers or refugees.

²⁵ With particular attention paid to areas classified for a biodiversity assessment as described in Standard 3, areas classified or protected under national legislation and areas protected by international instruments.

3. The description of the project, including in particular:
 - a. the location, site, design, size;
 - b. the physical characteristics of the project (including any demolition or land-use requirements);
 - c. the technical capacity and the characteristics of the operational phase;
 - d. an estimate of any residues, emissions and quantities and type of waste produced.
4. The description of the reasonable alternatives (for example in terms of project design, technology, location, size and scale) which are relevant to the proposed project, and an indication of the main reasons for selecting the chosen option, including a comparison of the environmental and social effects.
5. The description of the baseline scenario against which the project's impacts are assessed. This should be based on adequate and appropriate quantitative and qualitative, primary and secondary data on the relevant aspects.
6. The description of the environmental, climate and/or social aspects²⁶ likely to be affected by the proposed project, including comprehensive and context-specific identification and analysis of people and communities likely to be affected, as well as other relevant stakeholders, paying particular attention to persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics.
7. Assessment of the likely significant environmental and social effects of the proposed project (also taking into account the outcomes of any complementary assessments and/or focused studies, if applicable), resulting from inter alia:
 - a. the construction and existence of the project;
 - b. the use of natural resources, considering as far as possible the sustainable availability of these resources;
 - c. the technologies and substances used;
 - d. the emissions of pollutants, noise, vibration, light, heat and radiation, and the disposal and recovery of waste;
 - e. the risks to human health, well-being, persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics, cultural heritage or the environment;
 - f. the cumulation of effects with other Projects and/or activities.

The description should cover the direct effects and any indirect, secondary, cumulative, transboundary, short-, medium- and long-term, permanent and temporary, positive and negative effects of the project, in each case if they are significant.

8. A description of the forecasting methods or evidence used to identify and assess the significant environmental, climate and social effects, including details of difficulties related to technical deficiencies or lack of knowledge, as well as the main uncertainties involved.
9. A description and justification of the measures planned to prevent, reduce and where possible, compensate/remedy any significant environmental, climate and/or social adverse effects as outlined in the Environmental and Social Management Plan (ESMP).
10. A description of the expected significant environmental, climate and/or social adverse effects as well as any risks of major accidents and/or disasters that are relevant to the project, including those caused by climate change. Where appropriate, a description of the measures planned to prevent such risks, as well as measures regarding preparedness for and response to emergencies, should be included in the ESMP.

²⁶ The list is not exhaustive and may include: population, human health, biodiversity (for example fauna and flora), land (for example land take), soil (for example organic matter, erosion, compaction, sealing), water (for example hydromorphological changes, quantity and quality), air, climate (for example greenhouse gas emissions, impacts relevant to adaptation), material assets, cultural heritage, including architectural and archaeological aspects and landscape, and, whenever possible, sex disaggregated socio-economic data.

11. A description of opportunities and measures to further enhance the environmental and social performance of the project and augment its positive impacts.
12. Arrangements for monitoring and evaluation of the effectiveness of impact management and any positive enhancement action, where applicable, measured as part of the overall Environmental and Social Management Plan and system, which should include appropriate qualitative and quantitative indicators and draw on feedback from both internal and external sources, including affected stakeholders.
13. A summary of the stakeholder engagement process undertaken with different groups of affected men and women and/or communities, as well as other relevant stakeholders, including its results and how those results have been incorporated/taken into account or otherwise addressed (full stakeholder engagement process is described in Standard 10).
14. Arrangements for grievance mechanisms and the steps that will be taken to ensure effective access to remedy for affected stakeholders; such mechanisms should reflect prevailing social norms and cultural context to ensure that they are culturally and socially appropriate, gender sensitive to and inclusive of the intended users, in line with the relevant requirements set out in Standard 10.
15. A non-technical summary (or equivalent) of the information provided under the above-mentioned headings.

ANNEX 3 – Minimum information to be included in the ESMP

1. The mitigation and/or compensatory/remedial measures, reflecting the mitigation hierarchy and determining the monitoring arrangements. Where stakeholders are identified as disadvantaged, excluded, vulnerable or marginalised (as defined in Standard 7), the ESMP/equivalent shall include differentiated measures with the intent to avoid that adverse impacts fall disproportionately on them and that they are disadvantaged in sharing any development benefits and opportunities resulting from the project.
2. Opportunities to achieve additional environmental and social benefits of the project including, when applicable, community development programmes or initiatives advancing gender equality.
3. Procedures to: (i) evaluate the effectiveness of the mitigation and/or compensatory/remedial measures, including appropriate qualitative and quantitative indicators (disaggregated by sex, age and any other relevant socio-economic characteristics, wherever possible), targets or acceptance criteria; and (ii) identify any hitherto unforeseen adverse effects that draw on feedback from both internal and external sources, including affected stakeholders. In addition, the Counterparty may use third parties, such as independent experts, local communities or NGOs, to complement or verify its own monitoring information.
4. Allocation of resources (including financial), responsibilities and timeframe for its implementation and monitoring. As appropriate, the ESMP or equivalent shall recognise and incorporate the role of relevant actions and events controlled by third parties to address identified risks and impacts. It may also include provisions for the involvement of impacted men and women, communities and other stakeholders as appropriate, e.g. as mentioned above.

Standard 2 – Labour rights

Introduction

1. This Standard recognises the importance of labour rights as laid out in the European Social Charter,²⁷ the European Convention on Human Rights.²⁸ The sound management of human resource based on the rights of workers' is essential not only for the sustainability of business and operational activities but also for upholding human rights.
2. This Standard sets out the Counterparty's responsibilities in assessing, managing and monitoring labour-related impacts and risks associated with Projects.

Objectives

3. The objectives of this Standard are to:
 - a. respect the fundamental principles and rights of all project workers, as laid out in the European Social Charter and national labour, employment and social security laws;
 - b. ensure the fair treatment, non-discrimination and equal opportunities for all project workers;
 - c. protect all project workers, including vulnerable workers who might face higher risks;²⁹
 - d. prevent the use of forced labour and child labour;
 - e. respect the principles of freedom of association and collective bargaining;
 - f. promote a sound worker-management relationship;
 - g. ensure project workers have access to effective means to raise and address workplace concerns.

Scope

4. This Standard applies to a Project that is likely to have potential significant labour rights risks or impacts and/or when the relevance of such risks or impacts is determined through the Counterparty's environmental and/or social impact assessment (EIA/ESIA) process.
5. For the purposes of this Standard, the term "project worker" refers to:
 - Individuals employed or engaged directly by the Counterparty (including the project implementing agencies) to perform work related to the Project (direct workers);
 - Individuals employed or engaged through third parties³⁰ to perform work directly related to the Project (third-party workers).
6. This Standard applies to all project workers including full-time, part-time, temporary, seasonal and migrant workers. This Standard also sets out specific requirements with respect to individuals employed or engaged by the Counterparties' primary suppliers (supply chain workers).

²⁷ [CETS 035 - European Social Charter](#).

²⁸ While the Bank, given its institutional links with the Council of Europe, requires compliance with the European Social Charter (ESC), this broadly entails alignment with the principles enshrined in the International Labour Organization's (ILO) Fundamental Conventions. As the ESC reflects and incorporates the core labour rights safeguarded by the ILO—such as the prohibition of forced and child labour—the Bank-financed Projects are, in practice, expected to be consistent with the requirements of these fundamental international labour standards.

²⁹ due to—but not limited to—sex, sexual orientation, gender, gender identity, ethnicity, caste, indigenous or social origin, age, disability, religion or belief, political or other opinions, activism, trade union membership or affiliation with any form of workers' organisation, nationality, language, marital or family status, medical condition, or migrant, minority, or economic status. Workers' vulnerability is influenced by factors such as their level of legal protection, bargaining power, and degree of isolation.

³⁰ Third parties may include contractors, subcontractors, brokers, agents or intermediaries. They do not include suppliers.

Projects located in EU countries

7. All Projects located in EU countries shall comply with applicable national and EU legislation and the principles and any obligations deriving from the applicable international conventions³¹ and multilateral agreements signed and ratified by the host country.
8. The Counterparty shall identify the risks of violations of fundamental labour rights, notably the likelihood of child labour, forced labour, discrimination and unequal treatment, particularly towards migrant or non-national workers, and/or restrictions to freedom of association, that may arise due to the country context, sector, contractor or supply chain, and manage them in accordance with article 7.
9. Regarding third-party and supply chain workers, the Counterparty shall apply the requirements of articles 33 to 38 of this Standard.
10. If and when requested, the Counterparty will provide the Bank with any relevant human resources policies and management systems or procedures.

Projects located in non-EU countries

11. All Projects located in non-EU countries shall comply with applicable national labour and employment legislation and this Standard. Projects should also comply with any obligations deriving from the relevant international conventions and multilateral agreements signed and ratified by the host country.

Management of working relationships

12. The Counterparty will adopt and maintain written labour management policies and procedures,³² appropriate to its size and workforce, aligned with national law and the requirements of this Standard, and applicable to the Project. These policies and procedures shall be accessible and communicated in a culturally appropriate manner to the project workers. The Counterparty shall also maintain up-to-date employment records while safeguarding project workers' rights to privacy and data protection.
13. The Counterparty shall provide written employment contracts to the project workers, including a description of the type of employment, working conditions and terms of employment.³³ This information as well as any material changes shall be communicated to the project workers with due consideration to vulnerable project workers.
14. Civil servants working on the Project, whether full-time or part-time, will continue to be governed by their existing public sector employment terms, unless their employment or engagement has been legally transferred to the Project.

Terms and conditions of employment

15. The Counterparty shall ensure that the employment conditions of project workers (including wages, benefits, and working hours) are at least comparable to those offered by equivalent employers in the relevant country/region and sector concerned.
16. The Counterparty shall:
 - pay project workers regularly as required by national law and labour management procedures.
 - comply with existing collective bargaining agreements undertaken with relevant workers' organisations and will promote fair working conditions.
 - comply with national legislation and any applicable collective agreements regarding working hours, including provisions for breaks, rest periods and leave.

³¹ Including the European Social Charter and the European Convention on Human Rights.

³² Labour management policies and procedures cover such aspects as working time, working conditions (including health and safety, as well as privacy standards for company-provided facilities), hiring and promotion practices, terms of employment including benefits, entitlement to and payment of wages, maternity protection, protection against violence and harassment, capacity building and skills development, non-discrimination and equal opportunity practices, grievance resolution, disciplinary procedures and dismissals.

³³ Including entitlement to wages, working hours, overtime arrangements and overtime compensation, and any benefits (such as leave for illness, maternity/paternity or holiday).

Child labour

17. In line with the European Social Charter, the Counterparty must ensure that the Project does not use or benefit from child labour.³⁴ The Counterparty shall comply with the minimum age requirements as well as the type of employment as laid out in article 7 of the European Social Charter unless the national standards are more stringent.
18. The Counterparty may only employ children over the minimum age and under the age of 18 in connection with the Project in a manner that is not likely to interfere or deprive them of the full benefit of their education or be harmful or dangerous to the child or its health. The Counterparty should undertake an appropriate risk assessment prior to the work of persons under 18 and regular monitoring of health, working conditions and working hours. Children shall not be employed informally.
19. If a case of child labour is identified on a Project, the Counterparty shall take immediate steps to correct and remedy the situation of child labour and safeguard the children involved. The Counterparty shall also, without delay, refer the case to the competent law enforcement authorities and report the incident and remedial measures taken by the Counterparty to the Bank.

Forced labour

20. The Counterparty must ensure that the Project does not use forced labour³⁵ or compulsory labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements as well as human trafficking.
21. The Counterparty shall not unnecessarily restrict project workers' freedom of movement during the course of their employment, including in relation to Project accommodation. The Counterparty shall not engage in or tolerate any form of corporal punishment, mental/physical coercion, or abuse of project workers.
22. If a case of forced labour is identified on a Project, the Counterparty shall take immediate steps to remove individuals from situations of forced labour, safeguard them, and provide appropriate remediation. The Counterparty shall, without delay, refer the case to the competent law enforcement authorities and report the incident and remedial measures taken by the Counterparty to the Bank.

Migrant workers

23. The Counterparty shall identify migrant project workers and address any potential vulnerabilities associated with their migrant status. Migrant workers are particularly vulnerable to forced labour.
24. The Counterparty shall ensure that migrant project workers receive treatment equal to that of non-migrant workers performing similar work, including equivalent terms and conditions of employment and equal rights and opportunities.
25. The Counterparty shall not tolerate any physical or psychological coercion of migrant project workers, including unnecessary restrictions on their movement or the retention of workers' identity documents, such as passports, or personal belongings.

Non-discrimination and equal opportunities

26. The Counterparty shall take effective measures to uphold non-discrimination in the employment of project workers and ensure equal opportunity. In particular, the Counterparty shall ensure that:
 - a. employment decisions concerning project workers are based on objective job-related criteria, professional skills and competencies, and not on personal or socio-economic characteristics such

³⁴ Child labour refers to the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition, any labour that is performed by a person who has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies a higher age for compulsory school attendance or a higher minimum age for working; in such cases, the higher age will be applied for defining harmful child labour.

³⁵ Forced or compulsory labour refers to work that is performed under the menace or threat of penalty and for which the person has not offered himself or herself voluntarily. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.

as gender, pregnancy, sexual orientation, race, nationality, political views, union affiliation, ethnic or social origin, religion, marital status, disability, or age amongst others.

- b. equal opportunities and fair treatment are embedded across all aspects of project workers employment—including recruitment, job assignment, pay, working conditions, training, promotion, and termination of employment.
- c. any form of violence and harassment of project workers, including gender-based violence, bullying, intimidation, and exploitation at project level is prevented and addressed.

Workers' organisations

- 27. The Counterparty shall, if required by and according with national law, inform the project workers of their right to form or join the workers' organisations, elect workers' representatives, or engage in collective bargaining.
- 28. The Counterparty shall, in accordance with national law i) engage with project workers representatives and provide them information needed for meaningful negotiation timely, ii) provide for regular consultation on matters of mutual concern, including on health and safety.
- 29. Where national law substantially restricts workers' organisations, the Counterparty shall not discourage or restrict project workers from electing workers representatives, forming or joining workers' organisations or bargaining collectively, and developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.

