



---

**CBF ENVIRONMENTAL AND SOCIAL  
POLICY AND EXCLUSION LIST**

**9 December 2021 Approved Version**

---



## TABLE OF CONTENTS

	<b>Page</b>
ABBREVIATIONS .....	2
1. THE CBF'S ENVIRONMENTAL AND SOCIAL POLICY .....	3
2. THE CBF'S EXCLUSION LIST.....	7

## ABBREVIATIONS

AFD	Agence française de développement <sup>1</sup>
EbA	Ecosystem-based Adaptation
ESDD	Environmental and Social Due Diligence
ESMS	Environmental and Social Management System
FPIC	Free, Prior, and Informed Consent
CBF	Caribbean Biodiversity Fund
GCF	Green Climate Fund
GEF	Global Environment Facility
IFC	International Financial Corporation
KfW	Kreditanstalt für Wiederaufbau <sup>2</sup>
NCTF	National Conservation Trust Fund
PS	Performance Standards

---

<sup>1</sup> French Development Agency

<sup>2</sup> Reconstruction and Credit Corporation of the Federal Republic of Germany

# 1. THE CBF'S ENVIRONMENTAL AND SOCIAL POLICY

## 1.1 Introduction

- 1.1.1 This Environmental and Social Policy of the CBF (the “**Policy**”) aligns with the CBF’s mission to ensure continuous funding for conservation and sustainable development in the Caribbean and supports the vision of a Caribbean region where both its natural environment and people thrive.
- 1.1.2 The Policy applies to all of the CBF’s grants and projects (each an “**Activity**” and together, the “**Activities**”) financed through any of the CBF’s facilities including the Endowment (as defined in the CBF’s articles of association, as the same may be amended by the CBF from time to time), the CBF’s ecosystem-based adaptation facility (the “**EbA Facility**”), and any other facility or financial mechanism that the CBF may establish in the future (each a “**Facility**” and together, the “**Facilities**”). The Policy applies to CBF Activities funded totally and partially by the CBF<sup>3</sup>. The Policy also applies to grants and activities that involve several sub-grants and sub-activities to be awarded by the direct recipient of the CBF’s funding (the “**Principal Grantee**”). In these cases, the Principal Grantee will be responsible for ensuring that all the requirements of the Policy are satisfied by the sub-grantees.
- 1.1.3 All the CBF’s stakeholders must abide by the Policy. This includes the CBF’s Board of Directors, the CBF’s committees, including, without limitation, the EbA Facility Committee, the Finance Committee, the Executive Committee and any other committee that may be established by the CBF in the future (each a “**CBF Committee**” and together, the “**CBF Committees**”), the CBF’s secretariat, staff and consultants, and the CBF’s suppliers, contractors, and subcontractors. The Policy also applies to the NCTFs that have signed a partnership agreement with the CBF and to the organisations implementing projects funded by the EbA Facility or any other Facility (the grantees). The Policy also applies to any other organisation implementing any Activity (any other grantee).
- 1.1.4 Although distinct, the Policy is consistent with the KfW Sustainability Guideline, the GCF Environmental and Social Policy and ESMS, the AFD Group Environmental and Social Policy, the GEF Policy on Environmental and Social Safeguards, and the International Financial Corporation Policy on Environmental and Social Sustainability.
- 1.1.5 The purpose of the Policy is to ensure that the Activities yield significant environmental and social benefits and avoid environmental and social negative impacts. The Policy entails the early identification of environmental and social risks and potential negative impacts. It requires the adoption of measures to mitigate these risks and to avoid these potential negative

---

<sup>3</sup> In cases where other funders have Environmental and Social Policies and functional ESMSs, the CBF’s environmental and social framework may be applied in conjunction with the other organisations’ ESMSs or similar systems, if they comply with the CBF’s environmental and social framework and management system. The Precautionary and Most Stringent Principle (see section 1.2.4) must be always respected.

impacts, and, when total avoidance is not possible, to mitigate and manage the remaining environmental and social potential negative impacts.

