

CARIBBEAN BIODIVERSITY FUND CBF

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM – ESMS

INTEGRATED VERSION – FINAL –

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GLOSSARY & ACRONYMS

Activities	CBF's grants and projects
AFD	Agence française de développement ¹
CAPEX	Capital Expenditure
CBD	Convention of Biological Diversity
CBF	Caribbean Biodiversity Fund
CfP	Call for Proposals
CH&S	Community Health & Safety Plan
CSO	Civil Society Organization
Due Diligence	Environmental and Social Due Diligence
EbA	Ecosystem-based Adaptation
EIA	Environmental Impact Assessment
ERP	Emergency Response Plan
ESA	Environmental and Social Assessment
ESAP	Environmental and Social Action Plan
ESCAP	Environmental and Social Code of Practice
ESDD	Environmental and Social Due Diligence
EHSG	Environmental, Health, and Safety Guidelines
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework

¹ French Development Agency

ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESSQ	Environmental, social, and climate change-related Screening Questionnaire
ESS	Environmental and Social Safeguards
ESS 1	CBF's Environmental and Social Due Diligence & Management of Risks and Impacts
ESS 2	CBF's ESS 2: Labour and Working Conditions
ESS 3	CBF's ESS 3: Resource Efficiency and Pollution Prevention and Management
ESS 4	CBF's ESS 4: Community Health, Safety, and Security
ESS 5	CBF's ESS 5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement
ESS 6	CBF'S ESS 6: Biodiversity Conservation, Natural Habitats, and Sustainable Management of Living Resources
ESS 7	CBF'S ESS 7: Indigenous Peoples and Traditional Local Communities
ESS 8	CBF's ESS 8: Cultural Heritage
ESS 10	CBF's ESS 10: Stakeholder Engagement and Information Disclosure
FPIC	Free, Prior, and Informed Consent
GAP	Gender Action Plan
GCF	Green Climate Fund
GEF	Global Environment Facility
GHS	Globally Harmonized System of Classification and Labelling of Chemicals
GIIP	Good International Industry Practice
H&S	Health and Safety
IDB	Inter-American Development Bank
IFC	International Financial Corporation

CBF – ESMS

ILO	International Labour Organisation
KfW	Kreditanstalt für Wiederaufbau ²
ISPM	International Standard for Phytosanitary Measures
IUCN	International Union for Conservation of Nature
LMO	Living Modified Organism
NAP	National Adaptation Plans
NCTF	National Conservation Trust Fund
NDC	National Determined Contributions
NGO	Non-Governmental Organization
LMO	Living Modified Organism
OH&S	Occupational Health & Safety
PAP	Project Affected People
PPE	Personal Protective Equipment
PS	Performance Standards
SEA	Sexual Exploitation and Abuse
SECF	Stakeholder Engagement and Communication Framework
SECP	Stakeholder Engagement and Communication Plan
SGBV	Sexual and Gender-based Violence
SESA	Strategic Environmental and Social Assessment
SIA	Social Impact Assessment
The Policy	CBF's Environmental and Social Policy

² Reconstruction and Credit Corporation of the Federal Republic of Germany.

CBF – ESMS

The Screening	Environmental and Social Screening
TOR	Terms of Reference
UN	United Nations
UNDRIP	United Nations Declaration on Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change

DEFINITIONS

Area-based Activities	Are Activities that provide technical assistance, financial resources, physical infrastructure, equipment, and other resources to be applied totally or partially in a defined geographical location, in the land, in the sea, or in both.
Areas with high biodiversity value	<p>These are areas with one or more than one of the following attributes³:</p> <p>Areas important to threatened species according to IUCN Red List of Threatened Species;</p> <p>Areas important to endemic or restricted-range species or to migratory and congregatory species;</p> <p>Areas representing key evolutionary processes, providing connectivity with other critical habitats or key ecosystem services;</p> <p>highly threatened and/or unique ecosystems⁴;</p> <p>High Conservation Value areas (often referred to as critical habitats by other standards including the IFC's and the IDB's);</p> <p>Areas identified as Key Biodiversity Areas and subsets such as important bird and biodiversity areas; important plant areas; important sites for freshwater biodiversity and Alliance for Zero Extinction (AZE) sites.</p>
Biological Diversity	It means 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 ⁵ .
Community Health & Safety Plan (CH&S)	It is a plan of action to protect communities from hazards caused or exacerbated by the Activity, including contamination, flooding, spread of communicable diseases, use of security personnel, enforcement of restrictions of access to natural resources, etc. The CH&S Plan shall devote special attention to water quality and availability, structure safety of infrastructure, life and fire safety, transport of hazard materials, disease prevention, and Emergency Preparedness and Response that is commensurate with the risks of the Activity.

³ IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources, Glossary

⁴ To be determined by the evolving IUCN Red List of Ecosystems.

⁵ Convention of Biological Diversity, Article 2., Use of Terms.

Critical Cultural Heritage	It is one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.
Critical Endangered species	It is a term is used in the context of the IUCN Red List, to refer to a specie with extremely high risk of extinction in the wild in the immediate future.
Cumulative impacts	They are the incremental impact of the Activity when added to impacts from other relevant past, present, and reasonably foreseeable developments as well as unplanned but predictable actions enabled by the Activity that may occur later or at a different location.
Direct impact	<u>I</u> t is an impact which is caused by the Activity and occurs contemporaneously in the location of the Activity.
Displaced persons	They are the people who are displaced because of the restrictions imposed by the Activity. There are three types of displaced persons: People who have formal legal rights to the land or assets they occupy or use; People who do not have formal legal rights to land or assets but have a claim to land that is recognized or recognizable under national law; People who have no recognizable legal right or claim to the land or assets they occupy or use.
Ecosystem	It is a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit ³
Ecosystem-Based Approach (EbA)	It is the use of biodiversity and ecosystem services as part of an overall adaptation strategy to help people to adapt to the adverse effects of climate change ⁶ .
Ecosystem services	There are a set of benefits that people, including businesses, derive from ecosystems.
Eligible countries	Antigua and Barbuda, The Bahamas, The Dominican Republic, Cuba, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts & Nevis, Saint Lucia, and Saint Vincent and the Grenadines
Endangered species	It is a term is used in the context of the IUCN Red List, to refer to a specie with very high risk of extinction in the wild in the immediate future.

⁶ Convention of Biological Diversity (CBD)

Environmental and Social Action Plan (ESAP)	It is an instrument that articulates in detail the required measures and actions to manage environmental, social, and climate change-related risks and adverse impacts of the Activity and to enhance its environmental and social performance.
Environmental and Social Assessment (ESA) ⁷	It is the analysis and planning to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced, or mitigated throughout the Activity life cycle.
Environmental, Social and climate change-related impacts	They refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community including people working in the Activity, resulting from Activity.
Environmental, Social and climate change-related risk	It is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.
Environmental and Social Audit	It is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing Activity and assess their status, specifically in terms of meeting the requirements of the ESSs. It also identifies appropriate measures and actions to mitigate these areas or concern, including the estimation of their cost ⁸ .
Environmental and Social Management Plan (ESMP)	It is an instrument that articulates in detail the required measures and actions to manage environmental, social, and climate change-related risks and adverse impacts of the Activity and to enhance its environmental and social performance. The ESMP is developed under the basis of the Due Diligence process.
Environmental and Social Management Framework (ESMF)	It is an instrument that establishes the framework for managing environmental, social, and climate change-related risks and adverse impacts of a group of Activities or of an Activity that is composed of various sub-activities or sub-projects that are unknown or not well defined when the Activity is analysed and approved.
Environmental and Social Impact Assessment (ESIA)	It is an instrument to identify and assess the environmental and social impacts of a proposed Activity, evaluate alternatives and design appropriate mitigation, management, and monitoring measures. It includes the suitable mitigation measures articulated in an ESMP
Gender Action Plan (GAP)	It is a set of concerted and articulated actions to close the <i>gap</i> between women and men roles, responsibilities, activities, and access to and control over resources and decision-making opportunities related to Activities.

⁷ The World Bank - Guidance Note for Borrowers.

⁸ World Bank, ESMF.

Habitat	It means the place or type of site where an organism or population naturally occurs ³ .
Hazardous Material Management Plan ⁹	It is an articulate set of actions to use, store, or handle any quantity of hazardous materials, defined as materials that represent a risk to human health, property, or the environment due to their physical or chemical characteristics.
Hybrid solutions	They are (green-gray solutions): Are solutions that combine build infrastructure with natural habitats, often providing cost effective, long-term climate resilience to vulnerable communities and infrastructure.
Indirect impact	It is an impact which is caused by the Activity and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable caused by the Activity
Intangible cultural heritage	It refers to practices, representations, expressions, knowledge, skills—as well as the instruments, objects, artifacts, and cultural spaces associated therewith— that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history ¹⁰ .
Integrated Pest Management Plan	<u>I</u> t is a set of articulated ecosystem-based actions for effective and environmentally sound pest management while minimising health and environmental risks (including risks terrestrial and aquatic ecosystems, non-target species and other important ecological resources associated with the use of biocides and other pest management techniques).
Involuntary Resettlement	It refers both “to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood)” ¹¹ because of restrictions to access to natural resources.
Livelihood	It refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering” ¹² .

⁹ General Environmental, Health, And Safety (EHS) Guidelines: Environmental Hazardous Materials Management. (EHS) Guidelines – IFC, The World Bank.

¹⁰ World Bank ESS 8 Cultural Heritage.

¹¹ IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement.

¹² IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement.

Modified Habitats	They are areas that may contain a large proportion of plant or animal species of non-native origin, where human activity has substantially modified the area's primary ecological functions and species composition ¹³ .
Natural Resource Assets	They are a set of benefits that people, including businesses, derive from ecosystems. This definition is equivalent to the Ecosystem Services ¹⁴ defined in the ESS 6.
Non-are-based Activities	Are Activities that <u>do not</u> provide technical assistance, financial resources, physical infrastructure, equipment, or any other resources to be applied in a defined geographical location.
No-regret options	They are adaptation options (or measures) that would be justified under all plausible future scenarios, including the absence of manmade climate change. These are essentially activities that provide benefits even in the absence of climate change ¹⁵
Occupational Health & Safety (OH&S) Plan	It is a plan of action to prevent incidents and occupational diseases derived directly or indirectly from an Activity.
Movable cultural heritage	It is defined as a wide variety of historic or rare artifacts and objects highly vulnerable to theft, trafficking, or abuse. ¹⁶
Pollution	It refers to both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases and includes other components such as pests, pathogens, thermal discharge to water, GHG emissions, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts, including light ¹⁷ .

¹³ IDB's ESPS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

¹⁴ "Ecosystem services are the benefits that people derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreations and aesthetic enjoyment; and (iv) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling and primary production." World Bank Guidance Note on ESS 1: Footnote 27.

¹⁵ World Bank Guidance Note on ESS 6.

¹⁶ It includes "books and manuscripts; paintings drawings, sculptures, statuettes, and carvings modern or historic religious items; historic costumes, jewelry, and textiles; fragments of monuments or historic buildings; archaeological material; and natural history collections such as shells, flora, or minerals." World Bank's ESS 8 Cultural Heritage.

¹⁷ IDB's ESPS.

Protected Areas	They are clearly defined geographical spaces, recognised, dedicated, and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.
Replicable Cultural Heritage	It is the “tangible forms of cultural heritage that can themselves be moved to another location or that can be replaced by a similar structure or natural features to which the cultural values can be transferred by appropriate measures.” ¹⁸
Risk Assessment of Living Modified Organisms (LMOs)	It is an instrument to inform the decision-making regarding LMOs. It consists of a “structured process conducted in a scientifically sound and transparent manner, and on a case-by-case basis in the context of the risks posed by the non-modified recipients or parental organisms in the likely potential receiving environment” to identify and evaluate the potential adverse effects of LMOs ¹⁹ .
Social Impact Assessment (SIA)	<u>I</u> t is an inquiry focused on social issues, to analyse and understand both intended and unintended social consequences of Activities ²⁰ . A SIA may be requested to evaluate risks and impacts related to demographics, economy and livelihoods, gender, health, stakeholders’ rights, cultural heritage, etc. It may include a Conflict Analysis if the Activity is deemed to exacerbate existing conflicts or generate new ones.
Safely Managed Drinking Water and Sanitation Plan	It is a set of articulated actions intended to ensure safe drinking-water, safe-sanitation, and hygiene services available in the facility that is been built or refurbished as part of a CBF’s Activity.
Strategic Environmental and Social Assessment (SESA)	It consists of the systematic examination of environmental, social, and climate change-related risks and potential adverse impacts associated to a <i>policy</i> , a <i>plan</i> , or a <i>program</i> . It includes the eight ESSs. It would be applicable to an Activity only when the Activity consists of the development of a [national] policy, plan, or program.
Stakeholder	It refers to individuals or groups of people who are affected or are likely to be affected by an Activity or may have an interest in an Activity.
Sustainable use	It is the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations ³ .

¹⁸ “Archeological or historical sites may be considered replicable where the particular eras and cultural values they represent are well represented by other sites and/or structures.” IFC PS 6.

¹⁹ Road Map for Risk Assessment of Living Modified Organisms. UNEP/CBD/BS/COP-MOP/8/8/Add.1

²⁰ By default, an ESIA includes a SIA.

Tangible cultural heritage	It refers to i) movable or immovable objects, property, sites, structures, or groups of structures, paleontological, archaeological, historical, cultural, artistic, religious, spiritual, symbolic aesthetic, or other cultural significance value for a nation, People, or community; and ii) natural features or tangible objects that embody cultural, religious, spiritual, or symbolic significance for a nation, People, or community ²¹ .
The Climate Change Program	It is a CBF program that supports the use of biodiversity and ecosystem services for effective climate change adaptation measures. It is funded with the Ecosystem-based Adaptation (EbA) Facility. The EbA Facility responds to the demand of funds for conservation by the part of NGOs, Conservation Trust Funds (CTFs), civil society organisations, the Academia, the Private Sector, and governmental organisations to be executed in eligible countries.
The Conservation Finance Program	It is a CBF program that focuses on the provision of funding towards the protection and management of biodiversity and natural resources and is mainly supported through an Endowment Fund. The proceeds of the Endowment Fund are invested in country-based sub-accounts and are channeled through partner National Conservation Trust Funds (NCTFs), who in turn lead grant-making programs at the national level
Underwater Cultural Heritage	It refers to “all traces of human existence having a cultural, historical, or archeological character which have been partially or totally under water, periodically or continuously, for at least 100 years”. ²²
Waste Management Plan	It is an articulate set of actions to safely manage waste from waste generation to waste disposal for any Activity that generates, store or handle waste. It is commonly required for Activities that involve construction, refurbishment, or decommissioning of infrastructure

²¹ IFC, Performance Standard 8 – Cultural Heritage.

²² United Nations Convention Concerning the Protection of the World Cultural and Natural Heritage. This includes “(i) sites, structures, buildings, artefacts and human remains, together with their archaeological and natural context; (ii) vessels, aircraft, other vehicles or any part thereof, their cargo or other contents, together with their archaeological and natural context; and (iii) objects of prehistoric character”. The text of the Convention explicitly says that “Pipelines and cables placed on the seabed shall not be considered as underwater cultural heritage” nor other type of installations placed on the seabed and still in use.