Collective dismissals

- 30. The Counterparty shall notify the Bank in case of planned collective dismissals in connection with the Project. The planned collective dismissal must comply with national law and existing collective agreements. Notably, the Counterparty shall inform and consult the workers representatives in good time, with a view to avoid, limit or mitigate the consequences of the collective dismissal, for example by recourse to accompanying social measures aimed in particular at aiding the redeployment or retraining of the workers concerned.

Grievance mechanism

- 31. The Counterparty shall establish an effective, accessible, and proportionate grievance mechanism for all project workers and their organisations to raise reasonable workplace concerns safely, including through anonymous and confidential channels, without fear of retaliation. The Counterparty shall inform project workers of the grievance mechanism at the time of hire.
- 32. The mechanism shall:
 - a. ensure, subject to national law, workers' rights to be present and to participate directly in the proceedings and to be represented by a trade union or person of their choosing.
 - b. address complaints in a timely, transparent, culturally appropriate and gender sensitive manner, with special provisions for cases requiring additional protection, such as reports of gender-based violence and harassment.
 - c. not replace or limit access to legal, administrative, or other formal redress systems.

Third-party workers

- 33. For project workers engaged through contractors or intermediaries, the Counterparty shall use reasonable efforts³⁶ prior to contracting to:
 - a. ascertain that these contractors or intermediaries are lawfully operating enterprises;
 - b. assess the capacity of the project contractors or intermediaries to assume their legal responsibilities with regard to employment; and

³⁶ For Projects outside the European Union, the Bank's Guidelines for the procurement of goods, works and services for Projects financed by the CEB requires an Environmental & Social covenant appended thereby to be included in all public procurement contracts.

- c. through contractual clauses or similar, require the project contractors or intermediaries to apply the requirements stated in articles 11 to 35, the monitoring requirements stated in article 39 of this Standard.
- 34. The Counterparty will identify risks in relation to contracted workers and establish commensurate policies and procedures for managing and monitoring the performance of third parties in this respect.
- 35. The Counterparty shall ensure that third-party workers also have access to an effective grievance mechanism that meets the requirements of this Standard. In cases where the contractor or the intermediaries do not provide a workers' grievance mechanism, the Counterparty shall make the grievance mechanism available to the third-party workers.

Supply chain workers

- 36. The Counterparty shall make reasonable efforts to assess if there are labour risks, such as child labour, forced labour and human rights abuses, including gender-based violence, exploitation or abuse, associated with the primary suppliers of goods and materials essential to the core functions of the Project.
- 37. If the risk assessment identifies the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse for an existing primary supplier, the Counterparty shall engage with the supplier and use all reasonable efforts to adequately prevent and mitigate such risks with the objective that the supplier eliminates such practices. For future suppliers, the Counterparty will make reasonable efforts to select lower-risk suppliers. Should the Counterparty not receive evidence of remediation, or when remedy proves to be impossible, it shall resort, within a reasonably short timeframe, to different primary suppliers with lower risk.
- 38. The Counterparty shall report to the Bank on the issues outlined in articles 36 and 37 when relevant and requested in the legal arrangement signed with the Bank.

Monitoring

- 39. The Counterparty shall conduct regular monitoring and reviews of the Project's workforce and shall report to the Bank when requested by the Bank.

Standard 3 – Resource efficiency and pollution prevention

Introduction

1. This Standard outlines how the Counterparty should manage the impact of the Project on the environment, climate, and public health. It emphasises reducing greenhouse gas emissions, preventing pollution, and using resources efficiently. The Project is expected to follow the mitigation hierarchy, address pollution at its source and apply the “polluter pays” principle. It recognises the need to protect vulnerable groups, such as women and children, who are often more affected by pollution.
2. The Standard encourages the Counterparty to adopt the best available techniques. This includes managing emissions to air, water, and soil, controlling noise and radiation, safely handling hazardous substances, and preventing accidents. The Standard also supports climate resilience, the reduction of biodiversity loss caused by pollution, and overall environmental quality.
3. The Standard encourages the Counterparty to use materials and resources more efficiently, designing processes that reuse or recycle waste, and creating products with longer life cycles, thus promoting circular economy.

Objectives

4. The objectives of this Standard are to:
 - a. promote the sustainable use of resources and ensure an integrated approach to resource efficiency, pollution prevention and control of emissions as well as waste management and the safe use of hazardous substances;
 - b. adopt a mitigation hierarchy approach to addressing adverse impacts to human health and the environment in order to avoid and prevent, or where unavoidable, minimise further losses, restore and, as a last resort, compensate for any residual adverse impacts;
 - c. identify, where feasible, opportunities for resource efficiency improvements, including the use of circular economy, in Projects.

Scope

5. This Standard applies to a Project that is likely to have pollution risks and impacts or resource efficiency opportunities and/or when the relevance of such risks and impacts is determined through the Counterparty’s environmental and/or social impact assessment (EIA/ESIA) process. The Counterparty shall address and manage the issues deemed applicable to the Project throughout the project lifecycle and include them in the EIA/ESIA process and/or the environmental social management plan (ESMP) when applicable.

Requirements

Resource efficiency and circular economy

6. The Counterparty shall assess within the EIA or ESIA the effectiveness and efficiency of the Project’s use of materials and natural resources (such as land, soil, water, biodiversity), waste management practices and energy use.
7. Following this assessment, the Counterparty will establish measures to reduce environmental and social impacts on resources, protect natural resources and avoid any significant harm, when cost effective and technically feasible. Such measures could include the following:
 - a. reduce inefficiencies in the use of materials and substances or in the direct or indirect use of natural resources;
 - b. promote waste prevention, reuse and recycling in accordance with the waste hierarchy³⁷;

³⁷ The waste hierarchy refers to the priority order in waste prevention and management, including prevention, reuse, recycling, recovery, disposal.

- c. avoid activities that would lead to a significant increase in the generation, incineration or disposal of waste.

Pollution prevention and control

8. The Counterparty will assess, within the environmental and social assessment (including the EIA or ESIA process), the appropriate pollution prevention and control methods, methodologies and practices or techniques to be applied to the Project, including during design, construction and operation. The assessment shall identify technically and financially feasible and cost-effective pollution prevention and control techniques to first avoid, or where it is not possible minimise, adverse impacts on human health and the environment, in accordance with the mitigation hierarchy. The assessment should be appropriate to the nature and scale of the Project's adverse risks and impacts and to the potential impacts on vulnerable population.
9. The Counterparty shall structure the Project to meet relevant EU substantive environmental standards where these can be applied at Project level.³⁸ Projects that, due to their nature and scale, would be subject to the EU Directive on industrial emissions³⁹ will, regardless of their location, be required to meet emissions levels associated with Best Available Techniques (BAT), as described in the EU BAT conclusions.
10. For a Project involving rehabilitation or extension of existing facilities, regardless of location, and where relevant EU substantive environmental standards/secondary legislation have been identified, the timeframe to achieve compliance with these standards will consider any nationally agreed timeframes.
11. The Project shall meet EU substantive standards or other agreed environmental standards, as well as national requirements, whichever is more stringent. Permitting process is the responsibility of the Counterparty. Permits could be requested by the Bank at any time during the lifetime of the Project.

Emergency prevention, preparedness and response

12. The Counterparty shall establish an effective management system and implement control measures to prevent, prepare for and respond adequately to potential incidents, accidents or emergencies, in accordance with the applicable legal framework and international good practice. The system, which can be a part of the Counterparty's Environmental and Social Management System⁴⁰, should be appropriate to the nature and scale of the potential impact to the overall area and population and integrate gender responsive considerations.
13. The Counterparty's Environmental and Social Management System shall include an accident prevention policy and a safety management system, as well as a contingency plan to assess disaster risk and outline arrangements for timely and effective responses, where relevant.
14. The Counterparty shall play an active role and support the relevant competent authorities in designing external emergency plans. The plans should be subject to consultations with potentially affected people and communities, as well as other interested stakeholders, especially when their participation and collaboration are necessary to ensure effective response.

Management of hazardous and non-hazardous waste and substances

15. The Counterparty will avoid or, if not feasible, minimise, the generation of hazardous and non-hazardous wastes. Waste generated shall be reused, recycled and/or recovered, in a manner that is safe for human health and the environment. Where reuse, recycle or recovery are not possible, the Counterparty will treat or dispose of waste in an environmentally sound and safe manner.
16. When applicable, the development of a waste management plan laying out the measures to reach the requirements in article 15 shall be included as part of an EIA or ESIA report.

³⁸ For the purposes of this Standard, EU substantive environmental standards can be applied at the Project level where the EU secondary legislation contains quantitative or qualitative requirements that are relevant at the Project level.

³⁹ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (recast), as amended.

⁴⁰ ESMS: see Standard 1 for information on the ESMS.

17. The Counterparty shall manage and dispose of waste following a strict control regime as required by EU legislation and/or relevant international treaties. This includes labelling, record keeping, monitoring and control obligations, such as chain of custody documentation to the final destination and use of licensed contractors for disposal. If the waste generated is considered hazardous by EU or national legislation, the Counterparty will consider the limitations applicable to its transboundary movements.
18. The Counterparty will seek to avoid or minimise the use of hazardous materials or substances and consider their replacement by less hazardous substitutes to protect human health and the environment. Where avoidance or substitution is not feasible, the Counterparty shall consider the safe use and storage of the hazardous substances and materials and apply appropriate risk management measures to minimise or control their release in the environment during production, transportation, handling, storage, use and disposal.

Pesticide use and management

19. In the event that the Bank considers the financing of a Project that will intend to use pesticides, the Counterparty shall formulate and implement an integrated pest management (IPM) and/or integrated vector management (IVM) approach for pest management activities. The Counterparty will promote alternative approaches or techniques such as non-chemical alternative and/or the sustainable use of pesticides. When pest management activities include the use of pesticides, the Counterparty shall make efforts to reduce the impacts of those pesticides on biodiversity, human health and the broader environment.
20. The Counterparty shall take all necessary measures to prevent pollution of surface or groundwater, particularly in sensitive areas (e.g. areas designated for abstraction of drinking water, on sealed or very permeable surfaces). This includes minimising or eliminating the use of pesticides in areas where risks to the aquatic environment are higher.
21. The Counterparty shall handle and store any pesticides as well as their packaging and remnants in line with EU legislation and international good practices.

Standard 4 – Health, Safety and Security

Introduction

1. The Bank recognises the importance of ensuring the health, safety, and security of project workers and affected communities.
2. Project activities, equipment and infrastructure can increase the potential exposure of workers and community to hazards, risks and impacts in terms of occupational and public health, safety and security. The Counterparty is responsible for cooperating with key stakeholders and providing a safe and healthy working environment, as well as to take reasonable steps to avoid or minimise health, safety, and security risks to workers and affected communities.
3. Taking note of the role of the relevant national and local authorities in protecting and promoting the health and safety of workers and the public, the Counterparty has the duty of managing health, safety and security risks associated with Projects supported by the Bank.

Objectives

4. The objectives of this Standard are to:
 - a. protect the health, safety and security of project workers throughout the project life-cycle, by ensuring a safe, healthy, and secure working conditions, proportionate to the risks and impacts associated with the Project;
 - b. identify, assess and manage health and safety risks of project-affected people and communities during the life-cycle of the Project.

Scope

5. This Standard applies to a Project that is likely to have potential significant health and safety risk or impacts and/or when the relevance of such risks or impacts is determined through the Counterparty's environmental impact and/or social assessment (EIA/ESIA) process.
6. The implementation of the actions necessary to meet the requirements of this Standard are managed as an integral part of the Counterparty's overall Environmental and Social Management System (ESMS) and/or project-specific environmental social management plan (ESMP), health and safety management plan (HSMP) or equivalent.

Requirements for Projects located in the EU

7. All Projects located in EU countries shall comply with the applicable national and EU legislation related to occupational and public health, safety and security as well as any obligations deriving from the relevant international conventions and multilateral agreements.
8. The Counterparty shall design and operate the Project in compliance with the Health and Safety Management requirements specified in articles 13 to 19 of this Standard. In case of specific risks (see section below), the Counterparty shall consider alignment with the requirements of this Standard.
9. When requested, the Counterparty shall provide the Bank with the relevant health, safety and security management plans and procedures, and any related documentation.
10. When relevant, the Bank may require the Counterparty to complement its health, safety and security management plans and procedures, in line with EU legislation and the requirements listed in this Standard. In such case, specific monitoring may be requested by the Bank.

Requirements for Projects located in non-EU countries

11. For a Project located in a non-EU country, the Counterparty shall implement the Project in compliance with the applicable national legislation and this Standard, as well as in alignment with international good practices. In addition, the Project shall comply with any obligations deriving from the relevant international conventions and multilateral agreements.
12. When requested, the Counterparty shall provide the Bank with satisfactory evidence and information on its practices, both at the project appraisal stage and through regular monitoring.

Health and safety management

13. At the preliminary design stage, the Counterparty shall identify and assess occupational and public health and safety risks and impacts arising directly or indirectly from the Project during its life-cycle. Climate⁴¹ and natural hazard-related⁴² risks shall also be integrated where applicable. The Counterparty shall ensure that appropriate attention is given to people and groups of people that may be particularly exposed to or vulnerable to such risks.⁴³
14. Based on this assessment, the Counterparty shall develop and implement the necessary protective and preventative measures, proportionate to the nature and magnitude of risk, in a precautionary manner. These measures should be feasible and effective⁴⁴ and introduced in appropriate plans and procedures,⁴⁵ targeting both occupational and public health and safety considerations, to avoid, minimise or mitigate identified risks following the mitigation hierarchy. Measures shall be applied considering the needs of vulnerable or high-risks groups.
15. The Counterparty shall provide project workers and project-affected people and communities with the relevant information, instructions and/or training in an accessible and inclusive format, as applicable.
16. The Counterparty shall establish project level procedures and systems for recording, investigating and reporting any type of accident and incident including those causing harm to people, at the site, and within the project influence area, resulting from the implementation of works or project activities. When and if required, the Counterparty shall make relevant information accessible to the Bank as part of the reporting and monitoring obligations.
17. The Counterparty shall investigate and document any accident, injury, ill-health or other significant health and safety breach occurring in relation to the Project, analyse the findings and take due actions to prevent reoccurrence. Where required by national law, the Counterparty shall also notify and cooperate with the relevant authorities.
18. The Counterparty shall have a system in place to recognise and fairly compensate any person (project worker or member of the public) suffering from an injury or disease caused by any project-related activity, in accordance with national legislation.
19. The Counterparty should ensure sufficient resources for the implementation of such plans and procedures. Depending on the nature of work and size of the workforce, the Counterparty and/or the contractor shall assign a dedicated unit or team for these tasks.