## 1.2 Principles

- 1.2.1 Principle of *Doing Good and Do No Harm*: Establishes that all the Activities must produce tangible benefits for the environment and communities, and none must cause harm to the environment nor communities.
- 1.2.2 Principle of the *Mitigation Hierarchy*: Establishes that, first, it is required to anticipate and avoid environmental, social, and climate change-related risks and potential adverse impacts; second, it is required to minimise the remaining risks and impacts; third, it is required to mitigate any residual risks and impacts; and, finally, when total avoidance is not possible and residual impacts remain, as a last resort measure it is required to compensate or offset these residual adverse impacts.
- 1.2.3 *Principle of Respect of Human Rights*: Enshrines the value of human rights as a guide of the Activities and specially protects the rights of vulnerable communities, groups, individuals, and indigenous peoples.
- 1.2.4 *Precautionary and Most Stringent Standard Principle*: Establishes that (i) when in doubt of an Activity's environmental and social risk classification, the higher environmental and social risk classification must be assigned and (ii) when there is a juxtaposition of standards from the CBF and from other organisation (or a national standard of a country), the most stringent standard must apply.
- 1.2.5 Principle of *Safeguarding the Environment and Communities*: Establishes that (i) all the Activities must be classified in terms of their environmental and social risk level, and (ii) Environmental and Social Safeguards must be applied to all the Activities as per their risk-level classification, to protect the environment and communities from harm.

## 1.3 Safeguards

- 1.3.1 All Activities supported by the CBF, including (i) the Activities presented in the work plans of NCTFs which are presented to the CBF for approval and (ii) the Activities included in the proposals presented by applicants to / grantees of the EbA Facility and any other Facility, must comply with the following nine environmental and social safeguards (the “**Environmental and Social Safeguards**”)<sup>45</sup>:

---

<sup>4</sup> The CBF's Environmental and Social Safeguards reflect those of the World Bank. As the World Bank's ninth ESS is for financial intermediaries and the CBF is a financial intermediary to the effects of the environmental and social framework, there is no CBF financial intermediaries ESS. Nevertheless, to maintain correspondence with the World Bank's ESSs numbering, there is no CBF's ESS 9 and the number of the last CBF's ESS is the same as the last World Bank's ESS (ESS 10).

<sup>5</sup> The CBF's Environmental and Social Safeguards are presented in detail in the ESMS Manual. Guidance for using and complying with them is developed in the ESMS Guidelines

- 1) Assessment and Management of Environmental and Social Risks & Impacts;
- 2) Labour and Working Conditions;
- 3) Resource Efficiency and Pollution Prevention and Management;
- 4) Community Health, Safety, and Security;
- 5) Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement;
- 6) Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- 7) Indigenous Peoples and Local Traditional Communities;
- 8) Cultural Heritage;
- 9) *(Deliberately omitted)*; and
- 10) Stakeholder Engagement and Information Disclosure.

1.3.2 All Activities supported by the CBF must be classified in terms of their environmental, social, and climate change-related risks and potential adverse impacts, in one of the following categories:

- **Category A (High Risk)**

Activities with significant environmental, social, and climate change-related risks, or potential adverse impacts that are diverse, extended, irreversible, or unprecedented.

- **Category B+ (Substantial Risk)**

Activities with an environmental, social, and climate change-related risk, or a potential adverse impact that is significant, irreversible, extended, or unprecedented.

- **Category B (Moderate Risk)**

Activities with environmental, social, or climate change-related risks and potential impacts that are limited, largely reversible, generally site-specific, and readily addressed through mitigation measures.

- **Category C (Low Risk)**

Activities with minimal or no adverse environmental, social, or climate change-related risks and/or impacts.

The risk category determines the type of required environmental and social measures as these measures are commensurate to the risks and potential adverse impacts of the Activities.

1.3.3 The application of this Policy is the responsibility of all who intervene in, or are in any way connected to, or affiliated with, the Activities, including, without limitation, the CBF's Board of Directors, Committee members, the CBF's secretariat, the NCTFs, the EbA Facility grantees and grantees of any other Facility and any other grantee implementing the Activities. All such persons must comply with this Policy and satisfy the requirements of the CBF's Environmental and Social Safeguards. Their roles and responsibilities with regards to the application of this Policy are established in the CBF's relevant operational manual approved by the CBF Board of Directors from time to time.