1 INTRODUCTION

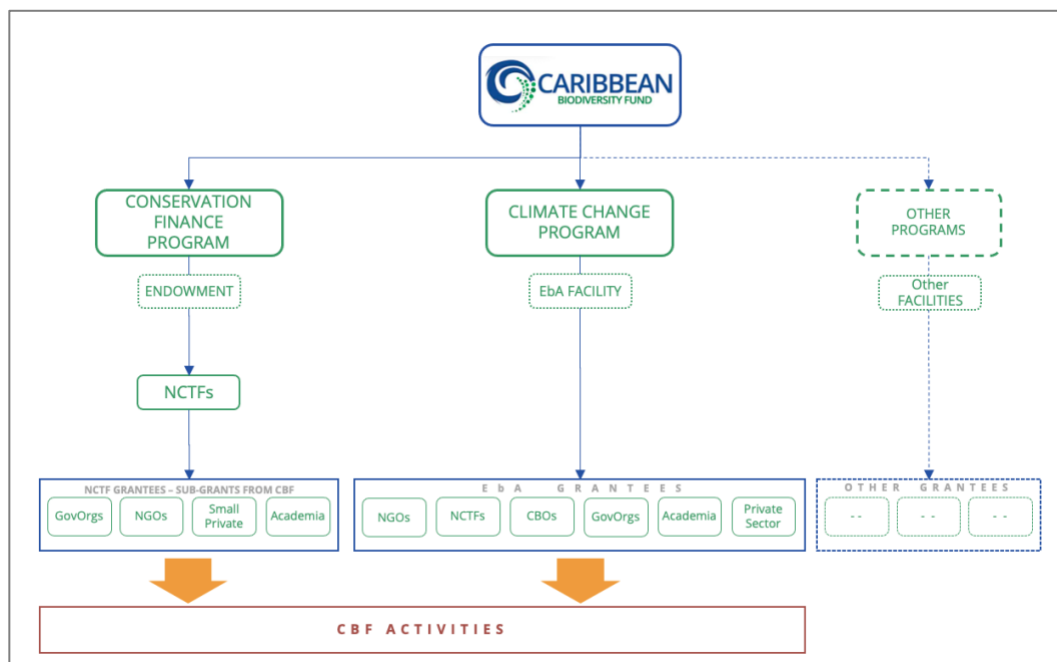
1. This document presents the Environmental and Social Management System (ESMS) of the Caribbean Biodiversity Fund (CBF). The purpose of the ESMS is to ensure that the grants and projects approved and financed by the CBF (CBF Activities) bring about environmental and social benefits and avoid, minimise, and mitigate environmental and social risks and negative impacts.
2. This document is intended to be used by the staff of the CBF Secretariat who will be implementing the ESMS. It is also intended to be used by National Conservation Trust Funds (the NCTFs) that sub-grant CBF funds through their Partnership Agreements and other CBF grantees that execute CBF Activities through CBF Programs such as the Ecosystem-based Adaptation (EbA) and Advancing Circular Economy (ACE) Facilities.
3. This document was designed to ensure that CBF meets the requirements of a range of key donors, funding agencies, and Multilateral Development Banks that require functional environmental and social management systems. The ESMS of the CBF is consistent with the KfW Sustainability Guideline, the World Bank Environmental and Social Framework and its Environmental and Social Standards, the International Financial Corporation (IFC) Policy on Environmental and Social Sustainability, the AFD Group Environmental and Social Policy, and the GCF Environmental and Social Policy and ESMS. The ESMS also reflects various elements of the Environmental and Social Frameworks of the IDB, the GEF Policy on Environmental and Social Safeguards, and the IUCN's ESMS. The CBF's ESMS is indebted to these references (to some more than to others).
4. The ESMS integrates positive environmental and social values into CBF Activities. It is binding on the CBF, the NCTFs, and any organisation implementing CBF-funded projects. The ESMS is a living system that will evolve over time as the CBF develops and it is operationalized by the CBF in collaboration with the NCTFs and other organisations implementing CBF Activities.
5. The ESMS is composed of the Environmental and Social Policy, the Exclusion List, nine Environmental and Social Safeguards (ESSs), the Environmental and Social Management Manual, the Environmental and Social Screening Questionnaire, and other key user-friendly tools and formats.

6. As all CBF Activities must abide by relevant national law(s), the ESMS is complemented by an overview of relevant national legislation of Caribbean countries. The Overview includes information about the ratification, acceptance, approval, and/or accession of key Multilateral Agreements and Instruments pertaining to environmental and social matters.
7. This document contains 12 chapters. The first chapter provides an Introduction to the CBF and its current programs. The second chapter presents the CBF's Environmental and Social Policy and the Exclusion List. The third chapter presents an overview of the ESMS, including the process of assessment and management of environmental and social risks and impacts. The subsequent chapters present each of the nine Environmental and Social Safeguards of the CBF.
8. The Environmental and Social Policy and the Exclusion List, and each of the nine Environmental and Social Safeguards are also available as stand-alone documents as they may be required independently for specific purposes.

1.1 THE CARIBBEAN BIODIVERSITY FUND (CBF)

9. The Caribbean Biodiversity Fund (CBF) is a regional environmental fund whose mission is “to ensure continuous funding for conservation and sustainable development in the Caribbean.” Established in 2012, with a flexible structure, the CBF is designed to accommodate the receipt, investment, distribution and monitoring of conservation funding for impact and results in biodiversity and conservation throughout the region.
10. The CBF receives funding from different sources including KfW, the Nature Conservancy (TNC), USAID, and the GEF through the UNDP and the World Bank.
11. Currently, the CBF has two programs: (i) a Conservation Finance Program, anchored by a US\$75 million endowment fund and (ii) a Climate Change Program, focused on Ecosystem-based Adaptation (EbA), with a US\$50 million sinking fund. A third program is being developed: the Advancing Circular Economy (ACE) Facility.

Figure 1: The CBF programs



1.1.1 The Conservation Finance Program

The Conservation Finance Program focuses on the provision of funding through an Endowment Fund. The proceeds of the CBF Endowment Fund are invested in country-based sub-accounts and are channeled through partner National Conservation Trust Funds (NCTFs), who in turn lead grant-making programs at the national level. The Caribbean NCTFs sign a Partnership Agreement with the CBF and receive regular payments from the Endowment Fund. The following countries have or will soon establish NCTFs to receive and manage CBF Endowment payments: Antigua and Barbuda, The Bahamas, The Dominican Republic, Cuba, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts & Nevis, Saint Lucia, and Saint Vincent and the Grenadines.

12. The CBF-NCTF Partnership Agreements sets out the conditions and requirements governing the relationship between the CBF and the NCTF/partner Fund – including disbursement, Work Plans and grant-making programs. For the NCTFs it also establishes a matching policy that promotes the mobilisation of revenue streams other than the CBF to gradually achieve 1:1 matching.
13. Donors to date include the Government of Germany through the German Development Bank (KfW), The Nature Conservancy (TNC), and the Global

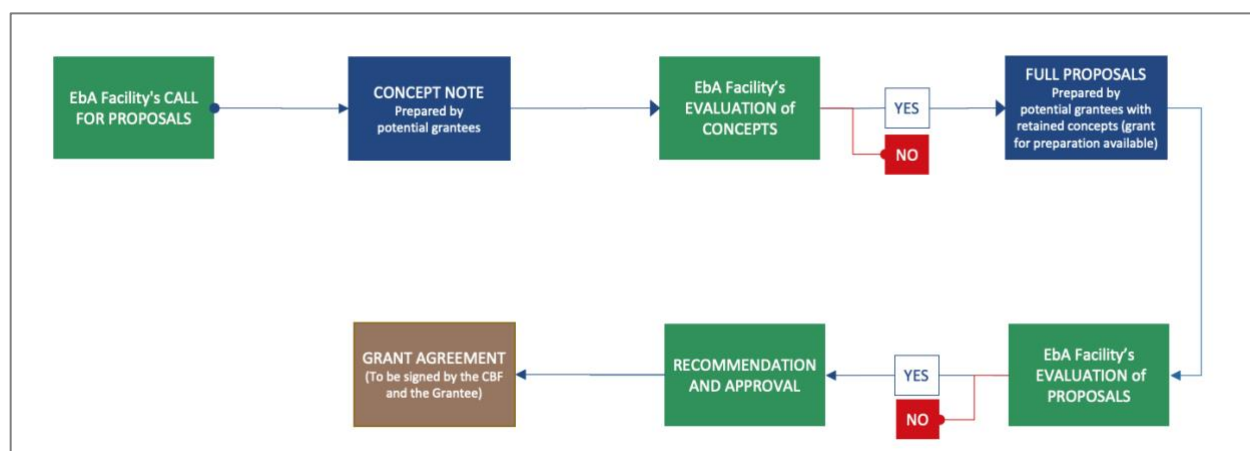
Environment Facility (GEF) — through the World Bank and the United Nations Development Program (UNDP).

14. The program also supports regional project initiatives, funded by donors including AFD, and GEF/UNEP.

1.1.2 The Climate Change Program

15. The Climate Change Program supports the use of biodiversity and ecosystem services for effective climate change adaptation measures. It is funded with the Ecosystem-based Adaptation (EbA) Facility. The Facility provides grants for EbA activities to NGOs, civil society organisations, Academia, Private Sector, and Governmental Organisations to be executed in eligible countries. Other (*non-eligible*) countries can join regional projects that involve at least one *eligible country*. In exceptional circumstances, multi-country projects could also benefit The Bahamas, Barbados, St. Kitts and Nevis, and Trinidad and Tobago
16. The EbA Facility proposal-grant process starts with a Call for Proposals (CfP). First, proponent organisations present a Concept Note that is evaluated by the EbA Facility evaluating team in accordance with a preestablished scoring process. Selected Concept Notes advance to the next step, which consists of the preparation of a full proposal. The CBF has available “preparation grants” for selected proponents to support their proposal-making process. The full proposals are evaluated by the EbA Facility evaluating team. Successful proposals are approved and become CBF Activities.

Figure 2: EbA Facility proposal cycle



2 The CBF's Environmental and Social Policy¹

Introduction

1. The CBF's Environmental and Social Policy (*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.
2. The Policy applies to all 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. 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 subgrantees.
3. All 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).
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

¹ Approved by the CBF Board of Directors on December 9, 2021.

Social Policy, the GEF Policy on Environmental and Social Safeguards, and the International Financial Corporation (IFC) Policy on Environmental and Social Sustainability.

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

Principles

6. Principle of Doing Good and Do No Harm: Establishes that all Activities must produce tangible benefits for the environment and communities, and none must cause harm to the environment nor communities.
7. 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.
8. Principle of Respect of Human Rights: Enshrines the value of Human Rights as a guide of Activities and specially protects the rights of vulnerable communities, groups, individuals, and Indigenous Peoples.
9. Precautionary and Most Stringent Standard Principle: Establishes that i) when in doubt of an Activity 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.

10. Principle of Safeguarding the Environment and Communities: Establishes that i) all Activities must be classified in terms of their environmental and social risk level, and ii) Environmental and Social Safeguards must be applied to all Activities as per their risk-level classification, to protect the environment and communities from harm.

Safeguards

11. 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”):² and ³

- 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 (*Deliberated omitted*)
- 10 Stakeholder Engagement and Information Disclosure

12. 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:

² The CBF’s Environmental and Social Safeguards reflect these of the World Bank. As the World Bank 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’s *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 reflects that one of the last World Bank’s ESS.

³ 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.

- **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 the required environmental and social measures as these measures are commensurate to the risks and potential adverse impacts of the Activities.

13. 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 *** **

2.1 The CBF'S Exclusion List

1. The CBF's Exclusion List is divided in 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. I. Exclusions:

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

- 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 ban¹.
- 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.
- 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.
- 4 Destructive fishing methods or drift net fishing in the marine environment using nets in excess of 2.5 km.
- 5 Nuclear power plants (apart from measures that reduce environmental hazards of existing assets) and mines with uranium as an essential source of extraction.
- 6 Large commercial monoculture activities.
- 7 Commercial logging operations for use in primary tropical moist forest and production or trade in wood or other forestry products other than from sustainably managed forests.
- 8 Large Involuntary Resettlement.
- 9 Production, trade, or any other activity related to alcoholic beverages; tobacco; pornography, or prostitution; gambling, casinos, and equivalent enterprises.
- 10 Activities related to production or trade of weapons of any kind, ammunitions, and any other military goods / technology.

¹ 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)].

- 11 Production or trade in asbestos and asbestos-containing materials for construction.
- 12 Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals, including gasoline, kerosene, and other petroleum products².
- 13 Prospection, exploration, and mining of coal.
- 14 Oil and Gas prospection, exploration, and production activities of any type.
- 15 Activities involving harmful labor, forced labor³, or harmful child labor⁴.

3. II Conditional Activities:

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

- 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 point 2 below must also be satisfied.
- 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 (FPIC) of such Indigenous Peoples.
- 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 EXCLUSION LIST ** **

² 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.

³ 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).

⁴ 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).

3 THE CBF'S ESMS

1. This section presents an overview of the ESMS. It includes a sub-section on compliance with national legal frameworks and some of the most recognized international standards. This section also presents the procedures for the assessment and management of risks and impacts of the two main instruments used by the CBF to channel funding: (i) the Conservation Program with the NCTFs and their selected CBF sub-grants and (ii) the direct CBF-funded grants/projects with the organizations applying for funding from facilities such as the EbA Facility. It includes the following:
 - ESMS requirements for NCTFs and EbA grantees
 - summary of the grievance mechanism,
 - the monitoring and reporting requirements,
 - the roles and responsibilities for ESMS implementation, and
 - the validity and review of the system.
2. The purpose of the ESMS is to ensure that CBF Activities bring about significant environmental and social benefits and avoid, minimise, and mitigate environmental and social risks and negative impacts. The ESMS applies to all CBF's grants and projects (CBF Activities) financed through any of the CBF's facilities (the Endowment Fund, the EbA Facility, or any other Facility or financial mechanism that the CBF may establish in the future). The ESMS applies to CBF Activities funded totally and partially by the CBF¹. The ESMS also applies to CBF-funded grants and activities that involve sub-grants and sub-activities awarded by the direct beneficiaries of CBF funding (the principal grantee). In these cases, the principal grantee will be responsible for ensuring that all the requirements of the ESMS are satisfied by their sub-grantees.

3.1 COMPLIANCE WITH NATIONAL LEGAL FRAMEWORKS

3. The ESMS requires CBF Activities to be carried out in compliance with applicable national law(s). The national laws provide the fundamental guide for identifying environmental and social risks and adverse impacts and adopting measures to mitigate and avoid them

¹ In cases where other funders have Environmental and Social Policies and functional ESMSs, the CBF's ESMS 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 *para* 9) must be always respected.

and establishes the process to mitigate and manage potential environmental and social adverse impacts when total avoidance is not possible.²

3.2 ALIGNMENT WITH INTERNATIONALLY RECOGNIZED STANDARDS

3.2.1 Alignment with the requirements of the KfW'S Sustainability Guideline

4. The CBF's ESMS is aligned with the KfW's Sustainability Guideline and its overall objective of promoting sustainability and avoiding adverse environmental, social and climate impacts and risks. It includes a comprehensive and systematic assessment of environmental and social aspects as well as other relevant development aspects of all Activities and incorporates an environmental and social framework into the planning, appraisal, implementation, and monitoring of the Activities³.
5. As part of the alignment with the KfW's Sustainability Guide, the CBF's ESMS meets the requirements of the IFC Performance Standards (PS) 1 and 2 and the World Bank Environmental and Social Standards (ESS) 1, 2, and 9 (see more information in the next two sections).

3.2.2 Alignment with the World Bank Environmental and Social Standards

6. The CBF ESMS is fully aligned with the World Bank Environmental and Social Framework. The nine Environmental and Social Safeguards of the CBF reflect the Environmental and Social Standards of the World Bank. The World Bank's ninth ESS is for Financial Intermediaries⁴ and currently, there are no Financial Intermediaries in the context of the CBF's beneficiaries. In anticipation of future activities and to make it easy for the reader who may need to corroborate the reference to the World Bank's

² For more information see National Legal Overview, prepared by the CBF as part of the ESMS.

³ The CBF's ESMS includes detailed environmental and social assessment and management procedures; appraisal, categorisation, and monitoring of the environmental and social risks of the of the Activities; a two-level Grievance Mechanism; mandatory references to the International Labour Organisation (ILO) core Labour Standards; requirements to comply with the World Bank ESSs including the management of Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement and Indigenous Peoples and Local Traditional Communities as well as Stakeholder Engagement and Information Disclosure among others

⁴ The World Bank's ESS 9 defines Financial Intermediaries as organisations that "receive financial support {from the Bank}". It includes "public and private financial services providers, including national and regional development banks, which channel financial resources to a range of economic activities (...)". Financial intermediation also includes provision of financing or guarantees by Financial Intermediaries to other Financial Intermediaries. Such Financial Intermediaries use various financial products such as project finance, corporate finance, medium and small enterprise finance, microfinance, housing finance, leasing, and trade finance.

ESSs numbering, there is no CBF's ESS 9 at this time. The number of the last ESS (10) reflects that one of the last World Bank's ESS (10). (See the section *Correspondence of the CBF's ESSs with the World Bank's ESSs and the IFC PSs*).