Occupational health and safety

20. The Counterparty shall ensure a safe and healthy working environment for all project workers, considering sector-specific and location-based risks, as well as the distinct needs of women and men. Particular attention shall be given to mental health, psychosocial risks, and respect for human dignity. The workplace must meet hygiene standards,⁴⁶ protect workers' physical and mental integrity, and address gender-specific risks, including gender-based and sexual violence.
21. Basic occupational health services and qualified first aid must be available. Where necessary, medical care must also be provided. All measures must account for gender-specific needs and the requirements of persons with disabilities, ensuring non-discrimination and equal access.
22. The Counterparty shall ensure that project workers get medical benefits.
23. The Counterparty shall ensure the monitoring of the health and wellbeing of project workers. Where appropriate, Health and Safety Committees can be established, including worker representatives, to support accident reporting, risk assessments, and the selection of work equipment.

⁴¹ E.g., extreme climate events that can affect the location.

⁴² E.g., floods, droughts, heat waves, landslides, earthquakes.

⁴³ E.g., socio-economic characteristics, persons with disabilities, pregnant women...

⁴⁴ Based on the hierarchy of risk control: elimination, substitution, engineering controls, administrative controls and finally Personal Protective Equipment (PPE), that should be provided free of charge, certified and suitable for the tasks to be carried out.

⁴⁵ E.g., Environmental and social management system (ESMS), health and safety management systems (HSMS), health and safety management plan (HSMP) or equivalent.

⁴⁶ E.g. access to safe, hygienic and adequate welfare facilities, including drinking water, sanitation and washing areas.

24. The Counterparty shall ensure that all project workers and persons accessing the project site (including suppliers, supervisors, visitors) are required to comply with the applicable health and safety plans.
25. For activities involving specific health and safety risks, the Counterparty must conduct risk assessments and adjust measures to prevent injury and ill health in consultation with affected workers. Systems must be in place to allow workers to stop unsafe work and report hazards or dangerous conditions without fear of retaliation. The Counterparty shall not require workers to resume work until the identified risks have been mitigated or eliminated.
26. The Counterparty shall take all necessary actions to ensure that project workers are made aware of all risks associated with their work and how to implement protective measures with regard to their health and safety, including the provision of adequate, timely and regularly updated training and information material on health and safety issues and procedures.

Community health and safety

27. The Counterparty shall identify and assess project-related risks and adverse impacts on the health and safety of affected communities, including those more vulnerable, and develop protection, prevention and mitigation measures, proportionate and appropriate to the stage, size and nature of the Project. The Counterparty shall communicate with project-affected communities and other relevant stakeholders as appropriate, on mitigation measures and plans.
28. When measures to avoid or mitigate project-related community health and safety risks and impacts are the responsibility of the relevant public authorities, the Counterparty shall notify, coordinate and cooperate with those, in accordance with national legislation.

Contractors and third-party workers

29. The Counterparty shall ensure that the requirements of this Standard are applied to all workers, including those employed or engaged by contractors, subcontractors and any other third party or intermediary. The Counterparty shall therefore:
 - assess the capacity of these contractors or intermediaries to implement the applicable requirements of this Standard before contracting;
 - formally require these contractors or intermediaries, through the inclusion in the relevant contracts of the Environmental and Social Covenant appended to the Bank's Guidelines for Procurement of Goods, Works and Services for Projects financed by the Bank, which requires compliance with the applicable requirements of this Standard and request similar commitment from their subcontractors.
30. The Counterparty shall periodically review and monitor the performance of contractors on health and safety.

Grievance mechanism

31. The Counterparty shall establish an effective, culturally appropriate and gender-responsive grievance mechanism for project workers to raise reasonable workplace concerns on health and security. The mechanism shall address health, safety and security concerns⁴⁷ in a timely and effective manner without limiting access to other legal or administrative remedies. The project-affected communities shall also have access to an independent, effective, gender sensitive, safe and free of reprisals grievance mechanism. The Counterparty shall inform workers and project-community members of the existence of these grievance mechanisms.

Requirements for specific risks

Traffic and road safety

32. The Counterparty shall identify, evaluate and monitor the potential traffic and road safety risks to workers, project-affected communities and all road users throughout the project life-cycle and develop plans to address these risks. Where applicable, specific impact assessments or audits for road safety should be undertaken.

⁴⁷ Including alleged misconduct by security personnel when applicable.

33. The Counterparty will ensure the safe and secure transport of hazardous materials, including wastes, and will implement measures to avoid or reduce the exposure of workers and project-affected community to such materials.
34. For Projects that operate machinery, plant or equipment on public roads, the Counterparty shall take the necessary measures to avoid and minimise hazards, risks and impacts to both project workers and members of the public.

Risks associated with the influx of workers

35. When the Counterparty or the Bank identifies a risk related to a high influx of workers due to the Project, the Counterparty shall take the necessary measures to avoid, mitigate and manage the risks and potential adverse impacts on public health and safety to the extent possible.⁴⁸ In conflict and post-conflict areas, the Counterparty shall consider the risks related to the exacerbation of tensions that the influx of workers can cause.
36. The Counterparty shall adopt specific measures to prevent and address gender-based violence risks, including the organisation of training and awareness programmes for the project workers and the provision of confidential channels for reporting incidents and providing support.
37. The Counterparty shall also identify alternative means to remedy significant stress on natural resources caused by increased population numbers, where applicable.

Exposure to diseases

38. In cases of high risk of exposure to disease for project workers or the affected communities, the Counterparty shall develop appropriate mitigation measures in consultation with the relevant authorities and take action to avoid or minimise the transmission and spread of communicable diseases that may be associated with influx of workers. Special care should be taken towards people or communities that are more vulnerable or sensitive to such diseases. To the extent possible, the Counterparty shall take measures to help prevent or contain the spread of pandemics, epidemics, and communicable diseases associated with the influx of workers.⁴⁹ To this end, trainings, awareness raising campaigns and code of conduct may be used.
39. Where specific diseases are endemic in project-affected communities, the Counterparty is encouraged to identify opportunities throughout the project cycle to help reduce their incidence, both among project workers and project-affected people and communities.

Worker accommodation

40. If the Counterparty provides accommodation for project workers, it must ensure that it is safe, hygienic, adequate, and includes the provision of basic services.⁵⁰ The accommodation services shall comply with the principles of non-discrimination and equal opportunity and consider the specific needs of women and persons with disabilities. Safeguards against sexual harassment, exploitation, and other forms of gender-based violence must be in place. Workers' freedom of movement to and from the accommodation shall not be unreasonably restricted.

Security arrangements

41. When the Counterparty identifies security risks and threats to the project assets, the workforce and/or the widest community in connection to the Project, the Counterparty shall put in place legitimate and proportionate security arrangements in accordance with good international practice, with the aim to ensure the safety of project workers and project-affected communities.

⁴⁸ E.g. changes in population composition, intangible cultural heritage, health implications and exposure to communicable diseases, the increased vulnerability of communities in the area of influence of the Project due to increased pressure on already scarce natural resources.

⁴⁹ Such as SARs-CoV-2, malaria, tuberculosis, sexually transmitted diseases (including HIV/AIDS) etc.

⁵⁰ Including minimum space for each worker, supply of water, adequate sewage and garbage disposal system, appropriate protection against heat, cold, damp, noise, fire and other hazards, adequate sanitary and washing facilities, ventilation, cooking and storage facilities and natural and artificial lighting, provision of first care and basic medical services.

42. All project-related security service arrangements, publicly provided or privately outsourced, shall respect human rights and fundamental freedoms.
43. The Counterparty shall ensure that the security arrangements do not pose security risks or adverse impacts to workers, suppliers, or local communities, and, in particular, that they do not have discriminatory impacts on vulnerable or marginalised groups.
44. The Counterparty is expected to comply with applicable national law, be guided by the principle of proportionality and legitimate use of force, and follow good international practice when hiring, training, equipping and monitoring security personnel as well as when setting the rules for their conduct. When privately contracted, the Counterparty shall make reasonable inquiries to verify that no members of the security personnel have been involved in past abuses.
45. If security services are the responsibility of the relevant governmental authorities, the Counterparty shall collaborate with those, to the extent possible, to achieve outcomes consistent with this Standard.
46. The Counterparty should ensure these requirements are implemented by security providers, including by including those in their contractual arrangements.
47. The Counterparty shall ensure that allegations of security concerns or alleged misconduct by the security personnel reported through the existing grievance mechanisms are investigated, reported to the public authorities when relevant and addressed through appropriate corrective measures to avoid recurrence.

Standard 5 – Involuntary resettlement

Introduction

1. Involuntary resettlement refers to the displacement of individuals or communities due to land acquisition⁵¹ or land use restrictions resulting from a Project. This includes both physical relocation and economic displacement (e.g. loss of access to income or resources). Such resettlement is considered involuntary when affected persons cannot opt out of the process.
2. Involuntary resettlement can negatively impact livelihoods,⁵² living conditions, and cultural practices. It may also lead to long-term hardship if not managed appropriately. Priority must be given to avoiding involuntary resettlement. If unavoidable, the impacts must be minimised and mitigated through meaningful consultation, adequate compensation, and support for affected persons with the aim of improving their socioeconomic and cultural conditions.

Objectives

3. The objectives of this Standard are to:
 - a. Avoid, or when unavoidable, minimise involuntary resettlement by considering alternative project designs or locations;
 - b. Avoid forced evictions;⁵³
 - c. Restore or improve the living standards and livelihoods of displaced persons;
 - d. Ensure poor and vulnerable groups achieve at least minimum living standards, with access to adequate housing⁵⁴ and secure tenure;⁵⁵
 - e. Mitigate social and economic impacts through fair and timely compensation,⁵⁶ inclusive planning, grievance mechanisms, and development benefits where possible.

Scope

4. This Standard applies to a Project when the Project is likely to lead to permanent or temporary involuntary resettlement, resulting from the following transactions:
 - a. acquisition of land, and restriction of lands rights and use through expropriation or other compulsory procedures in accordance with national law;
 - b. land rights, assets or restriction of land rights through negotiated settlements, if expropriation or other compulsory procedures can be initiated in the case of failed negotiations;
 - c. restrictions on land use that result in a loss of access to land, physical, cultural assets or natural resources.
 - d. relocation of people occupying land without legal or recognisable usage rights under national law, provided they were present before the cut-off date.⁵⁷

⁵¹ Land acquisition refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of land and assets and acquisition of temporary or permanent access rights, such as easements, rights of way, and establishment of restrictions of access to protected and other areas.

⁵² Livelihood refers to the various means that individuals and communities use to secure living conditions, such as housing, food, clothing.

⁵³ Forced eviction refers to the coerced displacement of individuals, groups and communities from their homes, lands, common property and/or resources (either legally owned or informally occupied) without the provision of and access to appropriate forms of legal and other protection, or not aligned with the requirements of this standard.

⁵⁴ Adequate housing criteria: adequacy, accessibility, affordability, habitability, cultural appropriateness, suitability of location, security of tenure and access to essential infrastructure and services.

⁵⁵ "Security of tenure" in this context refers to the protection of displaced persons from eviction at the new resettlement sites, through provision of culturally and socially appropriate tenure rights.

⁵⁶ For the purposes of this Standard, "fair" compensation refers to compensation and related assistance determined in accordance with the requirements of this Standard, including, as applicable, compensation at replacement value or full replacement cost, replacement of assets, transitional and transaction costs, resettlement assistance and other livelihood restoration measures.

⁵⁷ The cut-off date, set usually at the date of the census and asset inventory, determines the project affected persons and their eligibility.

5. This Standard also applies to any resettlement activities that are already underway or finalised before the Counterparty applies to the Bank for financing, if such activities were carried out in anticipation of, or preparation for the Project.
6. This Standard does not apply to:
 - a. resettlement resulting from voluntary land transactions (market transactions in which the seller is not obliged to sell and the buyer cannot resort to expropriation or to other compulsory procedures if negotiations fail) and where such a transaction affects only those with legal rights;
 - b. indirect livelihood impacts not caused by project-related land acquisition or land use restriction;
 - c. displacement that occurs as a direct result of a natural disaster, armed-conflict, crime or violence.

Requirements for Projects located in EU countries

7. The Counterparty shall ensure that the Project located in the EU country complies with the relevant national and EU legislation, as well as any obligations deriving from the applicable international conventions and multilateral agreements signed and ratified by the host country as well as any obligations deriving from the relevant case-law of the European Court of Human Rights.
8. The Counterparty shall consider feasible alternative project options to avoid or at least minimise physical and/or economic displacement, while balancing environmental, social, including gender, and economic costs and benefits.
9. If the Project leads to a displacement of persons, such as slum-dwellers or squatters who are occupying the land or assets without a formal legal title, the Counterparty must follow the requirements of article 31 to 34 of this Standard.
10. The Counterparty shall supplement its resettlement planning and actions with any additional action identified and/or deemed necessary by the Bank, in line with the provisions listed in this Standard.
11. The Counterparty shall report on the resettlement process to the Bank when requested by the Bank. The Counterparty may also be requested by the Bank to provide relevant documentation substantiating the resettlement process to the Bank during appraisal or implementation.