**\*\* \*\* END OF POLICY \*\* \*\***

## 2. THE CBF'S EXCLUSION LIST

The CBF's Exclusion List<sup>6</sup> is divided into two parts: (i) Exclusions and (ii) Conditional Activities. "**Exclusions**" refers to activities that will not be financed fully or partially by the CBF under any circumstance. "**Conditional Activities**" refers to activities that can only be financed by the CBF (either fully or partially) if specific conditions are fulfilled.

### 2.1 Exclusions

The CBF does not finance projects nor make grants that involve:

- 2.1.1 Activities that are illegal under host country laws, regulations or ratified international conventions and agreements, or subject to national or international phase-out or prohibition regulations, or to an international ban<sup>7</sup>.
- 2.1.2 Activities that involve adverse impacts on critical habitats, including forests that are critical habitats, except for adverse impacts on a limited scale that result from conservation actions that achieve a net gain of the biodiversity values associated with the critical habitat.
- 2.1.3 Projects classified by the CBF at the highest environmental and social risk classification (Category A), regardless of the potential environmental and social risk mitigation measures.
- 2.1.4 Destructive fishing methods or drift net fishing in the marine environment using nets in excess of 2.5 km.
- 2.1.5 Large commercial monoculture activities.
- 2.1.6 Commercial logging operations for use in primary tropical moist forests and production or trade in wood or other forestry products other than from sustainably managed forests.
- 2.1.7 Large Involuntary Resettlement.
- 2.1.8 Production, trade, or any other activity related to alcoholic beverages; tobacco; pornography, or prostitution; gambling, casinos, and equivalent enterprises.
- 2.1.9 Activities related to the production or trade of weapons of any kind, ammunitions, and any other military goods / technology.

---

<sup>6</sup> The CBF's Exclusion List is aligned with the KfW's Exclusion List and Sectoral Guidelines of KfW Group and the IFC's Exclusion List.

<sup>7</sup> This includes (i) certain pharmaceuticals, pesticides, herbicides and other toxic substances (under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability"); (ii) ozone depleting substances (under the Montreal Protocol); (iii) protected wildlife or wildlife products (under CITES / Washington Convention); (iv) prohibited transboundary trade in waste (under the Basel Convention).

- 2.1.10 Production or trade in asbestos and asbestos-containing materials for construction.
  - 2.1.11 Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals, including gasoline, kerosene, and other petroleum products<sup>8</sup>.
  - 2.1.12 Prospection, exploration, and mining of coal.
  - 2.1.13 Oil and Gas prospection, exploration, and production activities of any type.
  - 2.1.14 Activities involving harmful labor, forced labor<sup>9</sup>, or harmful child labor<sup>10</sup>.
- 2.2 Conditional Activities

The CBF finances projects / makes grants that involve the following activities only if the conditions stipulated hereafter are fully observed:

- 2.2.1 Activities involving restrictions of access to natural resources to communities. These activities must be carried out following the CBF's fifth Environmental and Social Safeguard (Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement). When these activities involve indigenous peoples, the condition stipulated in section 2.2.2 below must also be satisfied.
- 2.2.2 Activities that impinge on the lands owned, or claimed (under adjudication), by indigenous peoples, impact land under traditional use by indigenous peoples, affect indigenous peoples' access to resources or commercialise indigenous knowledge. These activities must be carried out with documented free, prior, and informed consent of such indigenous peoples.
- 2.2.3 Purchase of radioactive material, except the procurement of medical equipment, quality control equipment or other equipment for which the radioactive source is insignificant and/or adequately shielded.

**\*\* \*\* END OF DOCUMENT \*\* \*\***

---

<sup>8</sup> This does not include purchase of gasoline and other petroleum products that are necessary for the regular activities of organisations financed by, or receiving grants from, the CBF.

<sup>9</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty (from IFC Exclusion List).

<sup>10</sup> Harmful child labor means 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, spiritual, moral, or social development (from IFC Exclusion List – IFC PS2).