3.2.3 Alignment with the IFC Policy on Environmental and Social Sustainability and other standards

7. The CBF's ESMS is also fully aligned with the IFC Policy on Environmental and Social Sustainability and its eight Performance Standards.
8. The CBF's ESMS is also in partial alignment with other Multilateral Development Banks (MDB) policies, frameworks, and systems, including the Green Climate Fund (GCF) and the GEF. It also reflects strategic elements of the International Union for Conservation of Nature (IUCN) ESMS system, to which it is indebted in some sections.

3.2.4 Correspondence of the CBF's ESSs with the World Bank's ESSs and the IFC PSs

9. The CBF's Environmental and Social Safeguards have a close correspondence with the Environmental and Social Standards of the World Bank and the Performance Standards of the IFC, as table 2 below shows.

Table 1: Correspondence of the CBF's ESSs with the World Bank's ESSs, IFC's PSs and others

CBF's Environmental and Social Safeguards	World Bank ESS Safeguards	IFC's Performance Standards	Other MDB and Donors
ESS 1: Assessment & Management of Environmental and Social Risks & Impacts	ESS 1: Assessment & Management of Environmental and Social Risks & Impacts	PS 1: Assessment and Management of Environmental and Social Risks and Impacts	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS 2: Labor and Working Conditions	ESS 2: Labor and Working Conditions.	PS 2: Labor and Working Conditions	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS 3: Resource Efficiency and Pollution Prevention and Management	ESS 3: Resource Efficiency and Pollution Prevention and Management	PS 3: Resource Efficiency and Pollution Prevention	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS 4: Community Health, Safety, and Security	ESS 4: Community Health and Safety	PS 4: Community Health, Safety, and Security	Required by AFD, GFC, IDB, GEF ESS, IUCN

CBF's Environmental and Social Safeguards	World Bank ESS Safeguards	IFC's Performance Standards	Other MDB and Donors
ESS 5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost & Limited Involuntary Resettlement	ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	PS 5: Land Acquisition and Involuntary Resettlement	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS7: Indigenous Peoples and Local Traditional Communities	ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.	PS 7: Indigenous Peoples	Required by AFD, GFC, IDB, GEF ESS, IUCN
ESS 8: Cultural Heritage	ESS 8: Cultural Heritage	PS 8: Cultural Heritage	Required by AFD, GFC, IDB, GEF ESS, IUCN
----	ESS 9: Financial Intermediaries	-----	
ESS 10: Stakeholder Engagement and Information Disclosure	ESS 10: Stakeholder Engagement and Information Disclosure	-----	Required by IDB ⁵

3.3 ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

10. All prospective CBF Activities undergo an initial environmental and social screening process to determine their risk-based category, their risks and potential impacts, the required environmental and social assessment, and to consider the likely safeguard instruments that would be developed.

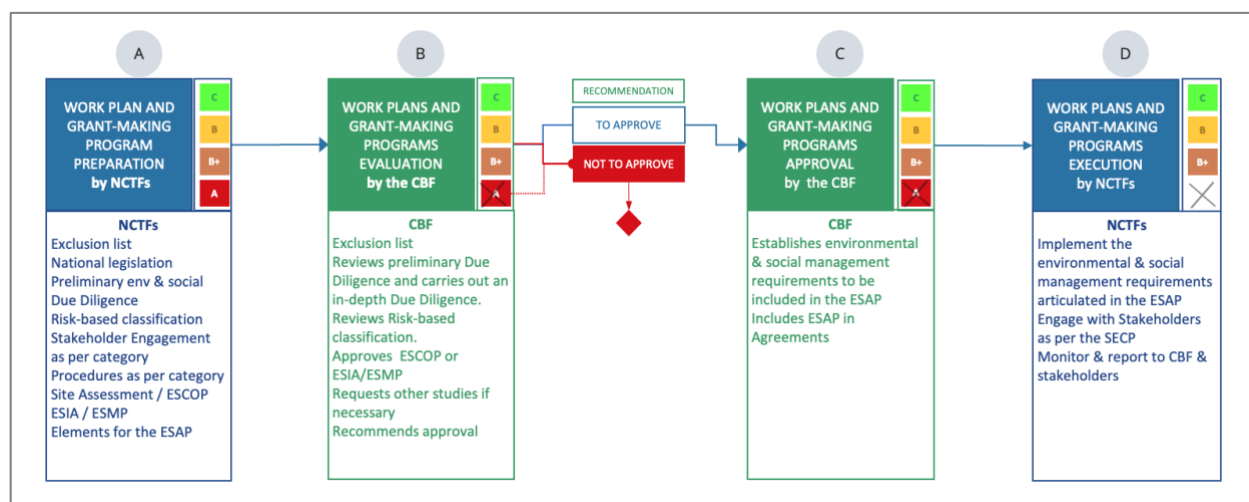
⁵ As a separate standard or safeguard.

11. The CBF Secretariat, the NCTFs, and CBF grantees (EbA and others) have a shared responsibility to systematically assess and manage the environmental and social aspects of CBF Activities. The CBF, the NCTFs, and the grantees must ensure adequate capacity to carry out the environmental and social assessment and management. It includes human resources, training, and budgets necessary to this end. The *Procedures for Environmental and Social Risk Assessment and Management* are presented in point 4.3 and developed in detail in the nine Safeguards. The *Roles and Responsibilities with regards to the ESMS* are presented in point 3.6.
12. The application of the ESMS differs from one program to the other due to the characteristics of the programs and the different instruments for accessing the funds.

3.3.1 The Environmental and Social Assessment and Management Process in the Conservation Program

13. In the Conservation Program, the Endowment proceedings are distributed among participating countries according to applicable criteria. The NCTFs with Partnership Agreements submit to CBF their work plans for executing CBF payments. The CBF approves for each NCTF the overarching work plans, their grant-making programs (including selection criteria and personnel), and their CBF budgets. It does not approve each of the activities (sub-grants). The NCTFs must have the capacity to identify and manage the risks and impacts of the activities in their work plans. The environmental and social assessment and management process in the Conservation Program is summarised in Figure 3.

Figure 3: Environmental and social assessment and management process in the Conservation Program



- A. For the preparation of their work plans and grant-making programs, the NCTFs shall do the following:
- Verify that CBF Activities are not included in the Exclusion List of the CBF.
 - Verify that CBF Activities comply with the national law.
 - Carry out a preliminary Due Diligence of CBF Activities⁶. This Due Diligence includes the appraisal, identification and assessment of the environmental and social risks and impacts of the Activities and their risk-based categorisation.
 - Implement the stakeholder engagement actions required based on the category determined from their work plans and grant-making programs.
 - For Activities with significant environmental and social risks, NCTFs mandate a qualified third party (consultancy) to conduct an Environmental and Social Impact Assessment (ESIA) or other appropriate studies.
 - For projects with less significant environmental and social risks, NCTFs make sure that a Site-Specific Assessment and a Social Code of Practice (ESCOP), and any other adequate environmental and social studies are carried out.
 - Identify the environmental and social measures that will be necessary for their work plans and grant-making programs to satisfy the requirements of the triggered ESSs. It includes additional specific environmental and social studies that might be necessary. Some of these studies would be required before approval and should be conducted by the NCTF or a third party in due time. Other studies may be conducted after approval to be included in the environmental and social requirements to the NCTF.
 - The results of the assessment process will be presented to the CBF as part of the NCTFs' work plans and grant-making programs.

For CBF Activities, NCTFs must have environmental and social management systems in place, commensurate to the risk-based categories of their Activities that allow for the identification, assessment, and management of the environmental, social, and climate change-related risks and impacts. These systems must follow the CBF's Policy and satisfy the ESS 1 and 2 and any other ESS applicable to their activities.

⁶ NCTFs will use the Environmental and Social Screening Questionnaire for this purpose.

- B. For the evaluation of work plans and grant-making programs, **the CBF** shall do the following:
- Review the Activities included in the work plans and grant-making programs to verify that they are not in the CBF Exclusion List.
 - Carry out an in-depth Due Diligence of the proposed work plans and grant-making programs⁷.
 - Review the risk-based classification made by the NCTFs and establish a definitive Risk Category of the Work Plans and grant-making programs⁸.
 - Identify the environmental and social measures required for the work plan and grant-making program based on the environmental and social Due Diligence.
 - Recommend the work plans and grant-making programs to be approved with the necessary environmental and social measures and conditions.
 - Exclude any Activity that is classified as **Category A: High Risk**.
 - Approve the ESIA/ESMP or the Site-Specific Assessment and a Social Code of Practice (ESCOP) for the CBF Activity, as the case may be.
 - Require additional environmental and social studies as necessary depending on the risk category and the characteristics of CBF Activities. The studies that constitute a condition for approval shall be conducted as part of the approval process. The studies that are not necessary before the approval will be included in the environmental and social requirements of the NCTF.

The environmental and social risks of the NCTFs' proposed Activities (CBF sub-grants) shall be proportionate to their institutional capacity, including their capacity to satisfy all applicable CBF's ESSs. In the evaluation of work plans and grant-making programs the CBF will consider the environmental and social management capacity of the NCTFs, including their previous experiences.

- C. For the approval of work plans and grant-making programs, **the CBF** shall do the following:

⁷ The CBF will use the Environmental and Social Screening Questionnaire for this purpose, with reference to the Questionnaire presented by the NCTF.

⁸ The risk-based category of the work plan or grant-making program will be the category of Activity with the highest risk.

- Approve (or to not approve) the work plan and grant-making program as per the relevant Partnership Agreement.
- Based on the environmental and social due diligence, establish specific environmental and social measures or requirements and produce an Environmental and Social Action Plan (ESAP) for the Activities of a work plan or grant-making program.
- Update, in a timely manner, the Partnership Agreements signed between the NCTF and the CBF to reflect the environmental and social management clauses with reference to expenditure and a timeline. These environmental and social management requirements constitute the ESAP.

D. For the execution of work plans and grant-making programs, **the NCTFs** shall do the following:

- Have in place the necessary environmental and social capabilities to satisfy the ESMS requirements.
- Execute their work plans and grant-making programs in accordance with the environmental and social requirements set by the CBF.
- Formulate management plans for the specific measures included in the ESAP prepared by the CBF and implement the ESAP accordingly.
- Engage with stakeholders and report to them on environmental and social matters following the requirements of the SECP.
- Establish a Grievance Mechanism to capture and manage complaints and grievances from communities, workers, and other stakeholders.
- Report periodically to the CBF on environmental and social matters.

3.3.2 ESMS Requirements for NCTFs

14. The NCTFs shall propose and carry out Activities proportionate to their institutional capacity, including their ability to comply with the CBF's Policy and satisfy all applicable ESSs.
15. The NCTFs shall have in place environmental and social management systems that allow for the identification, assessment, evaluation, and management of the environmental, social, and climate change-related risks and impacts of their Activities.

16. The CBF will provide all practicable support to the NCTFs to adopt environmental and social management systems or improve their existing systems. These systems shall be commensurate to the risks and potential adverse impacts of the Activities and the institutional complexity of the NCTFs. Some may have robust systems. Others may have a well-thought, articulated Environmental and Social Management Framework and Action Plan that satisfy ESS 1 and other applicable ESSs.
17. The CBF Secretariat regularly reviews the NCTF's ESMSs and verifies that these systems are compatible with the CBF's ESMS. The NCTFs' systems can be a) Fully Compliant; b) Partially Compliant; or c) No Compliant. The systems' compliance, or timeline to compliance, will be a minimum requirement for CBF Eligibility. Due consideration will be given to actions and/or ESMSs under development.
18. When an NCTF's system is Fully Compliant, the eligibility process may continue as established by the Endowment Eligibility Approval Policy and Procedures of the Endowment Manual of Operations.
19. When the system of an NCTF that has already signed a Partnership Agreement with the CBF is found to be Partially Compliant or No Compliant, it may continue receiving Endowment Support while it makes its system Fully Compliant, but only Activities classified as Category C: Low Risk can be included in its [Annual] Work Plans. The NCTF and the CBF Secretariat shall agree on a time-bounded action plan to render its system Fully Compliant.

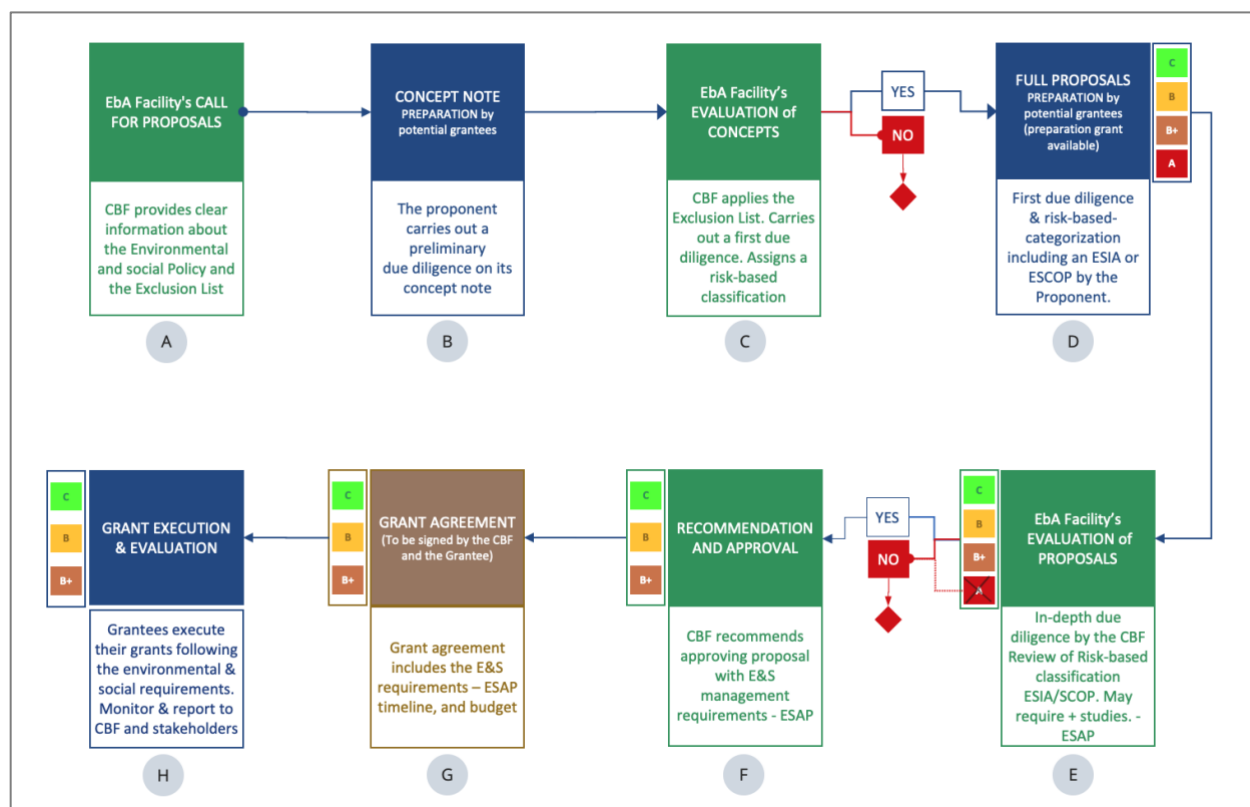
3.3.3 The Environmental and Social Processes in the Climate Change Program

20. The Climate Change Program (the EbA Facility's) is structured around Calls for Proposals addressed to various organizations in *eligible countries and territories*⁹. The CBF approves (or refrains from doing so) each one of the Activities proposed. Therefore, the application of the ESMS will be carried out in a shared manner between the CBF and the proponents, during the process of proposal preparation (screening), final grant award, as well as during the implementation of the activities. The

⁹ Currently, there are ten countries defined as beneficiaries of this Facility: Antigua and Barbuda, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Saint Lucia, and St. Vincent and the Grenadines. Nevertheless, certain non-beneficiary countries can participate in regional projects that involve at least one beneficiary country. In exceptionally circumstances, multi-country projects could also benefit The Bahamas, Barbados, St. Kitts and Nevis, and Trinidad and Tobago.

environmental and social management process in the Climate Change Program is presented in Figure 4.

Figure 4: Environmental and social assessment process in the Climate Change Program



A. For the call for Proposals, **the CBF** shall do the following:

- Prepare a Call for Proposals with clear information about the CBF's Environmental and Social Policy, Exclusion List, and environmental and social requirements.
- Disseminate the Call for Proposal widely, including information about the ESMS requirements. Establish a publicly accessible online forum of the type of "Questions and Answers" where further information and explanations related to the environmental and social framework and requirements is provided.