Requirements for Projects located in non-EU countries

12. For a Project located in a non-EU country, the Counterparty shall comply with applicable national legislation, any obligations deriving from the applicable international conventions and multilateral agreements signed and ratified by the host country as well as any obligations deriving from the relevant case-law of the European Court of Human Rights, and the requirements in articles 13 to 46 of this Standard.
13. The Counterparty shall allocate appropriate funds and resources throughout the resettlement process, as early as possible.

Avoiding/minimising involuntary resettlement

14. The Counterparty shall consider feasible alternative Project options to avoid or at least minimise physical and/or economic displacement, while balancing environmental, social, including gender, and economic costs and benefits.

Scope and planning

15. The Counterparty shall establish baseline information on assets, productive resources and status of livelihoods to determine the required scope of Involuntary Resettlement planning as early as possible in the project Preparation. The baseline information shall be established through a survey of land and assets, a full census of persons to be displaced or people whose livelihood would be directly affected, and an evaluation of socio-economic conditions to identify the presence and assess the specific needs of vulnerable, systematically marginalised or excluded individuals or groups and, take gender into account throughout the process, considering women's perspectives and interests in all resettlement aspects.⁵⁸ The baseline shall consider customary rights and collective or communal forms of land tenure.

⁵⁸ Including in the census, validation, payment of compensation and livelihood restoration, as well as stakeholder's engagement.

16. The resettlement planning process and documentation shall be proportional to the nature and degree of the impacts. The degree of impacts is determined by: (a) the scope of physical and economic displacement; and (b) the vulnerability of the persons to be displaced by the Project.

Preparation of Resettlement Plan/Livelihood Restoration Plan

17. When displacement is physical, the Counterparty shall prepare a Resettlement Plan that defines the displaced people's entitlements, income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget and a time-bound implementation schedule and provisions for grievance redress. The Counterparty shall involve project affected persons in consultation on the resettlement plan and disclose the draft resettlement documentation.
18. The Resettlement Plan shall complement the broader analysis of social risks and adverse impacts in the environmental and social assessment and shall provide appropriate guidance to address the specific issues associated with Involuntary Resettlement, including land acquisition, changes in land use rights, customary rights, physical and economic displacement, and potential design adjustments that may reduce the nature and/or extent of the resettlement.
19. When displacement is only economic, the Counterparty shall prepare a Livelihood Restoration Plan, including measures to be taken in case of disputes over-compensation.
20. The Resettlement Plan/Livelihood Restoration Plan may establish a cut-off date for eligibility. The Counterparty will not be required to compensate or assist persons who encroach on the project area after the cut-off date.
21. Where impacts on the entire displaced population are minor,⁵⁹ the Counterparty may, in agreement with the Bank, prepare an abbreviated Resettlement Plan/Livelihood Restoration Plan, covering specific elements which may be determined by the Bank.

Preparation of Resettlement Planning Framework/Livelihood Restoration Framework

22. The Counterparty may be required by the Bank to prepare a Resettlement Planning Framework or Livelihood Restoration Framework in the following specific circumstances:
 - a. the Project is likely to involve Involuntary Resettlement but consists of a programme or series of activities the details of which are not yet identified at the time the Project is approved by the Bank; or
 - b. the Bank determines that the environmental and social safeguard assessment of identified project activities involving Involuntary Resettlement may be conducted using a phased approach.
23. The Resettlement Planning Framework or Livelihood Restoration Framework should be prepared as early as possible in the project planning stage and should contain at least the following elements:
 - a. Arrangements foreseen for the preparation of specific Resettlement Plans or Livelihood Restoration Plans where appropriate;
 - b. Budgetary provisions to cover the potential costs of project-related land acquisition, economic displacement and involuntary resettlement.

Consultations

24. The Counterparty shall carry out meaningful consultations with persons who will be displaced by the Project, host communities and relevant stakeholders, and facilitate their informed participation in the consultations throughout resettlement planning, implementation, monitoring and evaluation, as outlined in Standard 10. The Counterparty shall consult with all persons who will be displaced on their rights within the resettlement process, entitlements and resettlement options, and any further participation process.
25. The Counterparty shall pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, people with disabilities, Indigenous people, and those without legal title to land, and facilitate their participation in consultations.

⁵⁹ Impacts are considered minor when these affect less than 50 people, or if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.

Resettlement assistance and social support

26. The Counterparty shall provide persons displaced by the Project with the necessary assistance, including the following:
- a. if there is relocation, security of tenure (with tenure rights that are at least as strong as the rights the displaced persons had to the land or assets from which they have been displaced) of relocation land (and assets, as applicable), adequate housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities and extension of the project benefits to host communities to facilitate the resettlement process;
 - b. transitional support and development assistance, such as land development, credit facilities, training or employment opportunities;
 - c. civic infrastructure and community services, as required; and
 - d. specific assistance to woman-headed households and vulnerable households.
27. Where involuntary resettlement risks and impacts are highly complex and sensitive, the Counterparty shall support the social and cultural institutions of persons displaced by the Project and their host communities as part of the Resettlement Plan or Livelihood Restoration Plan. In such cases, the Counterparty may consider implementing a social preparation phase to build the capacity of vulnerable groups to address resettlement issues, consisting of consultation with affected persons and the host population before key compensation and resettlement decisions are made. The cost of social preparation should be included in the resettlement budget.

Livelihood restoration and standards of living

28. The Counterparty shall improve, or at least restore, the livelihoods of all persons displaced by the Project through:
- a. where possible, land-based resettlement strategies when affected livelihoods are land-based or where land is collectively owned; or cash compensation at the replacement value for land, including transitional costs, when the loss of land does not undermine livelihoods;
 - b. prompt replacement of assets with assets of equal or higher value;
 - c. prompt compensation at the full replacement cost⁶⁰ for assets that cannot be restored;
 - d. capacity building programmes to support improved use of livelihood resources and to enhance access to alternative sources of livelihood. Include transaction costs in determining compensation; and
 - e. any other opportunities for the provision of additional revenues and services through benefit-sharing, as the nature and objectives of the project allows.
29. The Counterparty shall improve the standards of living for the poor and for other vulnerable groups displaced by the Project, including women, children and persons with disabilities, to at least national minimum standards, including access to social protection systems. In rural areas, the Counterparty shall provide these groups with legal and affordable access to land and resources, and in urban areas with appropriate income sources and legal and affordable access to adequate housing.

⁶⁰ Full replacement cost is a method of valuation that provides sufficient compensation to replace affected assets, plus the necessary transaction costs associated with replacement. Where functioning markets exist, full replacement cost is the market value established through independent and competent valuation, plus transaction costs. Where functioning markets do not exist, it may be determined through alternative means, such as the output value of land or productive assets, or the undepreciated value of replacement materials and labour for structures or other fixed assets, plus transaction costs. Where physical displacement results in loss of shelter, full replacement cost must at least be sufficient to enable the purchase or construction of housing that meets acceptable minimum standards of quality and safety. The valuation method shall be documented in the relevant resettlement planning documents. Transaction costs may include administrative charges, registration or title fees, reasonable moving expenses, and similar costs imposed on affected persons.

Negotiated settlement

30. The Counterparty shall develop procedures in a transparent, consistent and equitable manner if land is acquired or changes in land use rights are acquired through negotiated settlement under the Project, to ensure that those persons who enter into negotiated settlements maintain the same or improve their income and livelihood status.

Persons without title or legal rights

31. Concerning persons displaced by the Project who are without title to land or any recognisable legal rights to land, the Counterparty shall:
 - a. ensure that they are eligible for, and receive, resettlement assistance and compensation for loss of non-land assets, in accordance with the cut-off dates established in the resettlement plan. The Counterparty is not required to compensate them for the land that has been settled illegally;
 - b. include them in the resettlement consultation process;
 - c. if claims have been made by these displaced persons that are currently under administrative or legal review, develop procedures to address these situations.
 - d. whenever vulnerable persons are identified, specific assistance shall be provided, in particular, the Counterparty shall consider specific arrangements to allow them to obtain adequate housing and social assistance and pursue security of tenure.

Evictions

32. Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, lands and/or common property resources (either legally owned or informally occupied) without the provision of, or access to, appropriate forms of legal and other protection, or adherence to the basic requirements defined in this Standard. Forced evictions constitute a gross violation of human rights and are not tolerated by the Bank.
33. Eviction can be carried out in exceptional circumstances: when in full compliance with the requirements of national law and in compliance with this standard and international human rights principles, and in such cases, the Counterparty will ensure that: adequate advance notice and meaningful consultation throughout the process are provided; legal and other remedies are available at all times; evictions do not result in homelessness; adequate compensation is provided before the eviction takes place.
34. The Counterparty shall notify the Bank before any eviction takes place. The Bank can request a statement that the above conditions have been and/or are being met.

Information disclosure

35. The Counterparty shall disclose the draft and final version of the Resettlement Plan, or Livelihood Restoration Plan, including documentation of the consultation process, to affected persons and other relevant stakeholders in a timely, accessible, and understandable manner, as outlined in Standard 10.
36. Regularly disclose updated environmental and social safeguard information, along with information on any relevant material changes in the Project.

Implementation

37. The Counterparty shall design and execute Involuntary Resettlement or Livelihood Restoration activities as part of the Project and include the full costs of resettlement in the project's costs and benefits. For a Project with significant Involuntary Resettlement impacts, the Counterparty may consider implementing the Involuntary Resettlement component of the Project as a stand-alone project.
38. The Counterparty shall provide compensation and other resettlement entitlements before any physical or economic displacement of the affected persons takes place under the Project.

Monitoring

39. The Counterparty shall monitor and assess resettlement outcomes under the Project, their impacts on the standards of living of displaced persons and whether the objectives of the Resettlement Plan/Livelihood Restoration Plan have been achieved, by considering the baseline conditions and the results of resettlement monitoring. The extent of monitoring shall be proportional to the risks and impacts of the Project. The Counterparty may consider the use of suitably qualified and experienced third parties to support monitoring activities and reporting.
40. The Counterparty shall submit to the Bank monitoring reports on resettlement, when requested by the Bank, including information about grievances. Responsibility for providing the Bank with such monitoring reports remains with the Counterparty, even where land acquisition and resettlement are implemented by a third party.
41. Depending on the magnitude of impacts, the Bank may require that:
 - a. the Counterparty engages an external party to conduct monitoring or a mid-term review/audit in the case of significant involuntary resettlement impacts. Monitoring shall assess, among others, adequacy of entitlements and assistance to offset all losses and impacts.
 - b. the Counterparty present to the Bank an audit report upon completion of all resettlement activities. The report shall assess whether livelihoods and living standards have been improved or at least restored and, if necessary, propose corrective actions to meet initial objectives. An external party shall carry out the evaluation for large scale resettlements.
42. The Counterparty shall put in place the corrective actions deemed necessary during resettlement monitoring and/or the final audit, in line with the provisions listed in this Standard.

Handling of complaints from persons subject to involuntary resettlement

43. The Counterparty shall establish a Project grievance mechanism consistent with the requirements set out in Standard 10 as early as possible. The mechanism will be socially appropriate and readily accessible, regardless of gender or any socioeconomic characteristics.
44. The mechanism must address in a timely manner concerns and grievances related to the involuntary resettlement process, such as entitlements, access to information, compensation or relocation, raised by people displaced by the Project, host communities or others. The mechanism must include a recourse procedure to resolve disputes in an impartial manner. The mechanism should not impede access to the country's available judicial or administrative remedies.

Third party responsibilities

45. The Counterparty might not be directly responsible for the preparation and implementation of the resettlement. Even if that is the case, the Project shall comply with all requirements listed in this Standard and the Counterparty must ensure that those responsible for the involuntary resettlement related to the Project follow this Standard.
46. When land acquisition and/or resettlement involves the responsibility of third-party entities, such as the government, the Counterparty shall:
 - a. engage with the responsible entity as early as possible in order to explore ways and means to reach compliance with this Standard and inform it about any potential gaps between national law/practices and this Standard;
 - b. when allowed by the responsible entity, participate in and support the resettlement planning, implementation and monitoring;
 - c. when national practices do not comply with this Standard, take responsibility for bridging these gaps in a manner that is acceptable to the responsible entity and to the Bank; and
 - d. if possible, agree and define clearly in writing each entity's roles and responsibilities in line with this Standard.

Standard 6 – Biodiversity and ecosystems

Introduction

1. This Standard recognises that the conservation of biodiversity⁶¹ and ecosystems⁶² and the sustainable management of their ecological functions and processes are fundamental to environmental and social sustainability.
2. This Standard outlines how the Counterparty should manage risks and impacts from the Project on biodiversity and ecosystems, following the mitigation hierarchy in order to avoid or limit adverse effects, and, where possible, promote positive impacts.

Objectives

3. The objectives of this Standard are to:
 - a. protect and conserve biodiversity and habitats,⁶³ including areas of high ecological value and importance to local communities;
 - b. apply the mitigation hierarchy and precautionary principle to avoid, or where unavoidable, minimise, restore and, as a last resort, compensate for any residual impacts on biodiversity and ecosystems;
 - c. promote the sustainable use of natural resources and the long-term maintenance of ecosystem services.
 - d. align with national and international biodiversity goals and engage with stakeholders in conservation efforts through project planning and implementation.

Scope

4. This Standard applies to a Project that is likely to have potential biodiversity, habitats and/or ecosystems risk or impacts and/or when the relevance of such risks or impacts is determined through the Counterparty's environmental and/or social impact assessment (EIA/ESIA) process.
5. The requirements of this Standard will also apply to a Project when:⁶⁴
 - a. The Project affects or may affect, positively or negatively biodiversity, habitats and/or ecosystems, notably, protected areas or recognised areas of high biodiversity value;
 - b. The Project affects or may affect the access of communities to these areas;
 - c. The Project involves primary production and/or the procurement of living natural resources.⁶⁵

Requirements

6. The Counterparty will identify, assess and manage the impacts and risks of the Project that could potentially affect biodiversity and ecosystems, either positively or negatively, directly or indirectly, and on which the Project may depend on for its success. The implementation of the actions necessary to meet the requirements of this Standard will be managed under the Counterparty's overall Environmental and Social Management System (ESMS) and project-specific Environmental and Social Management Plans (ESMPs), in accordance with the requirements outlined in Standard 1.
7. The Counterparty will comply with the requirements of this Standard, applicable national legislation, and relevant international treaties concerning the protection and conservation of biodiversity, ecosystems and ecosystem services that are applicable in the jurisdiction where the Project is

⁶¹ In this Standard, biodiversity is defined as the "variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems." (Article 2 of the Convention on Biological Diversity, UN 1992).