B. For the preparation of their Concept Notes, **the potential grantees** shall do the following:

- Prepare Concept Notes of their future proposals.
- Verify that their Concept Notes does not refer to activities in the CBF's Exclusion List.

- Carry out a preliminary Due Diligence on their proposed activities to make sure that they are in accordance with the CBF's environmental and social framework.
- C. For the evaluation of Concept Notes, **the EbA Facility evaluating team** (at the CBF), shall do the following:
 - Verify that the Concept Notes does not refer to Activities comprised in the CBF's Exclusion List.
 - Carry out an initial Due Diligence on the Concept Note and assign a preliminary risk-based category (one of four possible risk-based categories¹⁰).
 - Retain the Concept Note (or reject the Concept Note) and inform the proponent of this decision, including the risk-based category assigned to the Concept Note.
- D. For the preparation of Full Proposals¹¹, **the potential grantees** shall do the following:
 - Verify that the Activities are not included in the Exclusion list of the CBF.
 - Verify that the Activities comply with the national law.
 - Carry out a preliminary Due Diligence of their proposed Activities¹². This Due Diligence includes the appraisal, identification and assessment of the environmental and social risks and impacts of the Activities and their risk-based categorisation.
 - Implement the stakeholder engagement actions required by the category of the Activity.
 - For Activities with significant environmental and social risks, carry out either directly or through a qualified third party (consultant) an Environmental and Social Impact Assessment (ESIA) or other appropriate studies.
 - For Activities with less significant environmental and social risks, make sure that a Site-Specific Assessment and a Social Code of Practice (ESCOP), and any other adequate environmental and social study are carried out.

¹⁰ If the Concept Note is found to be Category A: High Risk, the CBF may require the proponent to modify its Concept Note to exclude the sub-activities that led to the High-Risk classification

¹¹ There is a proposal-making grant available at CBF to assist proponents in the preparation of their proposals.

¹² NCTFs will use the Environmental and Social Screening Questionnaire for this purpose.

- Identify the environmental and social measures that will be necessary for their proposed Activities to satisfy the requirements of the triggered ESSs. In this regard, other environmental and social studies might be necessary. Some of these specific studies are required before approval and they shall be conducted in due time by the organisation proposing the Activity or a third party. Other studies may be conducted after the approval and will be included in the environmental and social requirements to the grantee.
 - The results of the environmental and social Due Diligence, risk-based classification, ESIA or ESCOP, and any additional environmental and social study or plan will be presented to the CBF as part of the full proposal.
- E.** For the evaluation of Full Proposals, **the EbA Facility evaluating team** (at the CBF) shall do the following
- Carry out an in-depth Due Diligence of the proposed Activity.
 - Review the risk-based classification made by the proponent and establish a definitive risk category of the Activity. If there is a grant-making program in the proposed Activity, the risk category of the grant-making program established by the EbA Facility evaluating team shall correspond to the highest risk of the sub-activities or sub-grant that may be financed.
 - Exclude any proposed Activity that is classified as **Category A: High Risk**.
 - Approve the ESIA/ESMP or the Site-Specific Assessment and a Social Code of Practice (ESCOP), as the case may be.
 - Require additional environmental and social studies as necessary depending on the risk category and the characteristics of the Activity. The studies that constitute a condition for approval shall be conducted as part of the approval process. The studies that are not necessary before the approval will be included in the environmental and social requirements of the grantee to be conducted once the Activity is approved.
 - Based on the environmental and social Due Diligence, identify the environmental and social measures required for the proposed Activity to satisfy the ESSs.

The environmental and social risks of the proposed Activities shall be proportionate to the institutional capacity of the proponent (grantee) to satisfy all applicable CBF's ESSs. The proponent's institutional capacity to carry out the identification,

assessment, evaluation, and management of the environmental, social, and climate change-related risks and impacts of Activities is an important factor for the evaluation of the proposals. Proponents with full capacity shall receive full marks in this regard.

- F. For the recommendation and Approval, **the CBF**, including the EbA Facility evaluating team, shall do the following:
- Recommend the proposed Activity to be approved with the environmental and social measures and conditions that may be necessary.
 - The competent organ of the CBF follows the recommendation to approve (or to not approve) the proposed Activity.
 - Establish specific environmental and social measures or requirements to the grantee and formulate the ESAP of the Activity.
 - Integrate in the agreement to be signed between the grantee and the CBF the environmental and social management clauses with a timeline and an estimated budget. These environmental and social management clauses constitute the ESAP.
- G. For the execution of the Activity, **the grantees** shall do the following:
- Have in place the necessary environmental and social capabilities to satisfy the ESMS requirements.
 - Execute their Activities in accordance with the environmental and social requirements set by the CBF in the ESAP.
 - Formulate management plans for the specific measures included in the ESAP prepared by the CBF and implement the ESAP accordingly.
 - Establish a Grievance Mechanism to capture and manage complaints and grievances from communities, workers, and other stakeholders.
 - Report to their stakeholders on environmental and social matters following the schedule set forth in the SECP.
 - Report to the CBF on environmental and social matters as part of their progress reporting as established in the grant agreements (or contracts).

3.3.4 ESMS Requirements for EbA Facility Grantees and other Grantees

21. Organisations implementing Activities financed by the EbA Facility or by any other CBF's Facility (*the grantees*), must be capable of carrying out the identification, assessment, evaluation, and management of the environmental, social, and climate change-related risks and impacts of their Activities.
22. When the grantee is an NCTF whose system has been found to be Fully Compliant (as per the process presented in *point 3.3.2 Requirements for NCTFs*), the CBF may rely on its system as the NCTF is deemed to have *full capacity* to manage environmental and social risks and impacts.
23. When the grantee is an organisation with an ESMS in place, the CBF will verify the compatibility with the CBF's ESMS. If the organisation's system is fully compatible with the CBF's ESMS, the organisation is deemed to have *Full Capacity* and the CBF may rely on its system. If the organisation's system is only partially compatible, the CBF will agree with the organisation on a plan to bridge the gap between its system and the system of the CBF. This plan will be part of the ESAP of the Activity presented in point 4.3.7 Procedures related to the ESAP.
24. When the grantee is an organisation with no environmental and social management capacity in a manner that is satisfactory for the CBF, the organisation will receive the minimum mark in this regard in the evaluation of its proposals. If the CBF decides to approve the proposed activity, the CBF will be directly responsible for the environmental and social performance of the Activity.

3.4 GRIEVANCE MECHANISM

25. The Grievance Mechanism of the CBF consists of a set of procedures and tools to receive, address, and manage grievances and concerns with regards to the Activities and facilitate their resolution. The CBF's Grievance Mechanism processes and responsible parties are described in detail in the ESS 10: Stakeholder Engagement and Information Disclosure (*12.7 Grievance Mechanism*).

3.5 MONITORING AND REPORTING

26. Monitoring and reporting are essential elements of the ESMS to track, control, and communicate the implementation of the environmental and social requirements of every Activity. The specific characteristics of the monitoring and reporting are to be integrated into the agreements signed between the CBF and the NCTFs, EbA grantees, and other grantees.

27. NCTFs and grantees shall document their monitoring and keep records for further assessment, learning purposes, continuous improvement, and eventual review of compliance with the environmental and social management clauses.
28. NCTFs and grantees shall report on environmental and social monitoring to their stakeholders as established in the ESS 10 and specified in the Information Disclosure Matrix of the Stakeholder Engagement and Communication Plan (SECP). They will also report to the CBF in accordance with their contractual and other legal obligations.
29. If the Activities included in the NCTFs' work plans or grant-making programs or proposed by the EbA grantees and other grantees triggered some of the ESSs, special monitoring requirements may apply and consequently they must be satisfied in due form and time.
30. The CBF Secretariat shall monitor the correctness of the assessment of environmental and social risks and potential adverse impacts at the planning and proposal stages as well as the later environmental and social management performed by NCTFs, EbA grantees, and other grantees. This may include site visits by CBF staff and, in extraordinary cases, the participation of an independent third-party monitoring. Monitoring site visits by the CBF Secretariat to Category B+ Activities are mandatory.

3.6 ROLES AND RESPONSIBILITIES

31. All the parties involved with the ESMS have differentiated roles and responsibilities, as outlined in this section.
 - A. The CBF Board Directors:
 - i. Approves the Environmental and Social Policy and adjusts it when necessary
 - ii. Commits to upholding the Policy in their decision-making processes and specifically when approving Activities, grants, and disbursements to NCTFs and other organisations, as part of their overall responsibility for the appropriate use of funds.
 - iii. Responds to its fiduciary responsibility of managing the CBF's environmental and social risks and ensures that the ESMS is in place and remains operative.
 - iv. Reviews the environmental and social risks at the institutional level periodically and when the CBF adopts or implements a new Program or Facility.
 - v. Seeks advice and technical assistance from relevant environmental and social experts as needed.
 - vi. Abides by the Exclusion List.

- B. The EbA Committee Members:**
 - i. Commit to upholding the Policy in their decision-making processes, as part of their overall responsibility.
 - ii. Embed the Policy in its Grant-Making Rules and make it clear and explicit to stakeholders such as applicants, donors, sponsors, and partners.
 - iii. Ensure that all EbA Facility funded Activities comply with the Policy.
 - iv. Seeks advice and technical assistance from relevant environmental and social experts as needed.
 - v. Abides by the Exclusion List.

- C. The CBF Secretariat:**
 - i. Implements the Policy
 - ii. Ensures consistency across all official documents of the CBF with regards to the Policy and the ESMS, making the necessary adjustments and proposing amendments to be approved by the Board.
 - iii. Ensures the availability of human and financial resources to implement the ESMS, including competent staff to effectively carry out the ESMS operational functions.
 - iv. Disseminates the Policy and raises awareness of the CBF's ESMS
 - v. Makes the ESMS documents and tools available through the CBF's website.
 - vi. Manages the ESMS and conducts any necessary revision process.
 - vii. Applies the Exclusion List to the Work Plans and grant-making programs presented by the NCTFs and to the proposals presented by applicants to / grantees of the EbA Facility and any other Facility.
 - viii. Ensures that the environmental and social risks and potential negative impacts of the CBF Activities are identified, assessed, and properly managed, and that the appropriate Environmental and Social Safeguards are applied as needed.
 - ix. Provides guidance, training, and technical assistance to NCTFs in matters related to compliance with the ESMS.
 - x. Strengths the environmental and social management capacities of the grantees.
 - xi. Grants environmental and social clearance to the work plans and grant-making programs of NCTFs', after reviewing their environmental and social policies, systems, or institutional arrangements, which should be commensurate to their proposed activities.
 - xii. Grants environmental and social clearance to the proposals to be recommended for approval by the EbA Facility Committee.

- xiii. Supports NCTFs and EbA Facility grantees in their implementation of the ESMS.
- xiv. Ensures appropriate disclosure of information about environmental and social matters through the CBF's website and other media.
- xv. Monitors the compliance of NCTFs, EbA Facility grantees, and other grantees with the environmental and social requirements established in the ESAPs of their workplans, grant-making programs, and Activities.
- xvi. Aggregates the environmental and social performance information produced by the ESMS.

D. The NCTFs:

- i. Comply with the CBF's Environmental and Social Policy, abide by its Exclusion List, and satisfy the CBF's ESSs.
- ii. Have in place sufficient environmental and social capabilities to satisfy the ESMS requirements
- iii. Have environmental and social management systems, or similar instruments, commensurate to the Activities of their work plans and grant-making programs, that allow for the identification, assessment, evaluation, and management of the environmental, social, and climate change-related risks and impacts.
- iv. Conform with International Labour Organisation's Core Conventions on child labour, forced labour, equality, rights of association, as established in the ESS 2.
- v. Have comprehensive stakeholder engagement processes, including the establishment of a Grievance Mechanism and publicly disclosing information to their stakeholders.
- vi. Conduct an environmental and social Due Diligence on the Activities of their Work Plans and grant-making programs. Classify them in terms of environmental and social risks and potential negative impacts¹³.
- vii. Satisfy the requirements of the Environmental and Social Safeguards triggered by the Due Diligence.
- viii. After approval of their Work Plans and grant-making programs, monitor performance and ensure compliance with the environmental and social requirements of their Activities.
- ix. Report to their stakeholders on environmental and social matters following the requirements of the SECP.

¹³ Note that this classification is not definitive. It may be reviewed by the CBF Secretariat.

- x. Report periodically to the CBF on environmental and social matters.

E. The EbA Facility grantees and other grantees:

- i. Comply with the CBF's Environmental and Social Policy, abide by its Exclusion List, and satisfy the requirements of the CBF's ESSs.
- ii. Have sufficient environmental and social capabilities to satisfy the ESMS requirements.
- iii. Have environmental and social management systems or similar instruments commensurate to their Activities, that allow for the identification, assessment, evaluation, and management of the environmental, social, and climate change-related risks and impacts.
- iv. Conduct a Due Diligence on their concepts and full proposals and classify them in terms of environmental and social risks and potential negative impacts in one of the environmental and social risk categories of the ESMS¹⁴.
- v. Satisfy the requirements of the Environmental and Social Safeguards triggered by the Due Diligence.
- vi. Conform with International Labour Organisation's Core Conventions on child labour, forced labour, equality, rights of association, as established in the ESS 2.
- vii. Have comprehensive stakeholder engagement processes, including the establishment of a Grievance Mechanism and publicly disclosing information to their stakeholders.
- viii. After approval of their proposals, monitor and ensure compliance with the environmental and social requirements of their Activities.
- xi. Report to their stakeholders on environmental and social matters following the requirements of the SECP.
- xii. Report periodically to the CBF on environmental and social matters.

3.7 VALIDITY AND REVIEW OF THE ESMS

- 32. The CBF will gradually implement the ESMS. The implementation will start with the new Activities from May 15, 2022.

¹⁴ Note that this classification is not definitive. It may be reviewed by the CBF Secretariat.

33. The CBF will adopt a continuous improvement approach concerning the implementation of the ESMS. In that sense, the active participation of NCTFs and grantees is of great importance.
34. This version of the ESMS will be reviewed by the CBF no sooner than one year and no later than two years after the commencement of its deployment. The review will result in concrete recommendations to improve the ESMS and enhance the environmental and social performance of the CBF.

** ** END OF CHAPTER 3 THE CBF ESMS ** **

4 ESS 1: ENVIRONMENTAL AND SOCIAL DUE DILIGENCE AND MANAGEMENT OF RISKS AND IMPACTS

4.1 INTRODUCTION

1. The ESS 1: Environmental and Social Due Diligence & Management of Risks and Impacts (ESS 1) underscores the importance of managing the environmental and social performance of Activities in a structured, systematic manner. It integrates environmental, social, and climate change considerations into the assessment, appraisal, evaluation, approval, management, follow up, and closing of Activities.
2. The ESS 1 borrows, adapts, and integrates the provisions that are pertinent and appropriate to the CBF's context and operations from the following internationally recognised safeguards and standards:
 - The World Bank's ESS 1: Assessment and Management of Environmental and Social Risks and Impacts
 - The KfW Sustainability Guideline
 - The IFC's PS 1 Assessment and Management of Environmental and Social Risks and Impacts
 - The IDB's ESPS 1: Assessment and Management of Environmental and Social Risks and Impacts
3. The ESS 1 requires a continued assessment on the environmental, social, and climate change-related risks and potential adverse impacts of the Activities and the articulation of a systematic set of actions to manage these risks and potential adverse impacts while enhancing potentially positive impacts.

4.1.1 Scope of the ESS 1

4. The ESS 1 covers all Activities funded through the Endowment Fund, the EbA Facility, and any other Facility or financial mechanism that the CBF may establish in the future. The ESS 1 covers any activity partially or totally funded by the CBF¹.

¹ When the activity is partially funded by the CBF – *see para 81*.

4.1.2 Objectives of the ESS 1

5. The objectives of the ESS 1 are:

- 1 To identify, assess, and evaluate environmental, social, and climate change-related risks and potential adverse direct, indirect, and cumulative impacts of Activities
- 2 To mainstream the principle of the *Mitigation Hierarchy* to anticipate and avoid environmental, social, and climate change-related risks and potential adverse impacts, to minimise these risks and impacts when total avoidance is not possible, and, in case residual impacts remain, to compensate for them.
- 3 To enhance environmental and social performance and Climate Change adaptation and resilience aspects of Activities.
- 4 To support the achievement of positive climate change-related impacts.

4.1.3 Definitions

6. The terms presented in this section will have the following meaning. These definitions are based on the World Bank Environmental and Social Framework² and other sources:
- The environmental, social, and climate change-related Screening Questionnaire (**ES-Screening-Q**): It is a questionnaire that inquiries into the environmental, social, and climate change-related risks and impacts of an Activity through a series of questions related to the CBF's ESSs and includes clear triggers of these ESSs. The **ES-Screening-Q** consists of a series of yes-no questions divided in sections corresponding to the CBF Safeguards. Depending on the answer a course of action is suggested.
 - Climate Vulnerability and Capacity Analysis is a tool used to gather and analyze information on community-level vulnerabilities to and capacities for climate change. It informs the identification of actions, at the community level or more broadly, that support communities in increasing their resilience to climate change.³

² 2016 World Bank Environmental and Social Framework. World Bank, Washington, DC.] License: Creative Commons Attribution CC BY 3.0 IGO.

³ It is a CARE tool. Information retrieved from [CARE Website](#) on September 16, 2021.

- [Community Health & Safety Plan \(CH&S\)](#) is a plan of action to protect communities from hazards caused or exacerbated by the Activity, including contamination, flooding, spread of communicable diseases, use of security personnel, enforcement of restrictions of access to natural resources, etc. The CH&S Plan shall devote especial attention to water quality and availability, structure safety of infrastructure, life and fire safety, transport of hazard materials, disease prevention, and Emergency Preparedness and Response that is commensurate with the risks of the Activity.
- [Cumulative impacts](#) are the incremental impact of the Activity when added to impacts from other relevant past, present, and reasonably foreseeable developments as well as unplanned but predictable actions enabled by the Activity that may occur later or at a different location.
- [Direct impact](#) is an impact which is caused by the Activity and occurs contemporaneously in the location of the Activity.
- [Environmental and Social Action Plan \(ESAP\)](#) is an instrument that articulates in detail the required measures and actions to manage environmental, social, and climate change-related risks and adverse impacts of the Activity and to enhance its environmental and social performance.
- [Environmental and Social Assessment \(ESA\)](#)⁴ is the analysis and planning to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced, or mitigated throughout the Activity life cycle.
- [Environmental, Social and climate change-related impacts](#) refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community including people working in the Activity, resulting from Activity.
- [Environmental, Social and climate change-related risk](#) is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.
- [Environmental and Social Audit](#) is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing Activity and

⁴ The World Bank - Guidance Note for Borrowers.

assess their status, specifically in terms of meeting the requirements of the ESSs. It also identifies appropriate measures and actions to mitigate these areas or concern, including the estimation of their cost⁵.

- [Environmental and Social Management Plan \(ESMP\)](#): is an instrument that articulates in detail the required measures and actions to manage environmental, social, and climate change-related risks and adverse impacts of the Activity and to enhance its environmental and social performance. The ESMP is developed under the basis of the Due Diligence process.
- [Environmental and Social Management Framework \(ESMF\)](#) is an instrument that establishes the framework for managing environmental, social, and climate change-related risks and adverse impacts of a group of Activities or of an Activity that is composed of various sub-activities or sub-projects that are unknown or not well defined when the Activity is analysed and approved. The ESMF includes the principles, the guidelines, and the procedures to follow and contains measures and plans to avoid, minimise, mitigate, [and at the last resort compensate for] environmental, social, and climate change-related adverse impacts, and enhance the Activity's environmental and social performance. It may include schedules and estimated budgets. The NTCF's grant-making programs will have an ESMF.
- [Environmental and Social Impact Assessment \(ESIA\)](#) is an instrument to identify and assess the environmental and social impacts of a proposed Activity, evaluate alternatives and design appropriate mitigation, management, and monitoring measures. It includes the suitable mitigation measures articulated in an ESMP.
- [Gender Action Plan \(GAP\)](#) is a set of concerted and articulated actions to close the *gap* between women and men roles, responsibilities, activities, and access to and control over resources and decision-making opportunities related to Activities. It could be a succinct Gender Statement that encompasses the above-mentioned actions or could be a stand-alone document if the risks posed by the Activity requires.

⁵ World Bank, ESMF.

- [Hazardous Material Management Plan](#)⁶ is an articulate set of actions to use, store, or handle any quantity of hazardous materials, defined as materials that represent a risk to human health, property, or the environment due to their physical or chemical characteristics.
- [Indirect impact](#) is an impact which is caused by the Activity and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable caused by the Activity
- [Integrated Pest Management Plan](#) is a set of articulated ecosystem-based actions for effective and environmentally sound pest management while minimising health and environmental risks (including risks terrestrial and aquatic ecosystems, non-target species and other important ecological resources associated with the use of biocides and other pest management techniques). It comprehends a combination of techniques, including biological control, habitat manipulation, cultural practices and, at the last resort, reasonable and safe use of biocides.
- [Occupational Health & Safety \(OH&S\) Plan](#) is a plan of action to prevent incidents and occupational diseases derived directly or indirectly from an Activity. The OH&S shall be based on the likelihood and severity of the consequence of exposure to pre-identified hazards. The OH&S Plan shall comply with the national legislation of the country where the Activity is implemented and with the CBF's ESS1 and ESS2 requirements.
- [Risk Assessment of Living Modified Organisms \(LMOs\)](#) is an instrument to inform the decision-making regarding LMOs. It consists of a “structured process conducted in a scientifically sound and transparent manner, and on a case-by-case basis in the context of the risks posed by the non-modified recipients or parental organisms in the likely potential receiving environment” to identify and evaluate the potential adverse effects of LMOs⁷.

⁶ General Environmental, Health, And Safety (EHS) Guidelines: Environmental Hazardous Materials Management. (EHS) Guidelines – IFC, The World Bank.

⁷ Road Map for Risk Assessment of Living Modified Organisms. UNEP/CBD/BS/COP-MOP/8/8/Add.1

- [Social Impact Assessment \(SIA\)](#) is an inquiry focused on social issues, to analyse and understand both intended and unintended social consequences of Activities⁸. A SIA may be requested to evaluate risks and impacts related to demographics, economy and livelihoods, gender, health, stakeholders' rights, cultural heritage, etc. It may include a Conflict Analysis if the Activity is deemed to exacerbate existing conflicts or generate new ones.
- [Strategic Environmental and Social Assessment \(SESA\)](#) consists of the systematic examination of environmental, social, and climate change-related risks and potential adverse impacts associated to a *policy*, a *plan*, or a *program*. It includes the eight ESSs. It would be applicable to an Activity only when the Activity consists of the development of a [national] policy, plan, or program.
- [Waste Management Plan](#) is an articulate set of actions to safely manage waste from waste generation to waste disposal for any Activity that generates, store or handle waste. It is commonly required for Activities that involve construction, refurbishment, or decommissioning of infrastructure.
- [Safely Managed Drinking Water and Sanitation Plan](#) is a set of articulated actions intended to ensure safe drinking-water, safe-sanitation, and hygiene services available in the facility that is been built or refurbished as part of a CBF's Activity. It includes actions to prevent faecal contamination of source waters, preserve water supply, treat the water to reduce or remove contamination, prevent re-contamination during storage, distribution, and handling of drinking water, safely managed sanitary facilities including periodical removal of sanitary sludge if needed.

4.2 ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

7. Environmental and Social Due Diligence (Due Diligence) is a process to identify, anticipate, appraise, avoid, and/or minimise environmental, social, and climate change-related risks and potential adverse impacts of the Activities. The instruments and tools available to complete the Due Diligence process shall be used in accordance with the nature and scale of the Activity.

⁸ By default, an ESIA includes a SIA.

4.2.1 Area-Based and Non-Area-Based Activities

8. There are two kinds of activities: Area-Based Activities and Non-Area-Based Activities⁹.
9. The Area-Based Activities provide technical assistance, financial resources, physical infrastructure, equipment, and other resources to be applied totally or partially in a defined geographical location, in the land, in the sea, or in both)¹⁰.
10. The Non-Area-Based Activities do not provide technical assistance, financial resources, physical infrastructure, equipment, or any other resources to be applied in a defined geographical location. The Non-Area-Based Activities do not involve actions on the ground and are not intended to produce direct changes on the land or the sea, even though their final purpose may be to bring about attitude, behavioural, or political changes that will have an eventual impact on the land and the sea¹¹.

4.2.2 Risk-based Classification

11. Activities 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 potential adverse impact that is significant, irreversible, extended, or unprecedented.¹²

⁹ The concepts of Area-Based and Non-Area-Based are borrowed from the IUCN ESMS' Guidance Note - Assessment, Management and Monitoring of Environmental and Social Risks. Version 1.0 released in October 2020.

¹⁰ Area-Based Activities are activities that apply resources in a defined geographical location - They produce changes in the land, or in the sea, or in both. For example, Activities involving infrastructure, agriculture, forestry, fishing, livelihoods, land use planning, restriction of access to natural resources, etc., are Area-Based Activities. Usually, Area-Based Activities are classified as Category B or higher (See Risk Classification section).

¹¹ Non-area based are activities that don't provide resources to be applied in a defined geographical location. They don't produce direct changes on the land nor on the sea. For example, Activities that comprise only training, communication networking and awareness raising, desk research and studies, conferences, etc., are Non-Area-Based Activities.

Usually, Non-Area-Based Activities are classified as Category C (See Risk Classification section).

¹² These Activities would otherwise be classified as Category B, but the fact that there is a single ES risk or potential ES impact forces the classification as Category B+.

- **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.

12. Activities may be re-classified by the CBF Secretariat in the following circumstances:

- i. When a proposed Activity is modified by the NTCF or the Proponent on their own initiative or on advice from the CBF¹³.
- ii. When the monitoring of the environmental and social performance of the Activity shows significant risks or impacts that were not considered in the Due Diligence.
- iii. When there is a credible grievance related to sexual and gender-based violence (SGBV), including sexual harassment, sexual exploitation, and abuse. In this case, the CBF will automatically increase a degree the initial classification. If the Activity is **C**, it will become **B**; if it is **B** then it will become **B+**; if it is **B+** it will remain **B+** under special watch. This re-classification is meant to be temporary, until the grievance is solved.

4.2.3 Initial Due Diligence by the Proponent

13. All Activities presented to the CBF for funding must be subject to an initial Due Diligence carried out by the organisation presenting the Activity (the Proponent). This initial Due Diligence is intended to identify the environmental, social, and climate change-related risks and potential adverse impacts and the potential opportunities to improve environmental and social positive impacts.
14. The Due Diligence is performed using the “Environmental, social, and climate change Screening Questionnaire (**ES-Screening-Q**)” tool. The **ES-Screening-Q** consists of a series of yes-no questions divided in sections that correspond to the CBF Safeguards. Depending on the answer a course of action is required. Non-Area-Based Activities just need to go through some sections of the **ES-Screening-Q** while Area-Based Activities need

¹³ If there is a concept or a proposal as part of a CfP of the EbA Facility or any other CBF's facility, this modification shall be done before the deadline established in that CfP.

to go through the full questionnaire. Depending on the type of risks and impacts, different environmental and social assessment and analysis processes will be required.

15. The initial Due Diligence shall indicate whether the proposed Activity is aligned with the country' climate strategy under the UNFCCC (i.e., National Adaptation Plans (NAP), National Determined Contributions (NDC). By default, Activities proposed to the EbA Facility will be aligned with that strategy.
16. The initial Due Diligence must include a Stakeholder identification. This stakeholder identification will be used by the NCTF and/or the grantee to formulate the Stakeholder Engagement and Communication Plan (SECP) in a manner satisfactory to the ESS 10: Stakeholder Engagement and Information Disclosure.
17. As a result of this initial Due Diligence, the Activity shall be classified in one of the four Risk Categories (*para 11*). Activities classified as **Category A: High Risk** must not be presented for consideration to the CBF as they are in the CBF's Exclusion List.
18. The **ES-Screening-Q** includes some risk-markers that can help in determining the appropriate risk category of the proposed Activity. With regards to the *Risk-based Classification* see *point 4.2.2*). The table below presents some of these markers.

Table 2: Markers for Risk Classification

If the Activity...	Minimum Risk Level
Establishes or enforces a Protected Area or a Non-Take-Zone	B+
Restricts the use of, or access to, natural resources	B+
Restricts the use of, or access to, cultural, spiritual resources	B+
Presents significant risks based on individuals' gender identity or sexual orientation	B+
Includes minors older than 14 years-old working in the Activity ¹⁴	B+

¹⁴ Child labour is not allowed as per ESS 2 (that reflects the ILO Core Conventions). Labour of Children older than 14 years old may be allowed in some jurisdictions.

If the Activity...	Minimum Risk Level
Includes resettlement ¹⁵	B+
Triggers tourism development ¹⁶	B
Presents risks of polluting the environment, including increasing waist	B
Involves the storage, transportation of hazardous goods ¹⁷	B
Produces degradation, sedimentation, erosion of soil	B
Involves infrastructure construction, refurbishment, or decommissioning	B
Increases considerably the influx of people into specific locations	B
Presents hazardous conditions for people working on it	B
Creates H&S or security risks to people and communities	B
Limits the ability of women and girls to fully participate in its execution	B
Exacerbates existing social conflicts	B

19. The application of the **ES-Screening-Q** flags the triggering of the ESSs. In that case, , the NTCF or the proponent will carry out the necessary activities (studies or plans) to satisfy the requirements of the triggered the ESSs.
20. When further inquiries are needed and there is a concept-paper stage in the Activity approval process (as it is the case with the EbA Facility), these inquiries shall be listed but no further action is expected from the Proponent until approval or additional guidance from the CBF is received. When further inquiries are needed and there is not a concept-paper stage in the Activity approval process, these inquiries shall be carried out in a

¹⁵ Neither large resettlement (more than 15 households form the same location) nor **Category A** projects are allowed as per the Exclusion List.

¹⁶ Any activity triggering tourism development that increases the influx of people into a given location creates pressures for basic services such as drinking water and sanitation.

¹⁷ Such as the as the transportation of bulk quantitates of gasoline and oil for vehicles or motorboats in Protected Areas.

timely manner, before the approval process takes place. If some of these inquiries are not material for the approval process, they may be carried out after the approval. In that case, an action plan to carry out the further inquiries shall be included in the NCTFs' Work Plan or in the full proposal of the Proponent. The **ES-Screening-Q** tool will help identifying which inquiries are required before the approval process and which can be performed after the approval of the Activity.

21. The environmental and social measures and requirements identified by the Due Diligence to mitigate and manage the risks and impacts of the Activity constitute the basis of the ESAP.

4.2.4 In-depth Due Diligence by the CBF Secretariat

22. The CBF carries out an in-depth due diligence of the work plans, grant-making programs and Activities presented for its consideration and funding. To do this, uses the **ES-Screening-Q**.
23. The CBF verifies that the proposed Activities are not in the CBF's Exclusion List. If they are included in the Exclusion List, the CBF will end the approval process¹⁸.
24. The due diligence performed by the CBF may corroborate the results previously obtained or may introduce changes to the initial assessment and require additional actions that were not identified by the NCTF of the proponent.
25. As part of this Due Diligence, the CBF reviews the initial and establishes the definitive category of the Activity.
26. The Screening will facilitate the identification, anticipation, and prevention of gender-based risks and impacts, including risks and adverse impacts based on gender, sexual orientation, and gender identity¹⁹. Gender-related risks and impacts comprise every form of sexual and gender-based violence (SGBV), including sexual harassment, sexual exploitation, and abuse. Equally, the Screening will identify actions to eliminate the possibility of reinforcing pre-existing inequalities based on gender and opportunities to

¹⁸ In the case that just some sub-activities of a given proposed Activity are included in the Exclusion List, the CBF Staff can, at their sole discretion, either end the approval process of that Activity or return it to the proponent for changes and adjustments.

¹⁹ These provisions respond to the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners.

advance gender equality (to this respect, see section 4.3.8 *Procedures related to Sexual and Gender-based Violence*).

27. The CBF will articulate in the ESAP all the environmental and social measures and requirements to mitigate and manage the risks and impacts of the Activity, identified by the Due Diligence, so that full compliance with the applicable Safeguards is achieved within a reasonable time frame. The NCTFs and the grantees will formulate management plans for the specific measures included in the ESAP prepared by the CBF and implement the ESAP accordingly. The *Procedures related to the ESAP* are presented in detail in *point 4.3.7*.