⁶² In this Standard, ecosystem is defined as "a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit." (Article 2 of the Convention on Biological Diversity, UN 1992).

⁶³ In this Standard, habitat is defined as the terrestrial or aquatic areas distinguished by geographic, abiotic and biotic features, whether entirely natural or semi-natural, that supports assemblages of living organisms and their interactions with the non-living environment.

⁶⁴ Throughout the project cycle.

⁶⁵ In this Standard, living natural resources are defined as the plants and animals that are cultivated for human or animal consumption and use, whether in the wild or in a cultivated situation.

undertaken. For Projects located in the EU, the Counterparty will also comply with applicable EU legislation.

Assessment of significant impacts and risks affecting biodiversity and ecosystems

8. The Counterparty will identify the potential project-related direct, indirect, cumulative and in-combination risks and impacts on biodiversity, habitats and/or ecosystems as part of the EIA/ESIA as set out in Standard 1.
9. The assessment will be made early in the project life-cycle, prior to conducting activities that can result in impacts and consider any areas of potential biodiversity importance that may be affected by the Project, whether or not these are protected under national law. This assessment shall also include, as a minimum, the threats to biodiversity and ecosystems such as the loss, degradation and fragmentation of habitats, the loss of species diversity and abundance, the loss of genetic diversity, the degradation of ecosystem services, pollution and incidental take, as well as project-related climate change impacts.
10. The Counterparty's assessment shall include the characterisation of the baseline conditions to a degree that is proportional and specific to the anticipated risk and significance of impacts. In planning and carrying out biodiversity-related baseline and impact assessments, the Counterparty will rely on desktop reviews, consultations with experts and field-based approaches, or any additional study or investigation needed, as appropriate.
11. The assessment shall be done in sufficient detail to characterise the impacts, based on their likelihood, significance and severity, and reflect the concerns of potentially affected communities and, where relevant, other stakeholders. The assessment process will consider (i) potential landscape-level impacts, seasonal constraints and/or sensitivities, (ii) impacts on the ecological integrity of these ecosystems, regardless of the degree of their disturbance or degradation; and (iii) any climate change impacts and risks affecting biodiversity and ecosystems, as well as the appropriate measures required to adapt to a changing climate.
12. Where the assessment has identified potential risks and impacts on biodiversity, habitats and/or ecosystems, the Counterparty shall avoid adverse impacts. When avoidance is not possible, the Counterparty will apply the mitigation hierarchy and minimise or mitigate these impacts. Offsetting and restoration should be considered a last resort, where any significant residual impacts remain despite best efforts to avoid, minimise or mitigate them.
13. The Counterparty will adopt a precautionary principle and apply adaptive management practices in which the implementation of mitigation and management measures are responsive to changing conditions and the results of project monitoring.

Protection and conservation of priority biodiversity features and critical habitats

14. Priority biodiversity features are a subset of biodiversity, and refer to features such as threatened habitats, vulnerable species,⁶⁶ significant and nationally recognised⁶⁷ biodiversity features, or ecological functions needed for the viability of critical ecosystems.
15. Where the assessment above identifies that the Project could have significant, adverse and irreversible impacts on priority biodiversity, the Counterparty will not implement any project activities unless the following conditions are met:
 - a. The Counterparty demonstrates to the Bank that there are no other technically and financially viable alternatives;
 - b. The Project is permitted under applicable environmental legislation, recognising the priority biodiversity features;
 - c. Stakeholders are appropriately consulted; and

⁶⁶ In this Standard, vulnerable species means each species included in the IUCN Red List of threatened species and in relevant national legislation. IUCN Red List of Threatened Species: <https://www.iucnredlist.org/>.

⁶⁷ Significant and nationally recognised biodiversity features refer to recognition by a broad set of stakeholders and/or the national government.

- d. Appropriate measures are put in place, in accordance with the mitigation hierarchy, to ensure, at a minimum, No Net Loss.⁶⁸
16. Critical habitats refer to the most sensitive priority biodiversity features and comprise one of the following:
 - a. a highly threatened and/or unique ecosystem;
 - b. a habitat of significant importance to critically endangered, endangered or vulnerable species;
 - c. a habitat of significant importance to a population, range or distribution of endemic or restricted-range species, or highly distinctive assemblages of species;
 - d. a habitat required for the survival of migratory species and/or congregatory species;
 - e. biodiversity and/or an ecosystem of significant social, economic or cultural importance to local communities and indigenous groups;
 - f. a habitat of key scientific value and/or associated with key evolutionary processes.
 17. In areas of critical habitat, the Counterparty will not implement any project activities unless the following conditions are met and demonstrated to the Bank:
 - a. No other viable alternatives for the Project exist either in terms of location or design, and there is rigorous justification of overriding public interest based on human health, public safety considerations and/or beneficial consequences of primary importance for the environment;
 - b. The Project is permitted under applicable environmental legislation, recognising the priority biodiversity features;
 - c. The Project does not lead to measurable adverse impacts on the ecological and conservation status of the critical habitat, and impacts are avoided and minimised to the extent possible through changes in footprint or design;
 - d. The Project does not lead to a net reduction⁶⁹ in the population of any vulnerable, endangered or critically endangered species over a reasonable period of time;⁷⁰
 - e. Stakeholders are appropriately consulted;
 - f. The Project is designed to achieve positive conservation outcomes and continued ecological functionality through appropriate compensation measures for residual impacts that would otherwise occur despite impact avoidance, minimisation and restoration measures; and
 - g. The Counterparty's adaptive management programme includes a robust, appropriately designed and long-term biodiversity monitoring and evaluation programme aimed at assessing the status of the critical habitat.
 18. In particular, in EU countries, where the assessment covers animal and plant species that benefit from the strict protection regime under the EU Habitats Directive, incorporated into the critical habitat definition, the Counterparty shall obtain evidence of any derogation from this regime, issued by the relevant competent authority, as appropriate.

Compensation and offset

19. Compensation measures, including biodiversity offsets, shall be considered only as a last resort, when residual impacts cannot be avoided, mitigated, addressed with restoration. A biodiversity offset must be designed and implemented to achieve measurable conservation outcomes that are reasonably expected to result in no net loss and preferably a net gain⁷¹ of biodiversity.

⁶⁸ In this Standard, "no net loss" is defined as the point at which project-related biodiversity losses are balanced by gains resulting from measures taken to avoid and minimise these impacts, to undertake on-site restoration and to offset significant residual impacts, if any, on an appropriate geographic scale.

⁶⁹ Net reduction is a singular or cumulative loss in individuals that impacts on the species' ability to persist at the global, and/or national/regional scales for many generations or over a long period of time. The scale (i.e. global and/or national/regional) of the potential net reduction is determined based on the species' listing on either the (global) IUCN Red List and/or on the national/regional lists. For species listed on both the (global) IUCN Red List and the national/regional lists, the net reduction is based on the national/regional population.

⁷⁰ The timeframe for which the Counterparty must demonstrate "no net reduction" of vulnerable, endangered and critically endangered species shall be determined on a case-by-case basis in consultation with qualified experts in the field.

⁷¹ Net gains are additional conservation outcomes that can be achieved for the biodiversity values for which the critical habitat was designated.

20. Where a Project is situated in or affects critical habitat:
 - a. Biodiversity offsets are considered only exceptionally and, in those cases, the Counterparty must demonstrate to the Bank that the Project will result in a net positive impact on biodiversity and ecosystem services. Biodiversity offsets are not an acceptable measure to achieve net positive impacts for critical habitats.
 - b. Projects that are expected to have residual impacts which compromise the long-term viability of critical habitat or habitats of critical biodiversity value shall not proceed with reliance on compensation or offsets. In such cases, the Counterparty shall undertake to redesign the Project to avoid the need for such compensation/offset.
21. When compensation is determined to be appropriate, the Counterparty shall prepare a compensation/offset implementation and management plan. The plan shall i) provide the rationale for the proposed compensation or offset based on robust evidence, ii) be designed in accordance with the “like for like or better” principle,⁷² iii) outline the actions planned, the monitoring approach and measurable outcomes, iv) address, when relevant the potential adverse impacts of the compensation measures themselves on local communities and identify, if any, strategies to mitigate the risks, v) detail financial and institutional arrangements, ensuring adequate resources and responsible parties for the full duration of the Project’s residual impacts. Compensation plans for residual impacts on priority biodiversity features or critical habitat may require external review by a qualified, independent expert, in agreement with the Bank.

Legally protected areas and/or internationally recognised areas of biodiversity value

22. In case the Project can affect an area that is legally protected, internationally recognised⁷³ or proposed for such status by national governments, the Counterparty shall:
 - a. Demonstrate to the Bank that the proposed development in the area is legally permitted;
 - b. Demonstrate to the Bank that the design of the Project is consistent with a recognised management plan for the protected or designated conservation area; in the absence of a recognised plan, the Project should be compatible with the achievement of the relevant conservation objectives used to designate the area in question;
 - c. Consult stakeholders, as appropriate, the relevant managing authorities for the protected area, local communities and other relevant stakeholders on the proposed Project;
 - d. Implement additional programmes, as appropriate, to promote and enhance the conservation objectives and effective management of the protected area.
23. A Project located in EU that is likely to have significant effects on a Natura 2000 site⁷⁴ shall be subject to an assessment according to the Habitats Directive. The Counterparty shall undertake an appropriate assessment in accordance with the Habitats Directive. When this assessment is integrated into the EIA report, it has to be distinguishable and identifiable. Related documentation could be requested by the Bank.

Invasive alien species

24. Throughout the project life-cycle, the Counterparty will not intentionally introduce alien species into areas where they are not normally found, unless this is carried out in accordance with the applicable international, EU and/or national regulatory framework. Species known to be invasive cannot be introduced under any circumstances.
25. The Counterparty will assess the potential risks and impacts of the accidental transfer and release of alien species on biodiversity and ecosystems in connection with a Project, as well as mitigation options when relevant.

⁷² The principle of “like-for-like or better” means that in most cases, the biodiversity offset should be designed to conserve the same biodiversity and ecosystem values that are affected by the project.

⁷³ Sites recognised under international conventions or agreements, including, but not limited to, UNESCO Natural World Heritage Sites, UNESCO Man-and-Biosphere Reserves and the Ramsar List of Wetlands of International Importance.

⁷⁴ Natura 2000 sites represent sites designated for habitat types and species of Community interest listed in Annexes I and II of the Habitats Directive and the sites classified under Directive 2009/147/EC on the conservation of wild birds (Birds Directive).

26. The Counterparty will identify mitigation measures that control, or attempt to control, the spread of invasive species into areas where they are currently not established, when relevant. Where possible, the Counterparty will implement measures to limit the spread of or eradicate such species from the areas over which the Counterparty has management control.

Sustainable management and use of living natural resources

27. The Counterparty will manage living natural resources in a sustainable manner, through the application of national regulatory requirements, relevant project-specific standards incorporated in EU legislation on the environment as well as EU animal welfare legislation, and good management and industry practices, as applicable, throughout the lifecycle of the Project.
28. The Counterparty should consider adopting globally, regionally or nationally recognised certification standards for the sustainable management, procurement and use of living natural resource when applicable at project level. In the absence of relevant standards and/or certification systems, the Counterparty will commit to applying appropriate industry-specific sustainable management practices.

Supply chain

29. When purchasing natural resource commodities (such as food, timber, or fibre) from areas with a risk of significant habitat conversion or degradation, the Counterparty shall identify and assess the associated biodiversity and ecosystem risks, to ensure that primary suppliers do not contribute to significant harm by verifying sourcing practices, limiting procurement to responsible suppliers wherever possible, and shifting to sustainable suppliers within a reasonable timeframe when needed.
30. Where credible sustainability standards or certification schemes exist, these should guide procurement. If no such standards are available, the Counterparty must apply good international practices to ascertain that natural resources are legally and sustainably sourced. For other commodities, the Counterparty shall assess supply chain risks to biodiversity from primary suppliers and take appropriate action to mitigate adverse impacts, within the limits of their control or influence, to secure sustainable outcomes.

Standard 7 – Vulnerable groups, Indigenous Peoples and gender

Introduction

1. This Standard recognises that in some cases, persons or groups of people are vulnerable due to being marginalised, systematically discriminated against or excluded on the basis of their socioeconomic characteristics.⁷⁵ As a result, vulnerable people may be disproportionately affected by project risks and impacts or may face additional barriers that limit their ability to access project benefits. Gender-based discrimination often exacerbates vulnerability, exclusion, and/or marginalisation.
2. Indigenous Peoples and ethnic minorities have identities and livelihoods that are distinct from dominant groups within their respective countries. They may be among the most marginalised and vulnerable segments of the population.
3. This Standard outlines the responsibilities of the Counterparty in terms of assessing, managing and monitoring project impacts, risks, and opportunities related to vulnerable groups, women and Indigenous Peoples.⁷⁶ It also calls for consideration of gender-differentiated impacts and risks.

Objectives

4. The Objectives of this Standard are to:
 - ensure that Projects respect the rights and interests of vulnerable and Indigenous Peoples;
 - anticipate and avoid adverse risks and impacts of Projects on the lives and livelihoods of vulnerable, women and Indigenous Peoples;
 - facilitate their equitable access to mitigation, compensation measures and project benefits;
 - foster their effective participation in the design of project activities and mitigation measures;
 - promote accessible, culturally appropriate and inclusive and gender-sensitive project development;
 - promote gender equality as a basic human right crucial for sustainable development, by identifying and addressing gender-related risks and barriers, and supporting positive impact on gender equality when appropriate.
5. The additional objectives specific to Projects affecting Indigenous Peoples only are to:
 - ensure that the Counterparty carries out good faith negotiation with project-affected Indigenous Peoples and obtain their free, prior and informed consent (FPIC) when required;
 - respect the rights of indigenous communities in voluntary isolation and adhere to the principle of no contact unless the contact is at the initiative of the peoples in isolation.

Scope

6. This Standard applies to a Project that is likely to have potential significant risks and impacts that may disproportionately affect vulnerable groups or indigenous populations and/or when the relevance of such risks or impacts is determined through the Counterparty's environmental and/or social impact assessment (EIA/ESIA) process. In particular, for indigenous populations, this Standard applies whenever Indigenous Peoples are present in or have collective attachment to: (i) a proposed project area; or (ii) an area that will be negatively impacted by the project, regardless of whether Indigenous Peoples are positively or negatively affected by the Project.

⁷⁵ Such characteristics include, but are not limited to: sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, property, nationality, language, marital or family status, health status, or migrant or economic status.

⁷⁶ Defined in article 7.

7. In this Standard, the term “Indigenous Peoples” is used to refer exclusively to a social and cultural group, distinct from dominant groups within their respective countries, possessing the following characteristics in varying degrees:
- self-identification as members of a distinct ethnic or cultural group and recognition of this identity by others;
 - collective attachment to geographically distinct habitats, ancestral lands, or areas of seasonal use or occupation, and to the natural resources in these areas;
 - customary cultural, economic, social or political institutions, laws or regulations that are distinct or separate from those of the dominant society or culture;
 - a language or dialect, often different from the official language or languages of the country or region in which they reside.
8. This Standard also applies to communities or groups of Indigenous Peoples who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programmes, dispossession of their land, natural disasters, or incorporation of such territories into an urban area.⁷⁷ It also applies to Indigenous Peoples recognised in a certain jurisdiction who do not necessarily possess the characteristics listed in article 7 of this Standard.

Requirements for Projects affecting vulnerable groups

Projects located in EU countries

9. For Projects located in EU countries, the Counterparty shall comply with the relevant national and EU legislation.
10. As part of the EIA process, the Counterparty shall assess if there are any vulnerable groups of people who could be disproportionately affected by the project, or if the project is likely to affect human or community health or welfare. To this end, the Counterparty shall take the necessary measures to identify vulnerable, marginalised or discriminated-against persons and groups that may be affected by the Project and assess the nature and extent of the project-related risks and impacts that may be affecting them, including specific gender risks if any. Any such impacts shall be managed and mitigated through appropriate mitigation and/or compensation measures, in line with the objectives of this Standard.
11. The Counterparty shall adopt a gender-responsive approach to the identification, management, and monitoring of environmental and social impacts and risks.⁷⁸
12. The Bank recognises that individuals may experience multiple, overlapping and intersecting forms of discrimination, reinforcing their vulnerability. The Counterparty is therefore encouraged to identify and address such intersectional risks and barriers when designing mitigation measures and ensuring access to benefits.
13. If the Counterparty or the Bank identifies the likelihood of disproportionate adverse impacts and risks affecting vulnerable persons and/or groups of people that may not be covered by an EIA process, the Counterparty can be required to supplement its assessment with any action identified and/or deemed necessary by the Bank, in line with this Standard.

⁷⁷ In urban areas, the Standard does not apply to individuals or small groups migrating to urban areas in search of economic opportunity. It may apply, however where Indigenous Peoples have established distinct communities in or near urban areas but still possess the characteristics stated in article 7 of this Standard.

⁷⁸ In line with the spirit and principles of [CETS 210 - Council of Europe Convention on preventing and combating violence against women and domestic violence](#) and [Convention on the Elimination of All Forms of Discrimination against Women 29th Session 30 June to 25 July 2003](#).

Projects located in non-EU countries

14. For Projects located outside the EU, the Counterparty shall comply with national legislation and this Standard.
15. The Counterparty shall take steps to ensure compliance with the standard as early as possible in the project cycle, particularly during the EIA or ESIA process, as applicable.
16. The Counterparty shall identify the likelihood of the Project disproportionately impacting vulnerable groups and, in particular, any groups with rights that require special protection.⁷⁹
17. The Counterparty shall take the necessary measures to identify vulnerable, marginalised or discriminated-against persons and groups that may be affected by the Project and assess the nature and extent of the project-related risks and impacts that may be affecting them, including specific gender risks if any. The assessment should cover: i) the profile of the vulnerable groups and persons, ii) their specific context, including legal, institutional, cultural, social and gender aspects, and nature of the marginalisation, discrimination, and/or exclusion suffered, iii) the type, scope, nature and significance of both positive and negative project impacts on these persons and/or groups.
18. The Counterparty shall avoid potential project risks and impacts that would affect the lives and livelihoods to those persons and groups; or when avoidance is not feasible, to reduce, minimise, mitigate or effectively compensate/remedy such impacts, so that risks and impacts do not fall disproportionately on them. The Counterparty shall facilitate the equitable access to mitigation and compensation measures to the identified population.
19. The Counterparty shall ensure that these people are able to take advantage of opportunities to benefit from the Project.
20. The Counterparty will engage with the affected vulnerable persons and/or groups and give them equal opportunity to voice their opinions about proposed project activities and mitigation measures that might affect them, in line with the requirements set out in Standard 10.
21. The Counterparty shall adopt a gender-responsive approach to the identification, management, and monitoring of environmental and social impacts and risks.⁸⁰
22. If the Counterparty or the Bank identifies the likelihood of disproportionate adverse impacts and risks affecting vulnerable persons and/or groups of people that may not be covered by an EIA process, the Counterparty can be required to supplement its assessment with any action identified and/or deemed necessary by the Bank, in line with this Standard.
23. The Counterparty will ensure that the Project's monitoring system takes into account gender aspects and includes relevant socioeconomic indicators to effectively assess Project impacts on, and effectively respond to the rights and interests of, vulnerable persons and/or groups of people.
24. The Counterparty shall pay particular attention to critical situations where discrimination is systemic and entrenched, governance is poor and/or protection of the rights of vulnerable, marginalised or discriminated-against groups is weak.⁸¹

Requirements for Projects affecting Indigenous Peoples

25. For all Projects, whether located in EU or non-EU countries, that are likely to affect Indigenous Peoples, the Counterparty will ensure compliance with relevant applicable legislation and the requirements laid out in articles 26 to 45 of this Standard.

⁷⁹ Such as ethnic minority groups, LGBTI persons, children, women and girls or other individuals or groups in certain instances.

⁸⁰ In line with the spirit and principles of [CETS 210 - Council of Europe Convention on preventing and combating violence against women and domestic violence](#) and [Convention on the Elimination of All Forms of Discrimination against Women 29th Session 30 June to 25 July 2003](#).

⁸¹ E.g. conflict and post conflict areas.

Assessment

26. The Counterparty shall identify the likelihood of the Project impacting Indigenous Peoples as early as possible, in particular during the EIA/ESIA process. Where inhouse expertise is lacking, the Counterparty should seek the advice of qualified specialists.⁸²
27. The Bank reserves the right to determine on its own if the Project may have a potential impact on Indigenous Peoples,⁸³ the natural resources they rely upon and their cultural heritage.
28. Where Projects are likely to affect Indigenous Peoples, the Counterparty shall notify the Bank.
29. The Counterparty shall identify all communities of Indigenous Peoples that may be affected by the Project, assess the potential Project impacts and gather their views regarding the Project. This assessment shall consider the specific vulnerabilities of project-affected Indigenous Peoples to changes in their environment and way of life. This can be undertaken as an independent study or, if appropriate, as part of the EIA/ESIA report as defined in Standard 1.
30. The Counterparty shall seek to avoid impacts on Indigenous Peoples' lands or natural resources through the assessment of viable project options. Where the impacts cannot be avoided, the Counterparty shall implement the Free, Prior and Informed Consent (the "FPIC") process in line with articles 35 to 39 of this Standard. Actions to minimise, mitigate, and compensate (in line with articles 40 and 41) for adverse effects will be detailed in a time-bound plan, developed in consultation with the affected Indigenous Peoples, which can take one of the following forms:
 - an Indigenous Peoples Development Plan ("IPDP");
 - a broader Community Development Plan⁸⁴ ("CDP") addressing all affected communities and integrating information relating specifically to the affected Indigenous Peoples.
 - an Indigenous Peoples Planning Framework ("IPPF") may be appropriate when the design or location of the Project or sub-projects is not known during project preparation. This Framework should specify the timing for completion of any specific plans and include a clear statement of roles and responsibilities, budget, and commitment for funding.
31. Where the project-related activities have already started, the Counterparty shall provide the Bank with all relevant information and documents, to demonstrate that it has sought and acted upon the opinions of project-affected Indigenous Peoples. If the requirements of this Standard have not been met, the Counterparty shall carry out or commission an independent assessment. This assessment shall: (i) review the effects to date on the life and livelihoods of Indigenous Peoples; (ii) identify any gaps in relation to the requirements of this Standard; and (iii) identify remedial actions that may be required to achieve the intended outcomes of this Standard. The Counterparty will agree to a corrective action plan with the Bank.
32. The Counterparty shall engage with the affected Indigenous Peoples during the development of an IPDP, CDP, or IPPF and publicly disclose the plan once agreed upon by the affected Indigenous Peoples.

Meaningful consultation

33. The Counterparty will engage with the affected Indigenous Peoples throughout the project life-cycle and as early as possible in the project planning, in line with the requirements set out in Standard 10.
34. In addition to the general requirements for meaningful consultation, the consultation of Indigenous Peoples shall include the following specific elements:
 - the involvement of Indigenous Peoples' representative bodies (such as councils of elders or village councils), Indigenous Peoples' organisations as well as members of the affected communities of Indigenous Peoples;

⁸² Notably to ascertain whether a particular group meets the criteria in articles 7 and 8 of this Standard.

⁸³ Including their traditional ways of life, their displacement, and the substantial loss of their cultural heritage, both tangible and intangible.

⁸⁴ ACDP may be more appropriate when Indigenous Peoples live in mixed communities with non-indigenous people or when indigenous communities are not the only ones affected by the Project.

- due consideration of and respect for any relevant customary laws;
- sufficient time for Indigenous Peoples' collective decision-making processes;
- recognition of community heterogeneity and of the need to ensure an inclusive consultation process;
- obtaining the FPIC of Indigenous Peoples regarding the proposed activities, in accordance with the requirements of this Standard.

Free, Prior and Informed Consent (FPIC)

35. For the purpose of this Standard, FPIC refers to the process whereby the affected community of Indigenous Peoples arrives at an agreement in accordance with their cultural traditions and practices concerning the Project that is expected to have an impact on them. It is the result of a meaningful consultation processes as defined in articles 33 and 34 of this Standard, and shall be established through good faith negotiations between the Counterparty and the affected Indigenous Peoples. Specifically:
- *Free* implies no coercion, intimidation or manipulation;
 - *Prior* implies consent has been sought sufficiently in advance of any authorisation or commencement of activities and that the time requirements of indigenous consultation processes have been respected;
 - *Informed* implies that information is provided that covers (at least) the following aspects: (a) the nature, size, pace, reversibility and scope of any proposed project or activity; (b) the reason/s or purpose of the project and/or activity; (c) the duration of the project or activity; the locality of areas that will be affected; (e) a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risk- and benefit-sharing; (f) the personnel likely to be involved in the execution of the proposed project; and (g) procedures that the project may entail; and
 - *Consent* refers to the collective support of the community of Indigenous Peoples for the project activities that affect them.⁸⁵
36. The FPIC process is required where a Project:
- affects the customary lands or resources of Indigenous Peoples; or
 - relocates them from their traditional or customary lands or resources; or
 - affects or exploits their cultural resources or their ways of life.
37. When FPIC is required, the Counterparty will engage qualified specialists to assist in conducting and documenting the good-faith negotiations and FPIC process.
38. FPIC is expected to be fully documented as a mutually accepted process between the parties, carrying evidence of agreement between them as the outcome of the negotiations and clearly outlining benefit- and risk-sharing provisions. It requires that satisfactorily documented evidence be provided of the participation of the whole body of an affected indigenous community in the FPIC process. The Counterparty shall provide such documented evidence to the Bank when and if requested. Specifically, the Counterparty shall:
- fully document the mutually agreed-upon process between the Counterparty and the project-affected Indigenous Peoples as to how the FPIC process will be carried out;
 - provide evidence of agreement between the Counterparty and the affected indigenous community as to the outcome of the negotiations, accompanied by an IPDP;
 - provide evidence of legitimate representation and deliberative process among the affected indigenous community.

⁸⁵ FPIC does not require unanimity and may be achieved even when individuals or groups within or among project-affected Indigenous peoples explicitly disagree.

39. When the FPIC process is required, the Bank shall not be able to proceed with the financing of these activities unless the Counterparty is able to ascertain and document that the consent of Indigenous Peoples was obtained through an adequate FPIC process. The Counterparty shall carry out an FPIC process even if the right to FPIC has not been legally and formally recognised in the country or region where the project activities are located.

Compensation and benefit-sharing

40. In cooperation with the affected Indigenous community, the Counterparty shall provide compensation for any livelihood losses caused by the Project. Compensation shall comply with the requirements of Standard 5 and consider impacts on traditional lifestyles, such as nomadic or transhumant practices, family life, and gender-specific aspects of both wage and non-wage subsistence activities. Mutually acceptable and legally feasible mechanisms for transferring the compensation and/or resources will be developed. These may be provided on a collective basis where the land and resources are collectively owned.
41. The Counterparty shall provide indigenous peoples with opportunities for culturally appropriate development benefits. Such opportunities should be commensurate with the degree of Project impacts, with the aim of improving their standard of living and livelihoods in an appropriate manner and of fostering the long-term sustainability of the natural resources on which they may depend.

Cooperation with public authorities

42. Where the government has a defined role in the management of risks and impacts on Indigenous Peoples in relation to the Project, the Counterparty shall collaborate with the responsible government agency, to the extent that is feasible and permitted by the agency, to achieve outcomes that are consistent with the objectives of this Standard.