4.3 PROCEDURES FOR ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT AND MANAGEMENT

The environmental and social procedures are commensurate with the risks and potential adverse impacts of the Activities and differ from one risk-based category to another as presented in this section.

4.3.1 Category C Activities

28. If the Activity is classified as **Category C (Low Risk)** because none or only minor environmental and social risks and adverse impacts have been identified during the environmental and social due diligence, neither an ESIA nor additional analysis is necessary. The CBF Secretariat can confer *Environmental and Social Readiness* status to the Activity, provided that the following requirements are satisfied.
 - A. The Stakeholder Engagement and Communication Plan is developed and implemented in a manner satisfactory to the ESS 10 Stakeholder Engagement and Information Disclosure. (As established in *point 4.4 Stakeholder Engagement and Communication*)
 - B. The NCTFs or the EbA grantee (or the grantee of any other Facility) satisfies the requirements set by the ESS 2: Labour and Working Conditions.
 - C. The NCTFs or the EbA grantee (or the grantee of any other Facility) prepares a Gender Statement explaining the gender-related challenges of the Activity and the actions to manage these challenges as well as the opportunities to improve gender-related aspects of the Activity.

- d. The NCTFs or the EbA grantee (or the grantee of any other Facility) carries out any other action required by the Due Diligence.
- 29. The CBF will monitor the environmental and social performance of **Category C Activities** on a regular basis. If the monitoring shows significant risks or impacts that were not considered in the Due Diligence, the CBF may reclassify the Activity into a higher risk category, as established in *para 12*.

4.3.2 Category B Activities

- 30. For all **Category B (Moderate Risk)**, Activities, NCTFs and grantees are required to establish, maintain, and strengthen as necessary an organizational structure that defines roles, responsibilities, authority, workplan, and budget to implement the ESCOP / ESMP.
- 31. When an Activity is classified as **Category B** the NCTF or the organisation proposing the Activity, as appropriate, must apply the Principle of Mitigation Hierarchy.
- 32. The Due Diligence process determines if a **Category B** Activity requires either a full Environmental and Social Impact Assessment (ESIA) or just an Environmental and Social Code of Practice (ESCOP)²⁰. (For more information, see *point 4.3.5 Procedures related to ESIA, and point 4.3.6 Procedures related to the Environmental and Social Code of Practice (ESCOP)*).
- 33. The NCTF or the grantee shall update the Stakeholder Analysis and develop in detail an Engagement and Communication Plan (SECP) based on the stakeholder information previously provided, in a manner satisfactory to the *ESS 10: Stakeholder Engagement and Information Disclosure (point 12 in this document)*.

4.3.3 Category B+ Activities

- 34. For all **Category B + (Substantial Risk)** Activities, the CBF requires that the NCTF or the grantee establish, maintain, and strengthen as necessary an organizational structure that defines roles, responsibilities, authority, workplan, and budget to manage the environmental and social risks and impacts of the Activity.

²⁰ Generally, small infrastructure works which do not require an ESIA per national legislation would require an Environmental and Social Site Risk Assessment and an ESCOP.

35. When an Activity is classified as **Category B+** it is necessary to analyse and appraise the environmental and social risks and adverse impacts through an Environmental and Social Impact Assessment (ESIA) study. (For more information, see *point 4.3.5 Procedures related to ESIA*).
36. The NCTF or the grantee shall update the Stakeholder Analysis and develop in detail an Engagement and Communication Plan (SECP) with fundament on the information previously provided, in a manner satisfactory to the *ESS 10: Stakeholder Engagement and Information Disclosure* (point 12 in this document).
37. The CBF Secretariat shall carry out monitoring site visits to the Category B+ Activities and the site visit reports shall be integrated into the Activity reporting requirements.

4.3.4 Category A Activities

38. If the Activity is classified as **Category A (High Risk)** the Due Diligence ends as Activities of this category are excluded from CBF's funding.
39. In the case an Activity is classified as **Category A** because of the risks or potential adverse impacts of a component or a sub-activity, the CBF Secretariat may decide, at its sole discretion, to exclude the component or the sub-activity that led to this classification and reclassify the Activity into a lower risk category, as established in *para 12*.

4.3.5 Procedures related to ESIA

40. The ESIA is a process to identify and assess the environmental and social impacts of a proposed Activity, evaluate alternatives and design appropriate mitigation, management, and monitoring measures. ESIA's shall be conducted in line with the requirements of the country or countries where the Activity will take place²¹. The scope and depth of the ESIA are determined on a case-by-case evaluation.
41. For **Category B +** Activities, the ESIA must investigate the environmental, social, and climate change-related risk or potential adverse impact that is significant, irreversible, extended, or unprecedented.

²¹ For more information about county-level requirements see the CBF National Legal Overview.

42. Although unusual, **Category B** Activities may also require an ESIA²². In that case, the required ESIA could be limited in focus, depending on the type, degree, and extend of the risks and impacts and it may be prepared by the NCTF or grantee or a third qualified party.
43. The ESIA shall include at least the following elements²³:
- Identification and assessment of the environmental and social risks and adverse impacts.
 - Baseline of the affected area and community.
 - Identification of suitable alternatives to avoid the significant, irreversible, extended, or unprecedented risk and adverse impact.
 - Identification of suitable alternatives to minimise the [remaining of the] significant, irreversible, extended, or unprecedented risk and adverse impact.
 - Identification of suitable actions to mitigate the residual risk and adverse impact, including actions to *compensate* for any loss in natural habits or biodiversity as well as in livelihoods or cultural heritage.
 - Identification of opportunities for the Activity to enhance positive environmentally and socially relevant impacts.
 - Procedures for monitoring of environmental and social aspects (development, effectiveness of mitigation measures) during implementation and operation of the Activity, including compliance with relevant ESSs.
44. When conducting an ESIA, special consideration shall be given to vulnerable and disadvantaged stakeholders more likely to be adversely affected by the project impacts and more limited than others in their ability to take advantage of a project's benefits and may be more likely excluded from mainstream consultation processes. NCTFs and grantees shall consult and follow the CBF's ESS 10 Stakeholder Engagement and Information.

²² The national legislation may require an ESIA. In a very few cases, the due diligence process may result in the requirement of an ESIA for a Category B Activity.

²³ There are ESIA formats available in the Annex section of this document and in the CBF website.

45. NCTFs, EbA grantees, and other CBF grantees conducting ESIA studies (directly or through a third party) shall use the best available science, on a cost-effective basis, and relevant traditional ecological knowledge. They also shall conduct community participatory consultations in a manner that is satisfactory to the CBF's ESS 10 Stakeholder Engagement and Information. It includes the early disclosure of the ToR of the ESIA with potentially affected communities and other stakeholders; disclosure of the ESIA report; and disclosure of an executive summary of the ESIA that presents the main findings and recommendation of the study on a non-technical way, in a language that is easily understandable by affected communities and other stakeholders.
46. The ESIA must be reviewed and approved by the CBF prior to the signature of the (grant) agreement with the NCTF or the grantee.

4.3.5.1 Environmental and Social Management Plans (ESMP)

47. The actions to avoid, minimize, mitigate and/or offset the environmental and social impacts resulting from the ESIA, shall be included in an Environmental and Social Management Plan (ESMP). The ESMS will include the responsibilities for implementation of the necessary institutional capacity building and training, the implementation schedule, and the cost estimates²⁴.
48. The ESMP shall address the needs of the vulnerable and disadvantaged stakeholders, including differentiated mitigation measures to avoid discrimination or additional barriers for these stakeholders to access the benefits derived from the Activity, measures intended to avoid the impacts falling disproportionately on them.
49. The ESMPs must be reviewed and approved by the CBF prior to the signature of the (grant) agreement with the NCTF or the grantee.
50. When the proposed Work Plan or Activity includes several sub-activities or sub-projects that are unknown or undefined at the time of the proposal, the NCTF or the Proponent must prepare an Environmental and Social Management Framework (ESMF) that will apply to all the future sub-activities or sub-projects.
51. When the NCTF Work Plan includes a **Category B+** sub-activity or sub-project, the NCTF must carry out an ESIA related to this sub-activity or sub-project prior its implementation

²⁴ There are ESMPs formats available in the Annex section of this document and in the CBF website.

and wait for the CBF to grant environmental and social clearance afterwards. Nevertheless, the NCTF can start implementing all the *other* sub-activities (**Category C** and **Category B**) after the ESAP is approved by the CBF.

4.3.6 Procedures related to the Environmental and Social Code of Practice (ESCOP)

52. The Environmental and Social Code of Practice (ESCOP) is a safeguard instrument that articulates procedures and actions to manage the environmental and social risks and impacts of Activities classified as **Category B** and **Category C** that do not require an ESIA by the national legislation²⁵. The scope and scale of the ESCOP will be proportionate to the nature, scale and type of the identified risks and impacts. The ESCOP is a concise and appropriate instrument that covers labour and occupational health and safety aspects, specific to Activities that include small infrastructure construction or refurbishment with minor environmental and social risks and impacts.
53. The ESCOP guides the implementation of the Principle of the Mitigation Hierarchy. It is, especially indicated to manage risks and impacts associated with small-scale construction and infrastructure refurbishment, and with forest small harvesting, horticulture, aquaculture, and agriculture Activities.
54. The ESCOP shall include the following elements²⁶:
 - Identification and assessment of the environmental and social risks and adverse impacts.
 - Identification of suitable alternatives to avoid, minimise, mitigate, and manage the residual risks and adverse impacts.
 - Identification of opportunities for the Activity to enhance positive environmentally and socially relevant impacts.
 - Procedures for monitoring of environmental and social aspects during implementation and operation of the Activity.

4.3.7 Procedures related to the ESAP

²⁵ Although unusual, some Category B Activities may require an ESIA.

²⁶ ESCOP formats are available in the Annex section of this document and the CBF website.

55. The Environmental and Social Action Plan (ESAP) is developed based on the Due Diligence results and findings that are documented in the Environmental and Social Screening Questionnaire (ES-Screening-Q). It is a time bound action plan that articulates in detail the gaps identified to meet the ESSs and the required measures and actions to manage environmental, social, and climate change-related risks and adverse impacts of the Activity to achieve full compliance with the ESSs and to enhance its performance²⁷.
56. The elaboration of the ESAP follows this process:
- A. As a result of the due diligence performed by the NCTF or the grantee, the environmental and social measures necessary to comply with the requirements of the ESMS and satisfy the ESSs are identified.
 - B. The outcome of the in-depth due diligence performed by the CBF constitutes the basis of the ESAP. The CBF determines the environmental and social measures and requirements that are necessary for the approval and implementation of the work plans, grant-making programs, and Activities, and articulate them in the ESAP.
 - C. The ESAP, including its budget, will be part of the agreements between the CBF and the NCTFs or the grantees. The NCTFs or the grantees will formulate management plans for the specific measures included in the ESAP and implement the ESAP accordingly.
57. The implementation of the ESAP will be monitored thoughtfully as part of the regular monitoring of the Activity.
58. For the Activities classified as **Category C (Low Risk)**, the ESAP consists of the Stakeholder Engagement and Communication Plan (SECP) with an Information Disclosure Matrix, a Grievance Mechanism, a section explaining the working conditions related to the Activity, and a section presenting the opportunities to enhance positive environmentally and socially relevant impacts of the Activity.
59. The ESAP must address the following aspects, as needed:

Table 3: ESAP Content

ESAP CONTENT	CATEGORY		
	C	B	B+
Stakeholder Engagement and Communication Plan (SECP)	✓	✓	✓

²⁷ The ESAP is equivalent to the Environmental and Social Commitment Plan required by certain MDB.

ESAP CONTENT	CATEGORY		
	C	B	B+
Information Disclosure Matrix	✓	✓	✓
Grievance Mechanism	✓	✓	✓
Conditions of employment and other working conditions related to the Activity	✓	✓	✓
Identified opportunities to enhance positive environmentally and socially relevant impacts and a timeline for their implementation	✓	✓	✓
Identified actions to mitigate the residual risk and adverse impacts and an implementation timeline (including identified <i>compensation</i> actions if any)	-	✓	✓
ESMP or ESCOP	-	✓	✓
Procedures for monitoring of environmental and social aspects (development, effectiveness of mitigation measures)	-	✓	✓
Common approach to environmental and social management (if pertinent)	-	✓	✓
Any specific Action Plan required to comply with relevant ESSs 2 to 7	-	✓	✓

4.3.8 Procedures related to Sexual and Gender-based Violence

60. If the Screening indicates a risk of SGBV, the Activity must be classified as **Category B+ (High Risk)** and adequate safeguards will be requested, including mandatory training specific to SGBV to be completed during the regular Activity approval process as a condition of approval, sensitization of Activity-involved personnel on SGBV issues, and special reporting requirements, among other potential measures.
61. If, during the Screening process, a documented past or current incident of Sexual Exploitation and Abuse in the NTCF or in the organisation that is proposing the Activity arises, or a manifest risk of Sexual Exploitation and Abuse is established, the CBF Secretariat shall classify the Activity as **Category A (High Risk)**, which will trigger the end of the approval process as established in *para 38*. If a credible incident of this type occurs during the execution of the Activity, the CBF Secretariat shall reclassify the Activity as **Category A (High Risk)** and subsequently trigger a suspension of the execution of the agreement with the NCTF or the grantee until the situation is solved. In some cases, it could also trigger the termination of the specific agreement with the grantee.

62. The procedure established in *para 61* may be superseded if the CBF Board of Directors considers that the perceived environmental, social, and climate change-related value of the Activity outweigh this risk. In that case, the CBF Board of Directors must formally inform its decision to the CBF Secretariat and make sure that:
- i. The person (s) involved in the documented incident as the offender party does not participate in the Activity in any capacity.
 - ii. All the staff involved in the Activity undertake additional training and capacity building on sexual and gender-based violence (SGBV), especially on Sexual Exploitation and Abuse (SEA).
 - iii. The NCTF or the grantee address SEA through appropriate preventative measures, investigation, and corrective actions.
 - iv. Close monitoring procedures for the NCTF or the grantee are established, including specific reporting lines on this issue in the regular reports.

The CBF at its sole discretion, may decide to re-classify the Activity to **Category B+** only after i), ii), iii), and iv) are satisfactorily performed.

4.4 STAKEHOLDER ENGAGEMENT AND COMMUNICATION

63. All Activities funded by the CBF must have a Stakeholder Engagement and Communication Plan (SECP) that comply with ESS 10²⁸. For the Activities classified as **Category C (Low Risk)**, the SECP may be part of the Environmental and Social Action Plan (and not a stand-alone document).
64. The SECP has the following objectives:
- Increase trust between the CBF and its stakeholders.
 - Carry out meaningful consultation with stakeholders.
 - Facilitate compliance with citizens' participation national regulations²⁹.
 - Facilitate timely disclosure of information related to the Activity.
 - Increase transparency of CBF's actions and facilitate accountability.

²⁸ See ESS 10 Stakeholder Engagement and Information Disclosure for further guidance.

²⁹ Refer to the CBF's ESMS Legal Framework for more information about applicable national legal frameworks.

- Increase community engagement especially from vulnerable groups.
 - Contribute to the reduction of risks by ensuring that stakeholders' interests, concerns, and knowledge are duly considered in the Activity.
 - Facilitate Activity's adaptative management by providing stakeholders' feedback.
65. The SECP involve continuous identification and analysis of stakeholders, planning of engagement activities alongside the Activity cycle (i.e., pre-concept, concept, design, proposal, execution, closure), consultation, information disclosure, addressing stakeholders' grievances, and reporting, in compliance with the CBF's ESS 10 Stakeholder Engagement and Information Disclosure.
66. Stakeholder Engagement in Activities (both at the concept/proposal stage and at the approved-Activity stage) will have equitable participation of people of all genders especially in consultations. The Activity implementers will ensure that the consultation process reflects the concerns of people of all genders, gender identities, and sexual orientations without discrimination based on gender or sexual orientation.