Grievance mechanism

43. The Counterparty shall establish a grievance mechanism for the Project, pursuant to the requirements of Standard 10, ensuring that it is both culturally appropriate and accessible to the affected Indigenous Peoples. In its design and implementation, due consideration shall be given to the availability of judicial remedies and the legitimacy and acceptability of customary dispute resolution mechanisms within the affected Indigenous community.
44. During project implementation, the Counterparty shall immediately notify the Bank of any conflicts between Indigenous Peoples and the Counterparty that remain unresolved, despite having gone through the project grievance mechanism.

Monitoring

45. The Counterparty shall ensure that the Project's monitoring system is adjusted to effectively respond to the rights and interests of Indigenous Peoples, and to safeguard them from instances of discrimination and unequal treatment. The system shall track and document the implementation of the engagement processes with them, and the implementation of IPDP or any other project activities and/or mitigation and remedial measures affecting them.

Standard 8 – Cultural heritage

Introduction

1. This Standard recognises the importance of protecting and conserving tangible and intangible cultural heritage. Cultural heritage is integral to cultural identity, a source of historical and scientific information, an asset for economic and social development and is fundamental to environmental and social sustainability for present and future generations.
2. The Standard is guided by the precautionary principle as well as relevant instruments and treaties⁸⁶ ratified by host countries for the respectful management of cultural heritage, as well as the respect of national laws and regulations.

Objective

3. This Standard outlines the responsibilities of the Counterparty as regards cultural heritage. The objectives of the Standard are to:
 - a. support the protection and conservation of cultural heritage;
 - b. adopt the precautionary principle and the mitigation hierarchy to preserve and protect cultural heritage;
 - c. promote the equitable sharing of benefits from the use of cultural heritage with local communities; and
 - d. promote awareness, appreciation and enhancement of cultural heritage.

Scope

4. This Standard applies to a Project that is likely to have potential significant risks or impacts on known cultural heritage, regardless of its protection status and/or when the relevance of such risks or impacts is determined through the Counterparty's environmental and/or social impact assessment (EIA/ESIA) process.
5. Additionally, the Standard also applies during project implementation when the Project affects or has the potential to affect cultural heritage, even if that had not been identified previously, including for Projects which:
 - a. involve excavation, demolition, movements of earth, canalisations or other changes in physical environment;
 - b. are located in, or near a recognised cultural heritage site;
 - c. are specifically designed to support the conservation, management and use of cultural heritage.
6. Cultural heritage refers to a set of resources inherited from the past that reflect and/or express evolving values, beliefs, knowledge and traditions, regardless of ownership. It includes tangible cultural heritage⁸⁷ and intangible cultural heritage.⁸⁸

General requirements

7. The Counterparty will avoid impacts on cultural heritage wherever possible during the project's life-cycle. When avoidance is not feasible, the Counterparty shall identify and implement appropriate measures to address potential risks and impacts in line with the mitigation hierarchy.⁸⁹

⁸⁶ Such as: The Council of Europe 1985 Convention for the Protection of the Architectural Heritage of Europe, the Council of Europe 1992 Valetta Convention on the Protection of the Archaeological Heritage, the Council of Europe 2000 European Landscape Convention, the Council of Europe 2005 Framework Convention on the Value of Cultural Heritage for Society (the Faro Convention), the UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage, the UNESCO 2001 Convention on the Protection of the Underwater Cultural Heritage, the UNESCO 2003 Convention for the Safeguarding of the Intangible Cultural Heritage.

⁸⁷ Physical items or sites of archaeological, historical, architectural, religious, aesthetic, or cultural importance such as buildings, monuments, landscapes, sacred spaces, objects and natural features.

⁸⁸ Non-physical traditions and practices such as expressions, knowledge, skills, and rituals, passed down through generations and recognised by communities as part of their identity.

⁸⁹ These may involve: the rerouting or changing the physical footprint of the project, in situ conservation and rehabilitation, the relocation of cultural heritage, documentation and cataloguing, and the transmission of cultural heritage-related knowledge.

8. The Counterparty should consider the potential risks and impacts⁹⁰ on cultural heritage related to the Project and assess the likelihood of chance finds related to the activities of the Project within the environmental and social assessment (EIA/ESIA, as outlined in Standard 1).
9. The assessment, to be prepared by qualified professionals with appropriate expertise, experience and qualifications in cultural heritage, shall be either a standalone study or included in the EIA/ESIA report, and shall include:
 - a. A project description and the alternatives considered, including whether and how the impact on cultural heritage were considered in the final selection;
 - b. A baseline study compiling the cultural heritage assets and their cultural significance, based on desk research and field surveys;
 - c. An assessment of both direct impacts (e.g., loss, destruction, or disturbance) and indirect impacts (e.g., visual effects) on cultural heritage;
 - d. Identification of measures to avoid, minimise, or mitigate significant adverse impacts through the application of the mitigation hierarchy;
 - e. If relevant, a cultural heritage management plan to guide the implementation of mitigation measures and ensure the long-term preservation of cultural heritage. This plan shall be part of the ESMP (as described in Standard 1). The plan shall be monitored explicitly and the Counterparty shall ensure that contractors implement it through appropriate contractual conditions.
10. If the Project is not subject to an EIA/ESIA process, depending on the nature and context of the Project and if there is reason to believe that there are existing cultural heritage assets in the proposed project area, the Bank may require the Counterparty to provide additional information or conduct further assessment(s), and the Counterparty may be required to take appropriate measures as per this Standard.

Chance find procedure

11. The Counterparty shall have procedures in place for managing “chance finds”, defined as tangible cultural heritage unexpectedly encountered during project implementation, and include them in construction contracts as appropriate. Chance find procedures will require: (i) notification to competent authorities; (ii) training for project personnel, including contractors and subcontractors, on proper protocols; and (iii) securing the site to prevent disturbance or damage. No chance finds shall be disturbed until assessed by qualified cultural heritage expert(s) and appropriate measures, consistent with national law and this Standard, are identified.

Stakeholders’ engagement

12. The Counterparty shall meaningfully consult and engage with relevant national or local regulatory authorities entrusted with the protection of cultural heritage, local communities and other relevant stakeholders as appropriate to identify, understand the significance, assess impacts and risks and assess risks, impacts and applying the mitigation hierarchy as well as identifying opportunities for potential community benefits. This engagement can be undertaken within the EIA/ESIA procedures or independently, and shall follow the requirements of Standard 10 (including the requirements related to the grievance mechanism outlined in Standard 10).

Sustained and safe access

13. The Counterparty shall allow continued access or shall provide alternative access, during construction and operation, in cases where the Projects affect the access to previously accessible cultural heritage sites.

⁹⁰ Including direct, indirect and cumulative risks and impacts.

Legally protected and internationally recognised areas

14. Where the Project is located in or affects legally protected cultural areas or areas proposed as such by national governments, the Counterparty will seek to avoid such impacts. Where impacts cannot be avoided and no alternatives are feasible, the Counterparty will proceed with development only when the Project:
 - a. complies with local, national and international cultural heritage regulations and the protected area management plans and obtain legal approval and permitting for any proposed development, including necessary impact assessment.
 - b. consults protected area regulators, relevant authorities, local communities and other stakeholders on the proposed Project;
 - c. explores opportunities and implements programmes to promote the conservation mandate of the protected area and contributes to the socioeconomic development of local communities, in accordance with the management plan of the protected area.

Project's use of cultural heritage

15. When the Project intends to use cultural resources, knowledge, innovations, or practices of local communities embodying traditional lifestyles, for commercial purposes, the Counterparty shall inform these communities in a timely and context specific manner, in a location, form and language understandable to the community, of: i) their rights under national law; ii) the scope and nature of the proposed commercial development, and iii) the potential consequences of such development. The Counterparty will proceed with such commercialisation only when: i) it enters in good faith negotiation with the affected local communities, ii) documents their informed participation and the successful outcome of the negotiation and iii) provides a fair and equitable share of the benefits from the commercialisation to the affected local communities, consistent with their customs and traditions. Whenever Indigenous People are involved, Standard 7 will also apply (including the requirements concerning Free, Prior and Informed Consent (FPIC) outlined in Standard 7).

Standard 9 – Financial intermediaries

Introduction

1. This Standard recognises financial intermediaries⁹¹ (“FI”) as a key partner to channel Bank funding to support eligible smaller Projects undertaken by micro-, small and medium-sized enterprises and public entities that cannot be financed directly.
2. Considering the nature of intermediated finance, the FIs assume delegated responsibility for environmental and social risk management and monitoring, as well as overall portfolio management in relation to such risks.
3. All individual Projects benefiting from the Bank’s support through intermediated finance are referred to as sub-projects.

Objective

4. This Standard outlines the responsibilities of the FI to identify, assess, manage and monitor the environmental and social impacts and risks arising from sub-projects financed with Bank funding.

Scope

5. The requirements of this Standard apply to all sub-projects financed with Bank funds through financial intermediaries, including those involving multiple levels of on-lending.
6. The requirements of this Standard do not apply to sub-projects financed through FIs with financing other than from Bank.

Requirements

7. The FI shall respect the labour rights of its employees and shall comply with the relevant applicable occupational health, safety and security laws and regulations, and with the principles and obligations set out in international conventions and multilateral agreements ratified by the country concerned, including the European Convention on Human Rights and the European Social Charter. In addition, the FI shall comply with the applicable national and EU legislation⁹² for Project located in EU countries. For Projects located in non-EU countries, the FI shall comply with applicable national legislation.
8. The FI must have a process to identify, assess, manage, and monitor environmental and social (ES) risks and impacts. This process should be commensurate to the FI’s size and activities and consider the level of environmental and social risks anticipated, notably as regards the sub-project’s characteristics, context, and sector sensitivity to environmental and social risks. The process may be standalone or integrated into the FI’s existing systems, such as credit or investment procedures.
9. The processes in place should enable the FI to:
 - a. Screen all sub-projects against the Bank Exclusion List⁹³
 - b. Meet any environmental and social undertakings as agreed in the legal agreement between the Bank and the FI;
 - c. Identify the level of environmental and social risks of the sub-projects, and assess and monitor, as applicable, how the environmental and social risks are managed;
 - d. Require that the sub-projects comply with applicable national legislation;
10. The processes of the FI should, when relevant, include a procedure for engaging with external stakeholders on environmental and social matters, and to respond to inquiries, concerns and grievances in a structured and timely manner.

⁹¹ Financial intermediaries can include, commercial banks, national/regional promotional banks, leasing companies and other financial institutions, funds and microfinance institutions. This also includes cases where Bank support is channelled to the FI through a public institution or entity.

⁹² EU Labour and Health & Safety legislation.

⁹³ As included in the Bank’s [Loan and Project Financing Policy](#).

11. The FI will provide to the Bank the information related to the processes and systems described above, including about the capacity of the FI for its implementation, and any other relevant information for the Bank to complete its due diligence.⁹⁴
12. Further environmental and social requirements identified as relevant during the due diligence/appraisal, adapted to the type of intermediated finance and the typology of sub-projects may be established in the legal agreement to be entered into with the FI. Notably, the Bank may consider establishing specific environmental and social requirements⁹⁵ for certain categories of sub-projects.⁹⁶
13. The FI shall report to the Bank in accordance with the requirements in the legal agreement.
14. The FI will meet applicable regulatory requirements for public disclosure and reporting of non-financial, sustainability related information, and implement disclosure and reporting frameworks as appropriate.
15. In cases where the FI focuses particularly on low-income and vulnerable clients,⁹⁷ the FI must demonstrate to the CEB its adherence to strong client protection principles.⁹⁸

⁹⁴ E.g. information necessary to assess the alignment with the objectives of the Paris Agreement.

⁹⁵ Such requirements may be related and not limited to climate aspects, ensuring alignment of with the objectives of the Paris Agreement, requirements related to EIA/ESIA, biodiversity, stakeholder engagement.

⁹⁶ E.g. Large-scale operations, sub-loans above a certain loan amount, Projects with mandatory EIA.

⁹⁷ E.g. women, minorities, clients in rural areas, youth etc.

⁹⁸ Strong client protection principles may be demonstrated through specific internal practices adopted by the FI and/or certifications obtained by the FI in this sense (for instance, the European Code of Good Conduct for Microcredit Provision).

Standard 10 – Stakeholder Engagement

Introduction

1. This Standard recognises the importance of stakeholder engagement between the Counterparty and project stakeholders as an essential element of good international practice, contributing to the overall sustainability and better outcomes of the Project. It can also enhance benefits for relevant stakeholders, project acceptance and make a significant contribution to successful project design and implementation.
2. Stakeholder engagement is an inclusive, iterative, and participatory process that involves the identification and analysis of stakeholders, engagement planning, information disclosure, meaningful consultation, and access to a grievance mechanism. It is most effective when initiated at an early stage of the project development process.

Objectives

3. This Standard outlines the Counterparty's responsibilities for the implementation of transparent and continuous stakeholder engagement as part of the Project development process, with the key objectives of:
 - establishing an approach to engage constructively with stakeholders;
 - ensure timely, accessible, understandable and culturally appropriate project information is available to all stakeholders, including vulnerable groups;
 - enable meaningful, inclusive and participatory stakeholders' involvement throughout the project lifecycle, integrating their input into decision-making and improving project outcomes;
 - provide an accessible, inclusive and effective grievance mechanism to address concerns, promote accountability and continuous improvement through the management of these grievances.
4. Where the stakeholder engagement process is the responsibility of the relevant competent authorities under applicable legislation, the Counterparty shall collaborate with the responsible authority to seek to achieve outcomes that are consistent with this Standard.

Scope

5. This Standard applies to a Project entailing actual or potential significant environmental and/or social risks or impacts that require stakeholder engagement, and/or where the relevance of such risks or impacts is determined through the Project's environmental and/or social impact assessment (EIA/ESIA) process.
6. Additionally, the Standard also applies during project implementation when further stakeholders' considerations or concerns are identified even if that had not been identified previously.
7. Stakeholders' engagement will be undertaken proportionate to the nature and scale of the project, its stakeholders and its potential environmental and social risks and impacts. This Standard may also apply when the Bank requires the Counterparty to follow specific requirements or the totality of the Standard throughout the project cycle.
8. This Standard shall be read in conjunction with the requirements set out in the other Environmental and Social Standards of the Bank, paying special attention to engagement with vulnerable, marginalised, and/or discriminated-against groups, women, workers and their representatives, as well as engagement in the context of involuntary resettlement and/or economic displacement, or emergency preparedness and response.