4.4.1 Consultation

67. Activities classified as **Category C (Low Risk)**, do not require any further consultation additional to the exchanges included in the Stakeholder Engagement and Communication Plan (SECP).
68. Activities classified as **Category B (Moderate Risk)** and **Category B+ (Substantial Risk)**, must include a meaningful consultation process that consists of a good-faith dialogue between the organisation promoting, sponsoring, or executing the Activity and its stakeholders. The meaningful consultation process shall allow the stakeholders to effectively express their views and concerns about the risks and impacts of the Activity. These views and concerns shall be taken seriously into consideration by the organisation behind the Activity and shall be summarised and presented as part of the i) concept paper (in case there is one), ii) full proposal, or iii) the Work Plan to which the Activity belongs (in case the Activity is funded by the Conservation Finance Program - Endowment).
69. In pursuing with the Respect of Human Rights principle that enshrines the value of Human Rights as a guide of the Activities, and in line with the right of all Peoples to self-

determine³⁰, all Activities affecting the rights, lands, and uses of Indigenous Peoples³¹ must follow a process of Free, Prior, and Informed Consent (FPIC). The ESS 7 Indigenous Peoples and Local Communities presents additional guidance about FPIC.

70. Consultations that are related to access restrictions to natural resources must follow a process of FPIC, as established in the ESS 5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement.

4.4.2 Disclose of Information

71. NCTFs, EbA grantees, and other CBF grantees will disclose information pertaining their Activities to their stakeholders on a regular basis, as part of their stakeholder engagement activities.
72. The information will be disclosed in the languages used by the stakeholders, in a way that is understandable, in a way that is culturally appropriate, and accommodating the needs of vulnerable or disadvantaged stakeholders in terms of disability, literacy (or lack thereof), mobility and any other accessibility issue.
73. The Activities will have the information disclosed as required by the CBF's ESS 10: Stakeholder Engagement and Information Disclosure (12.6.1 *Disclose of Information*).

4.4.3 Grievance Mechanism

74. The CBF's Grievance Mechanism consists of a set of procedures and tools to receive and address concerns and facilitate resolution of grievances with regards to the Activities funded by the CBF, especially when these Activities fail to comply with the CBF's Policy, its ESSs, and its ESMS.
75. Grievances related to Activities are to be handled in a culturally appropriate manner. Responses must be discreet, objective, and sensitive with the affected stakeholders. The Grievance Mechanism shall permit reception and process of confidential and anonymous complaints.

³⁰ The Right of all Peoples to self-determine is consecrated in the Charter of the United Nations, the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), the International Labour Organisation (ILO) Convention 169, the Convention on Biological Diversity (CBD), and several other international frameworks.

³¹ These Activities are necessarily classified as **Category B+ (Substantial Risk)**.

76. The use of the CBF's Grievance Mechanism does not preclude legal actions (or other type of actions) to which the aggrieved party may feel entitled to, or that the CBF may find appropriated. Equally, the reception and processing of grievances by the CBF or by the NCTFs and other organisations executing CBF's funded Activities do not imply recognition of fault of any of them.
77. The CBF's Grievance Mechanism processes and responsible parties are described in detail in the CBF's ESS 7 Stakeholder Engagement and Information Disclosure (12.7 *Grievance Mechanism*).³²

4.5 MONITORING COMPLIANCE

78. The NCTF and/or the EbA grantee will monitor the compliance with the ESSs and compliance with the ESAP's commitments. They will regularly report to the CBF Secretariat as part of their reporting arrangements.
79. The CBF Secretariat may verify the abovementioned compliance at any time at its sole discretion with the means it considers necessary.
80. If there is a deviation of the commitments established in the ESAP or a no-compliance event, the NCTF and/or the EbA grantee will adopt a Remediation Plan approved by the CBF Secretariat and will report on remediation actions as agreed on that Plan until the achievement of total remediation. The CBF may retain payments previously agreed if this measure is considered conducive to achieve prompt remediation. Sustained non-compliance of ESAP commitments or any other environmental and social risk and impact management action previously agreed upon by the NCTF and/or the EbA grantee is a cause for termination of the contract with the EbA grantee or suspension of the Agreement with the NCTF.

4.6 HARMONIZATION WITH OTHER ESMS

81. In the following two cases the CBF's ESMS may be used in conjunction with other organisations' ESMSs (or similar systems):
- The NCTF or the organisation proposing an Activity (the Proponent) have a functional ESMS; in which case the procedure established in chapter 3 with

³² The long version of this ESS 1 includes a detailed description of the Mechanisms.

regards to ESMS Requirements for NCTFs and ESMS Requirements for EbA Facility Grantees and other Grantees will be followed.

- ii. The proposed Activity will be co-financed by other funders³³ with functional ESMSs. In this case, the CBF Secretariat will carry out a comparison between its own system and the systems of the other organisations and agree on a joint system provided that any gap between the CBF's and the other's systems is fulfilled by the joint system.

** ** END OF ESS 1 ** **

³³ Other potential funders include Multilateral Development Banks, UN Agencies, Bilateral Agencies, International NGOs and CSOs, other CTFs, Foundations, and the Private Sector.

5 ESS 2: LABOUR AND WORKING CONDITIONS

5.1 INTRODUCTION

1. The CBF's ESS 2: Labour and Working Conditions (ESS 2) gathers the requirements of a fair, safe, healthy, and secure work environment at the CBF and organisations implementing the Activities. It includes the provisions that apply to the CBF in a commensurate and proportional manner from the World Bank ESS 2 Labour and Working Conditions and the IFC PS 2 Labour and Working Conditions.

5.1.1 Scope

2. The ESS 2 covers all Activities, including the ones only partially funded by the CBF. The ESS 2 must be used by the CBF Secretariat, the NTCFs members of the CBF, the EbA Facility grantees, and any other organisation Implementing Activities

5.1.2 Objectives

3. The objectives of the ESS 2 are:
 1. To promote the fair treatment, non-discrimination and equal opportunities for people working with the CBF Secretariat and in CBF's funded Activities.
 2. To prevent the use of all forms of forced labour and prevent child labour (of children 14 years old and younger¹).
 3. To promote safe & healthy working conditions.
 4. To promote compliance with the national employment and labour laws of the countries where the Activities are implemented.

5.2 THE CBF SECRETARIAT

4. The persons delivering services to the CBF are covered by this ESS 2. This includes the CBF Secretariat staff, any other personnel, the consultants, and the contractors.
5. The CBF Secretariat has its Human Resources Policies and Procedures, approved by the Board of Directors, aligned with the ILO Core Conventions² and this ESS 2. Both the Policy and the Procedures can be updated from time to time with the Board's approval.

¹ Unless the national legislation in a country where the Activity is implemented establishes an older age for working children.

² For information about the status of the ILO Core Conventions or Fundamental Conventions in the participating Caribbean countries see the CBF's ESMS National Legal Overview. These Conventions are Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced

6. The CBF does not use forced labour³, child labour, nor employ minors⁴.
7. Persons working at the CBF are free from discrimination based on race, age, religion, political or other opinion, gender, sexual orientation, and gender identity in every aspect of their working relationship with the CBF, including recruitment, hiring, compensation, working conditions, access to training, promotion, termination, and retirement, regardless of the country where they reside or provide their services.
8. Persons working at the CBF are free to express their complaints and grievances. They can follow the internal channels established for that purpose or use the Grievance Mechanism, without reprisals or negative consequences.
9. The working relation with the CBF Secretariat must be governed by the labour laws of the countries where the services are provided or the countries where the persons reside. Provisions governing that working relation shall ensure fair compensation for the work, equal pay for equal work, overtime payment, vacation, sick leave provisions, fringe benefits, and other provisions in line with the ILO Core Conventions².
10. Persons working at the CBF will be provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation, and benefits, and those arising from this ESS.
11. If the national legislation governing the working relation is silent or not clear about the requirements stated in *para* 7, 8, and 9, the provisions of this ESS 2 will prevail.

5.3 THE NCTFS, EBA GRANTEES AND OTHER GRANTEES

12. Persons delivering services related to Activities including be NCTFs and/or CBF's grantees direct employees, consultants, and contractors are covered by the protections established in *para* 7, 8, and 9 of this ESS 2.

Labour Convention, 1930 (No. 29) and its 2014 Protocol; Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111) (retrieved from [ILO website](https://www.ilo.org/) on August 9, 2021).

³ Forced labour is any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty (WB-IFC).

⁴ Minors: people under the age of 18 years.

13. Persons delivering services related to Activities hired by the NCTFs, EbA grantees, and other grantees will be provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation, and benefits, and those arising from this policy.
14. Neither the NCTFs nor the CBF's grantees will use forced labour, child labour, nor employ children under the age of 14 years old. Minors older than 14 years old could be employed when the benefit of doing so exceeds the risks. In such cases, these minors could only be employed if the employment is not economically exploitative, does not interfere with the child's education, is not harmful to the child's health and wellbeing, and does not affect the child's social development. The employment of minors 14 years old and up increases the level of risk of the Activity⁵.
15. CBF's Grants Activities may include the physical work of community members (community labour). In these cases, the NCTFs and the CBF's grantees will ascertain that such labour is provided voluntarily, because of a community agreement, and is free of any form of sexual and gender-based violence (SGBV), including sexual harassment, sexual exploitation, and abuse. This community labour is covered by the provisions established above in *para 6, 7, and 14*.

5.4 OCCUPATIONAL HEALTH & SAFETY

16. Every person delivering services or work related to CBF Activities must be protected from risks, hazards, accidents, and any other type of adverse effect in the fulfilment of their duties. It includes the persons working at the CBF's Secretariat, the persons delivering services related to Activities hired by the NCTFs and other grantees, and the community members providing physical work related the Activities. activities.
17. Where the risk assessment process carried out as part of the Due Diligence identifies risks or potential adverse impacts to workers, further assessments shall be undertaken, and measures developed, implemented, and monitored to manage these risks in a way that is consistent with this ESS and respects and protects the fundamental rights of workers, consistent with the ILO's Declaration on the Fundamental Principles and Rights at Work.

⁵ If the Activity was Category C, it becomes B; if it was Category B, it becomes B+. If it was Category B+, it becomes A, and therefore non financeable.

18. For proposed Activities assessed as having significant risks in relation to labour and working conditions, Labour Management Procedures will be established in accordance with the applicable national laws and the requirements of this ESS and the nature of the activities. This includes the application of the General Environmental, Health, and Safety Guidelines of the World Bank (EHSGs) and the industry-specific EHSGs and other Good International Industry Practice (GIIP)⁶, as needed. These measures shall be included in the ESAP.
19. The NCTFs and the CBF's grantees are responsible for the protection of the persons delivering services to them. They will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work, in a manner consistent with GIIP. In that regard, they need to identify potential hazards to workers, minimise these hazards, and put in place preventive and protective measures to manage the residual hazards. It includes hazardous activities, hazardous conditions, hazardous substances, and any other occupational hazard. It also includes risks and adverse impacts that can be exacerbated by gender, sexual orientation, and gender identity.
20. The NCTFs and the CBF's grantees will provide mandatory Health and Safety (H&S) training to the workers intervening in their Activities. They will also provide workers with Personal Protective Equipment (PPE) when needed.
21. The NCTFs and the CBF's grantees will maintain records of their H&S, including mandatory training delivery; near-misses⁷, and accidents⁸. These records will be shared with the CBF Secretariat as part of the regular reporting of the Activity. Nevertheless, accidents or activities resulting in occupational injuries, deaths, disability, or disease and the remedial measures put in place must be reported immediately to the CBF Secretariat.

** ** END OF ESS 2 ** **

⁶ Good International Industry Practice (GIIP) is defined as the “exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances, globally or regionally” World Bank ESS 2.

⁷ Near-miss is when something unexpected occur without harm to workers nor damage to property, but it can be a precursor of an accident. They are also called “close calls”.

⁸ Accident is a sudden and uncontrolled liberation of energy producing harm to people and/or damage to property. The range of an accident is wide: it could be a simple hit in a leg because a file-cabinet was inadvertently left open in an office, and it also could be an extensive fire in a storage place causing the death of workers.

6 ESS 3 RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT

1. The CBF's ESS 3: Resource Efficiency and Pollution Prevention (ESS 3) gathers the requirements to address the efficient use of resources and the prevention and management of pollution throughout the cycle of the CBF Activities, in a manner that is consistent with Good International Industry Practices (GIIP)¹.
2. The CBF ESS 3 integrates the provisions that apply to the CBF in a commensurate and proportional manner from the World Bank's ESS 3: Resource Efficiency and Pollution Prevention and Management, the IFC's PS 4 Resource Efficiency and Pollution Prevention, and the IDB's ESPS 3 Resource Efficiency and Pollution Prevention.

6.1 OBJECTIVES

3. The objectives of the ESS 6 are:
 - i. To enhance the environmental and social performance of CBF funded Activities.
 - ii. To avoid adverse impacts on human health and the environment by avoiding or minimizing pollution, including land-based sources of pollution that contribute to degradation of marine and coastal zone ecosystems.
 - iii. To promote more sustainable use of energy and water and other resources.
4. In this ESS, the term pollution "refers to both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases and includes other components such as pests, pathogens, thermal discharge to water, GHG emissions, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts, including light"².
5. Activities shall aim at improving the efficiency in their consumption of energy, water, and other resources and material inputs. Equally, Activities shall aim at avoiding or minimising

¹ Good International Industry Practice is defined as the "exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances, globally or regionally" World Bank ESS 2.

² IDB's ESPS.

their GHG emissions. This may include adopting renewable energy sources when feasible.

6. NCTFs, EbA grantees, and other CBF's grantees will avoid the release of pollutants into the air, water, and land as much as possible. When total avoidance is not possible, they will aim at minimising the release of pollutants to a minimum acceptable by the national legislation.
7. NCTFs, EbA grantees and other CBF's grantees will explain how they will manage the waste produced during the execution of their Activities. In principle, they will avoid the generation of hazardous and non-hazardous waste materials. When, despite the avoidance measures some waste is still generated by the Activity, they will recover and reuse as much as possible waste and dispose of the remaining waste in a manner that is safe for the human health and the environment.
8. Activities with significant production of waste will have a Waste Management Plan that articulates all the actions intended to ensure safely waste management, from generation, handle, store, and disposal. Activities involving construction, refurbishment, or decommissioning of infrastructure need a Waste Management Plan. Other Activities may need it as well. Guidance for the Waste Management Plan will be taken from the World Bank's EHS Guidelines. These plans will be integrated into the ESMP or the ESCOP of the Activity, as needed.
9. NCTFs and grantees will avoid the use of hazardous materials and will give preference to less hazardous substitutes when these materials shall be used. Hazardous materials include persistent organic pollutants, substance that deplete the ozone layer, batteries, petrol products, biocides and other pesticides, infectious agents of any host (plant, animal, human) cleaners, paint, and radioactive, mutagenic, or carcinogenic material, etc. When hazardous materials are to be used despite the avoidance and mitigation measures, NCTFs and grantees will have special care in their safely handling, use, and disposal, as established in *para 10 and 11 below*.
10. If the waste is totally or partially *hazardous*, the NCTF, EbA grantee, or other CBF's grantee will make sure that it is always segregated from non-hazardous waste, safely store to prevent accidental releases, and managed by fully trained staff, respecting the national law and the pertinent international instruments and agreements. For this, they will implement a Hazardous Waste Management plan, following the World Bank's EHS Guidelines.

11. When the Activity produces small quantities of hazardous waste, such as electrical equipment waste, used batteries (nickel-cadmium or lead acid), spent solvents, used lubricated oil, lamp ballast, etc., the grantee will make sure that this waste is stored, managed, and dispose of using the same precaution and care as requested in *para 10 above*.

6.2 RESOURCE EFFICIENCY

12. NCTFs, EbA grantees and grantees of any other CBF Facility will implement feasible measures to improve the efficiency of their consumption of resources such as energy, water, raw materials -when applicable- and other resources. They will optimise their use of energy to the extent technically and financially feasible. Equally, they will adopt the same kind of measures to minimise their water usage as to avoid any adverse impact on communities.