Requirements for Projects located in EU countries

9. All Projects located in the EU must comply with the applicable national and EU legislation.
10. In case the Project is subject to an EIA as per the EIA Directive, the Counterparty shall support the relevant authorities in carrying out the public participation process, including in a transboundary context, if applicable. The Counterparty shall provide to the Bank, if and when requested:
 - Evidence that relevant information⁹⁹ is disclosed in a timely manner ensuring effective access to the public and the affected population;
 - Information about the arrangements of the consultation process, to ensure its meaningfulness;
 - A summary of the results of the overall consultation process and how those results have been incorporated or addressed, as reflected in the decision(s) from the relevant competent authorities.
11. When other decision-making processes required by national and/or EU legislation¹⁰⁰ include public participation, the Counterparty shall engage with relevant stakeholders throughout the project cycle wherever necessary, and provide to the Bank, upon request, evidence of such engagement.
12. The Counterparty could be required by the Bank to supplement the formal engagement process carried out by relevant competent authorities with any action specified in articles 11-30 of this Standard.

Requirements for Projects located in non-EU countries

13. All Projects located in non-EU countries must comply with the applicable national legislation and this Standard.
14. The Counterparty shall carry out a stakeholder engagement process that is proportionate to the nature and scale of the project and its potential impacts and risks, involving, at a minimum: (i) the identification and analysis of the stakeholders; and (ii) the establishment and/or maintenance of a grievance mechanism; as well as some or all of the following elements to varying degrees as deemed necessary by the Bank; (iii) engagement planning; (iv) disclosure of information; (v) meaningful consultation; and (vi) reporting.
15. The Counterparty will define clear roles, responsibilities and authority as well as designate specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with this Standard.
16. The Counterparty shall engage with stakeholders as early as possible on in the decision-making process, and in a timeframe that enables meaningful consultation with stakeholders on project design. The nature, scope and frequency of stakeholder engagement shall be proportionate to the nature and scale of the project and its potential risks and impacts.
17. Any engagement process shall be respectful of human rights and gender responsive and inclusive. Counterparties will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, free of manipulation, interference, coercion, discrimination and intimidation, and take into account, if necessary, the different needs and potential barriers of the various stakeholders to ensure their equitable participation.
18. Whenever the stakeholder's engagement is undertaken by the relevant authorities, the Counterparty shall support them in carrying out the public participation process to align with this Standard.

⁹⁹ The information to be made available to the public includes the following: (i) the EIA report as described in Standard 1; (ii) where relevant, outcomes of any supplementary assessments/studies carried out; and (iii) any relevant report required by the competent authorities in line with the national legislation.

¹⁰⁰ Public participation in environmental decision-making processes includes, where relevant, engagement in the planning and/or permitting processes, e.g. Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (SEA Directive), the Industrial Emissions Directive, Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora (Habitats Directive), as amended; Directive 2000/60/EC establishing a framework for Community action in the field of water policy, as amended; Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy, as amended.

Identification and analysis of the stakeholders

19. The Counterparty shall:
 - a. identify, analyse and document the different stakeholders.
 - b. identify individuals or groups that may be differentially or disproportionately affected because of their vulnerability status.
 - c. prioritise individuals and groups who may have different concerns and priorities about project impacts and risks, mitigation mechanisms and benefits, and who may require different or separate forms of engagement.
 - d. take into account any risks of reprisals against those who voice their opinion regarding the project activities or the Counterparty, and identify groups at risk in that respect.

Stakeholders Engagement Plan (SEP)

20. An effective engagement process shall be undertaken, by the Counterparty or the relevant authority supported by the Counterparty as applicable. The Counterparty will prepare a Stakeholder Engagement Plan (the SEP) or an equivalent document.
21. The SEP or equivalent document shall describe the entire stakeholder engagement process for the project, specify activities, outline roles, resources and timelines, and serve as a guiding document throughout the project cycle. The SEP shall be commensurate to the environmental, climate, and/or social impacts and risks of the project, and:
 - a. Be developed early in the project cycle and its draft disclosed for feedback from stakeholders.
 - b. Be tailored to the needs and interests of the identified stakeholders,
 - c. Include different types of engagement formats when needed to ensure the meaningful participation of all stakeholders taking into account participation barriers for different groups, including women.
 - d. outline the consultation process by defining: (i) the information to be disclosed; (ii) the dissemination means, tools and languages; (iii) its timing and frequency; (iv) the levels and methods used to consult each identified group; (v) the details of the time schedule for submitting opinions, questions and/or concerns; and (vi) grievance mechanism.
 - e. include a strategy for preventing and responding to reprisals, in particular when engaging with individuals and groups that may be subject to risks of reprisals.
 - f. be subject to regular reviews and updates if and when project information and stakeholder participation needs change over time. Revised versions should be disclosed by the Counterparty when significant changes are made to the SEP.

Depending on the level of information available, the SEP may adopt a framework approach and lay out the general principles and key features of the planned engagement process that would be specified once more project-related information is available.

Disclosure of information

22. In order to ensure the effective participation of the identified stakeholders, the Counterparty shall make available to the public the following information in the most accessible way and as soon as it can reasonably be provided:
 - The purpose, nature and scale of the project;
 - The duration of proposed project activities;
 - The description of the likely project impacts and risks for local communities, as well as the proposed mitigation and/or compensatory/remedial measures planned, with specific description of those that might disproportionately affect vulnerable, marginalised, and/or discriminated-against groups;

- The proposed stakeholder engagement process, including locations and dates of any envisaged public consultation meetings, and the process by which meetings are notified and reported, as described in the SEP and its revisions/updates where applicable;
 - The process and means by which grievances can be raised and will be addressed.
23. The information shall be disclosed in relevant local languages and in a manner that is accessible and culturally appropriate, taking into account any specific needs of disadvantaged groups, notably population with specific information needs (such as disability, literacy, gender, mobility, differences in language or accessibility).
24. The Counterparty shall disclose information related to, and engage with stakeholders on, any changes to the project scope and/or implementation that result in significant environmental, climate and/or social impacts and risks as they arise, as well as additional mitigation and/or compensatory/remedial measures and monitoring arrangements, where applicable.

Meaningful consultation

25. Meaningful consultation is a two-way process that:
- Begins early to inform project design and risk mitigation, allowing effective stakeholder participation from the outset;
 - Encourages and responds to stakeholder feedback, incorporating views into project design or providing clear justifications;
 - Is based on the prior disclosure and dissemination of timely, accurate, accessible and understandable information, in local languages and culturally appropriate formats, to enable meaningful dialogue.
 - Actively engages all relevant stakeholders, including with tailored measures to allow and encourage participation of vulnerable, marginalised and/or discriminated-against groups¹⁰¹ as well as women;
 - Ensures participation that is free from manipulation, coercion, discrimination, or intimidation
 - Is documented and publicly disclosed by the Counterparty.
26. When the Project is located in challenging environments, such as fragile or conflict-affected areas, or with high incidence of human rights violations, or during a crisis that could impact the consultation process, the Counterparty shall tailor the engagement formats to the context to ensure that stakeholders can participate safely and meaningfully.
27. The Counterparty shall inform consultation participants in a timely manner of the final decision on the project, including mitigation measures, benefits for the local communities, and the rationale behind the decision. This information shall also summarise stakeholder feedback, explain how it was considered or why it was not, and provide information on the available grievance mechanism.

Reporting

28. The Counterparty shall conduct regular monitoring of the stakeholder engagement process, to identify areas in which stakeholder engagement should be strengthened if needed. The frequency, method and information shall be tailored to the nature of the Project and its risks and impacts, the stakeholder and the level of interest.
29. When requested by the Bank, the Counterparty shall report to the Bank, inter alia, on the implementation of agreed stakeholder engagement measures, any significant aspects or challenges, and the volume and nature of stakeholder complaints registered through the grievance mechanism.

Project-level grievance mechanism

30. The Counterparty shall establish and maintain a project-level grievance mechanism that enables all stakeholders, in particular affected people and communities, to raise concerns and grievances related to the Project's environmental and social performance, and seek recourse and remedy. This grievance

¹⁰¹ For example, on account of sex, gender, gender identity, ethnic or social origins, age, health status, poverty, disability, educational profile amongst others.

mechanism shall cover aspects related to all Environmental and Social Policy and Standards of the Bank, except for employer-workforce relations and occupational health, safety and security, which are to be addressed separately, as outlined in Standards 7 and 8.

31. The mechanism shall be operational as early as possible in the project cycle and remain active throughout its duration.
32. The grievance mechanism shall be proportionate to the Project's potential risks and impacts and may build on existing formal or informal processes, if they are properly designed, implemented, and fit for purpose. The mechanism should: (i) address concerns promptly and effectively; (ii) be free from discrimination, intimidation, coercion and reprisals; and (iii) be inclusive and gender sensitive.) and address potential barriers to guarantee access of all at no cost. The mechanism must guarantee the privacy of individuals and include the anonymity option. The information about the access to the Project's grievance mechanism process should be publicly available in relevant languages and via suitable channels. The project-level grievance mechanism shall document and address concerns in a timely manner, through dialogue and engagement, using an understandable, fair and transparent process that is culturally appropriate and readily accessible to all stakeholders at no cost and without retribution. The mechanism shall include appeal options and it shall not limit access to judicial or administrative channels for lodging complaints.¹⁰²

¹⁰² Stakeholders, in particular affected people and communities, may also raise complaints directly with the Bank through its Accountability and Complaints Handling Procedure, independently of the project-level grievance mechanism, should they consider that the Project does not comply with the requirements set forth in the ESSP. Relevant information for submission of complaints directly with the Bank is available on the Bank's website.

Glossary

The Bank	Council of Europe Development Bank
Counterparty	Recipient of the Bank's financing for a Project and any other entity responsible for the implementation of the Project
EIA Directive	Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, as amended
Environmental impact assessment (EIA) / Environmental and Social Impact Assessment (ESIA)	Instrument to identify and assess the potential environmental and social impacts of a proposed Project, evaluate alternatives, and design appropriate mitigation, management and monitoring measures
Environmental and Social Management Plan (ESMP)	Documented combination of the organisational structure, responsibilities, practices, procedures, processes and resources for implementation and monitoring of measurable actions to address the identified environmental and/or social impacts and risks of a Project
Environmental and Social Management System (ESMS)	The set of management processes and procedures within an institution to identify and manage environmental and social risks and impacts
ESSP	This Environmental and Social Safeguards Policy, together with the Standards
EU	The European Union
Exclusion List	The list of activities excluded from Bank's financing, established by the Bank's Loan and Project Financing Policy
Financial Intermediary (FI)	Implementing institution that administers financing provided by the Bank and upon which the Bank relies on to ensure that sub-projects respect the applicable environmental and social requirements
FPIC: Free, Prior and Informed Consent	Free, Prior and Informed Consent, FPIC, refers to the process whereby the affected community of Indigenous Peoples arrives at an agreement in accordance with their cultural traditions and practices concerning the Project that is expected to have an impact on them. It is the result of a meaningful consultation processes, and shall be established through good faith negotiations between the Counterparty and the affected Indigenous Peoples. Defined in Standard 7
Full Replacement Cost	A method of valuation that provides sufficient compensation to replace affected assets, plus the necessary transaction costs associated with replacement. Where functioning markets exist, full replacement cost is the market value of the affected assets established through independent and competent valuation, plus transaction costs. Where functioning markets do not exist, full replacement cost may be determined through alternative means, such as the output value of land or productive assets, or the undepreciated value of replacement materials and labour for structures or other fixed assets, plus transaction costs. Where physical displacement results in loss of shelter, full replacement cost is the value sufficient to enable the purchase or construction of housing that meets acceptable minimum standards of quality and safety. Transaction costs may include administrative charges, registration or title fees, reasonable moving expenses, and similar costs borne by affected persons
Gender	The social, behavioural and cultural attributes, expectations, norms and opportunities associated with being male, female, or with an individual's sex, sexual orientation or sexual or gender identity
Habitats Directive	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, as amended

Indigenous People	A social and cultural group, distinct from dominant groups within a national society, possessing the following characteristics in varying degrees: - self-identification as members of a distinct ethnic or cultural group and recognition of this identity by others; - collective attachment to geographically distinct habitats, ancestral lands, or areas of seasonal use or occupation, and to the natural resources in these areas; - customary cultural, economic, social or political institutions, laws or regulations that are distinct or separate from those of the dominant society or culture; - a language or dialect, often different from the official language or languages of the country or region in which they reside
Mitigation hierarchy	Measures taken to avoid and prevent adverse environmental or social impacts during the implementation of a Project. Where this is not possible, measures to minimise, mitigate and, as a last resort, offset and/or compensate for any potential residual adverse impacts
Project(s)	The specific set of lending or non-lending activities for which Bank financing is provided, as defined in the legal agreement governing such financing, irrespective of the financing instrument or whether the project is financed as a whole or in part by the Bank
Project workers	Individuals employed or engaged directly by the Counterparty (including the project implementing agencies) to perform work related to the Project (direct workers) and/or individuals employed or engaged through third parties to perform work directly related to the Project (third-party workers)
Stakeholders	Persons or groups of people who: - are directly and indirectly affected by the project, including their legitimate representatives; - have an interest in the project and/or the ability to influence its outcome, either positively or negatively; and, - are part of the project workforce
Stakeholder engagement	The inclusive and iterative process that involves the identification and analysis of stakeholders, engagement planning, information disclosure, meaningful consultation, and access to a grievance mechanism
Standard(s)	Each of the Standards established by this Policy
Vulnerable people	Persons or groups of people who may be disproportionately affected by project impacts or more limited than others in their ability to access project benefits, due to being discriminated against, marginalised and/or excluded on the basis of characteristics such as, but not limited to sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, property, nationality, language, marital or family status, health status, or migrant or economic status



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