6.3 PESTICIDE USE AND MANAGEMENT

13. NCTFs, EbA grantees and other CBF's grantees may be required to control pest. In that case, preference will be given to cultural, biological (unless it is determined that it will negatively impact biodiversity), and genetic practices for pest control.
14. If the NCTF or the grantee demonstrates that the use of these preferred practices is not feasible, the use of biocides could be considered. In that case, to ensure that environmental and health risks associated with pesticide use are minimized and managed, the NCTF or the grantee shall formulate and implement an Integrated Pest Management Plan (IPM Plan). The IPM Plan will include biocides that are low in human toxicity, that are known to be effective against the target species, and safe on non-target species and the environment. Biocides must be packaged in safe containers and clearly labeled for safe and proper use. Preference for labeling will be given to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) classification. These plans will be integrated into the ESMP or the ESCOP of the Activity, as needed.
15. If biological control agents are employed, the provisions of International Standard for Phytosanitary Measures (ISPM) #3 '*Guidelines for the export, shipment, import and release of biological control agents and other beneficial organisms*' will be followed.
16. Neither NCTFs nor grantees will purchase, store, or trade in products that are included in the WHO Recommended Classification of Pesticides by Hazard *Class I.a.*, (extremely hazardous); or *Class I.b.*, (highly hazardous). They neither will purchase, store, or trade in

Class II (moderately hazardous) pesticides unless they have appropriate controls in place including access restricted to personnel properly trained and equipped (with PPE), and the proper facilities to handle, store and dispose of these products.

6.4 INFRASTRUCTURE CONSTRUCTION, UPGRADE, OR DECOMMISSIONING

17. When an Activity includes infrastructure construction, upgrade or decommissioning the grantee shall secure the necessary permits and licenses required by the national and local regulations. Grantees executing or proposing Activities involving infrastructure construction, upgrade, or decommissioning will make sure that their activities will not cause negative permanent impact and that any temporary negative impact is minimized and mitigated.
18. For this ESS, infrastructure Activities are divided in the following three groups: *large infrastructure* that comprises Activities with more than US\$ 10 million in CAPEX³; *medium infrastructure* that comprises Activities with a CAPEX between US\$ 5 and 10 million; and *small infrastructure* that comprises to Activities with a CAPEX of up to US\$ 5 million.
19. If a *medium or large* infrastructure construction, upgrade, or decommissioning Activity is presented for consideration to the CBF, it would most probably be classified as **Category A** (High Risk) during the Due Diligence process. Therefore, the CBF Secretariat will not approve the proposal on the grounds of its Exclusion List.
20. If a *medium or large* infrastructure construction, upgrade, or decommissioning Activity is classified as **Category B+**, the proponent (NCTFs, EbA grantees or any other CBF's grantee) shall plan, design, construct, or decommission the *medium or large* infrastructure in a manner that ensures environmental and social sustainability (including climate resilience) over its entire life cycle. They shall carry out an ESIA, formulate an ESMP and comply with all relevant provisions presented in this ESS and other relevant provisions of other CBF's ESSs as well.
21. Activities may include *small* infrastructure construction, upgrade, or decommissioning. In that case, the following provisions apply (*para 22 to 27*) as well as other relevant provisions of the CBF's ESSs. For activities of this type the ESCOP presented in the ESS 1 is the appropriate instrument.

³ CAPEX: Capital Expenditure.

22. All Activities including small infrastructure construction, upgrade, or decommissioning shall comply with the relevant provisions of the ESS 2, particularly with the production of an OH&S Plan and a Waste Management Plan.
23. If the small infrastructure construction, upgrade, or decommissioning will take place in a protected area, the Activity shall be aligned with the area's management plan, as established in *para 9 above*. If an ESIA, or similar study, has not yet been conducted, most probably the NCTF, EbA grantee or other CBF's grantee, shall carry out a focalized ESIA and follow its recommendations. In that case an ESMP will be formulated as well. If an ESIA is not necessary, then SCOP will be formulated.
24. If the new or the upgraded infrastructure will increase the influx of people on the premises⁴, the proponent (NCTF, EbA grantee or other CBF's grantee) needs to make sure that people using the infrastructure have access to drinking water, sanitation, and hygiene services, as per the Water, Sanitation, and Hygiene (WASH) standard presented in *para 25, 26, and 27 below*⁵.
25. The infrastructure must have safe drinking water, that is accessible on premises, available when needed, and free from contamination. Ideally, the improved drinking water will be Safely Managed Drinking water, that is drinking water from an improved water source that is accessible on premises, available when needed and free from faecal and priority chemical contamination. If this is not possible, then the grantee will make sure that there is Basic Drinking water, that is water from an improved source, provided collection time is not more than 30 minutes for a roundtrip including queuing. If this is not possible, the lowest option is to make sure that there is Limited Drinking water⁶, that is drinking water from an improved source for which collection time exceeds 30 minutes for a roundtrip including queuing (the latter includes the provision of bottled drinking water).

⁴ I.e., the infrastructure is a building, a school, a community center, a health center, etc. This provision does not apply if the infrastructure is an EbA-enhanced coral reef or other infrastructure of this type, that may be used by people for recreation purposes, but it is not a building or a space with an influx of people inside.

⁵ Definitions are from the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP).

⁶ This may be the case of isolated locations in protected areas. When drinking water is provided by means of plastic bottles, it is imperative that plastic pollution is avoided at all cost and proper plastic recycling processes are available in place or in proximity.

26. The infrastructure must have sanitation services that hygienically separate excreta from human contact (either treated and disposed of in situ, stored temporarily and then emptied and treated off-site, or transported through a sewer with wastewater and then treated off-site).
27. The infrastructure must have basic hygiene service, that is an available handwashing facility with soap and water on-premises.

** ** END OF ESS 3 ** **

7 ESS 4 COMMUNITY HEALTH, SAFETY, AND SECURITY

1. The CBF's ESS 4: Community Health, Safety, and Security (ESS 4) gathers the requirements of a fair, safe, healthy, and secure environment for communities in the Activities.
2. The ESS 4 includes the provisions that apply to the CBF in a commensurate and proportional manner from the World Bank ESS 4 Community Health and Safety and the IFC PS 4 Community Health, Safety and Security.

7.1 SCOPE

3. The ESS 4 covers all Activities, including the ones only partially funded by the CBF. The ESS 4 must be used by the CBF Secretariat, the NTCFs members of the CBF, the EbA Facility grantees, and any other organisation implementing the Activities.

7.2 OBJECTIVES

4. The objectives of the ESS 4 are:
 1. To anticipate risks and avoid adverse impacts on the health, safety, and security of communities participating in, and affected by, the Activities.
 2. To have in place effective measures for emergency events.
 3. To ensure that any enforcement measures of protected areas or resources are carried out in a way that minimises risks of communities.

7.3 HEALTH AND SAFETY OF COMMUNITIES

5. NCTFs and grantees will take special care in the communities to avoid or minimise their risks derived from accidental or untrained installation and use of equipment. When the equipment is to be installed and left unsupervised, NCTFs and grantees will previously raise awareness with the community of such equipment and its risks.
6. When the Activity involves temporary disruptions to the community (such as traffic or mobility disruptions) the NCTF and the grantees will minimise these disruptions to the extent possible and will accommodate community needs with feasible alternatives.
7. NCTFs and grantees will see to take measures to avoid or minimise the risk of transmission of communicable diseases into the community. They shall develop special protocols concerning the risks of transmission of COVID 19 in the communities. NCTFs

and grantees must see to have fully vaccinated their personnel against COVID 19 and other transmissible diseases before sending them to the communities.

7.4 SECURITY OF COMMUNITIES AND ENFORCEMENT MEASURES

8. The security of communities affected by the Activities is paramount. The NCTFs and the CBF's grantees will avoid causing or contributing to adverse human rights impacts, ensure the duty to protect communities and individuals against human rights abuses, prevent adverse human rights impacts derived from their CBF-funded Activities, and promptly address any human rights impact that may occur. The NCTFs and the CBF's grantees will devote special consideration when vulnerable or otherwise disadvantaged stakeholders and communities have been identified.
9. Activities will not be detrimental to the security and wellbeing of communities. If the Environmental and Social Due Diligence shows risks to the security and wellbeing of communities and/or potential adverse human rights impacts, a human rights Due Diligence process shall be carried out to identify, prevent, mitigate, and account for how these risks and impacts will be addressed.
10. When the Activity involves the temporary influx of people into a community (such as in the case of research, documentary-making, small construction projects, etc.) the NCTFs and grantees will make sure that the incoming persons are properly trained in human rights, Gender-based Violence (GBV) and other gender-related aspects, and in general in dealing with communities.
11. When an Activity includes enforcement of natural resources protection measures, the NCTF or the grantee must ensure that it will not be detrimental to the security and wellbeing of communities. It is important to understand the context and assess the actual and potential risks and impacts thoroughly. For this, NCTFs, EbA grantees, and other grantees will engage with communities early in the process related to the Activity and will identify pre-existing issues, such as historical inequality, legacy issues from previous projects (from the CBF and any other funding agency), the existing human rights situation, social tension, and the pressure on natural resources. This will be part of their Stakeholder Engagement and Communication Plan (SECP).
12. In the cases when the provision of security personnel for the enforcement of protection measures, the NCTFs, EbA grantees and other grantees will assess the risks of these security arrangements to the communities hosting the Activities. This assessment shall

be guided by the applicable national law, the principle of proportionality to the nature and extent of the threat or problem, and the GIIP in the matter with regards to hiring, training, equipping, and monitoring the security personnel.

13. It is expected that any security personnel engaged by the NCTFs, the EbA grantees or by any other grantee will respect and protect human dignity and maintain and uphold the human rights of all persons and will fulfill their duties with the high degree of responsibility required by their profession.
14. The NCTFs, EbA grantees, and other grantees remain fully responsible for their security personnel and accountable for their actions or omissions to the legal authorities, communities, and other stakeholders.
15. The NCTFs, EbA grantees, and other grantees must review all allegations of unlawful or abusive acts of their security personnel received through the Grievance Mechanism of through any other channel and act or ask the appropriate parties to take action to prevent recurrence and always report unlawful and abusive acts to the relevant authorities.

7.5 EMERGENCY MEASURES

16. NCTFs EbA grantees and grantees of other CBF Facilities shall identify and implement measures to address emergency events¹ that may arise from their Activities. These measures will be intended to safeguard the health and safety of the community and to minimise and mitigate any impact that may occur. At the very last resort, these measures will also be intended to compensate for any residual impact in the community.
17. Only Activities with potential to general emergency events will have to have in place emergency measures. When this potential is established in the environmental and social Due Diligence, NCTFs, EbA grantees and other grantees shall carry out a risk hazard assessment and prepare an Emergency Response Plan (ERP). The ERP will take into consideration and complement the measures established following the ESS 2: Labour and Working Conditions.

¹ An emergency event is “an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning.”. The World Bank ESS 4: Resource Efficiency and Pollution Prevention and Management.

18. For Activities involving minor infrastructure refurbishment or decommissioning, the ERP will be included in the ESCOP. For activities with an ESMP, the ERP will be included in the ESMP. Activities that don't required either will not have an ERP.
19. The ERP shall include controls and alarms commensurate to the hazard; identification of emergency equipment available; designated emergency respondents; notification procedures for emergency respondents and for the community; training for emergency respondents; drills for emergency respondents and the community; evacuation procedures; and measures for restoration.
20. Any emergency that triggers the ERP shall be reported to the CBF as soon as possible. All actions around the implementation of the ERP shall be reported to the CBF on an annual basis.
21. The ERP shall be evaluated by the NCTF or the grantee at least once a year and updated if needed.

** ** END OF ESS 4 ** **

8 ESS 5: IMPACTS FROM ACCESS RESTRICTIONS TO NATURAL RESOURCES, LIVELIHOOD LOST, & LIMITED INVOLUNTARY RESETTLEMENT

8.1 INTRODUCTION

1. The CBF's ESS 5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement (ESS 5)
2. The ESS 5 adapts and integrates provisions from the following internationally recognised safeguards and standards that are pertinent and appropriate to the CBF's context and operations:
 - The World Bank ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
 - The IFC's PS 5 Land Acquisition and Involuntary Resettlement.
 - The IUCN's Standard on Involuntary Resettlement and Access Restrictions.
3. The ESS 5 must be applied in compliance with applicable national legislation of the Caribbean country where the activity is to be carried out, including the country's obligations under international law¹. Nevertheless, in accordance with the Principle on the Most Stringent Standard, if there is a juxtaposition of the national law and the provisions of this standard, the most stringent standard or provision must apply.
4. When the ESS 5 is triggered, the NCTFs and the grantees shall secure the participation of a consultant specialized in the application of this type of safeguard. When the text of this Safeguard mentions the NCTFs or the Grantees, that mention is extended to their specialized consultants who carry out the activities necessary to satisfy the requirements of this Safeguard.

8.1.1 Objectives

5. The objectives of the ESS 5 are:

¹ For more information about county-level requirements see the CBF National Legal Overview.

- i. To establish risk assessment and management procedures and requirements to avoid negative impacts on people and communities when access restrictions to natural resources and other resources are required².
- ii. To avoid access restrictions to natural resources and involuntary resettlement affecting the communities, or when unavoidable, minimise and mitigate their impacts, and fully and fairly compensate the affected communities when applicable.
- iii. To ensure that access restrictions to natural resources and resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- iv. To engage with the people and communities affected in identifying and designing mitigation measures that support sustainable livelihoods and are environmentally, socially, and economically beneficial, culturally appropriate, and legally acceptable.

8.1.2 Definitions

6. For the ESS 5, the following definitions are adopted:

- Cut-off date is the date of “completion of the census and assets inventory of persons affected by the {Activity}.”³
- Displaced persons are the people who are displaced because of the restrictions imposed by the Activity. There are three types of displaced persons:
 - People who have formal legal rights to the land or assets they occupy or use
 - People who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law
 - People who have no recognizable legal right or claim to the land or assets they occupy or use.

² Access to natural resources includes access to both terrestrial and aquatic resources, including marine areas and resources.

³ IFC – Handbook for Preparing a Resettlement Action Plan.

- Forced eviction is the permanent or temporary removal against the will of individuals, families, or communities from the homes and lands which they occupy without the provision of, and access to, appropriate forms of legal and other protection. Involuntary resettlement does mean, nor imply, “*forced eviction*”.⁴
- Host Communities are any community receiving displaced people.
- Involuntary Resettlement refers both “to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood)”⁵ because of restrictions to access to natural resources. Affected stakeholders in involuntary resettlement (people and communities) do not have the right to refuse the imposition of access restrictions to natural resources or land use, or land acquisition, that result in physical or economic displacement. Involuntary resettlement neither means nor implies forced eviction. There will not be involuntary resettlement of Indigenous Peoples in Activities financed by the CBF.⁶
- Livelihood refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering”.⁷
- Natural Resource Assets are a set of benefits that people, including businesses, derive from ecosystems. This definition is equivalent to the Ecosystem Services⁸ defined in the ESS 6.

⁴ IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement.

⁵ IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement.

⁶ The World Bank ESS 5 establishes that affected stakeholders in involuntary resettlement (people and communities) do not have the right to refuse the imposition of access restrictions to natural resources or land use, or land acquisition, that result in physical or economic displacement. This standard establishes that the it is necessary to have the Free, Prior, and Informed Consent (FPIC) of the affected communities to proceed with imposing access restrictions to natural resources or otherwise planning and implementing activities that will result in the resettlement of these communities.

⁷ IFC Performance Standard 5 Land Acquisition and Involuntary Resettlement.

⁸ “Ecosystem services are the benefits that people derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection

8.1.3 Voluntary Adoption of Restrictions to Access to Natural Resources

7. There may be situations where a given community is willing to commit to upholding access restrictions to natural resources, agree on a voluntary basis with these restrictions, and in some cases even demand the imposition of the restrictions. These situations may be broadly classified as “Voluntary Adoption of Restrictions to Access to Natural Resources”⁹.
8. A work plan, a proposal, or a grant may include Voluntary Adoption of Restrictions to Access to Natural Resources. Subject to prior approval by the CBF, this may be acceptable providing the NCTF or the grantee demonstrate the following:
 - A. The community was appropriately informed regarding the proposed Activity and its impacts, its requirements in terms of access to natural resources, and their rights to compensation for livelihood loss.
 - B. The community could exercise their free will, i.e., could refuse the restrictions.
 - C. The community knowingly rejected their right to renege on their decision.
 - D. The community accepted no compensation or a reduced compensation.
9. The NCTFs and the grantees shall document the process of the Voluntary Adoption of Restrictions to Access to Natural Resources, especially regarding literals a), c), and d) of the previous paragraph. MAR Fund will request evidence of this process during the environmental and social due diligence

8.2 SCOPE OF APPLICATION

10. The applicability of the ESS 5 will be decided during the Environmental and Social Due Diligence, with the support of the **ES-Screening-Q** tool that includes triggers of this safeguard.

from natural hazards; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreations and aesthetic enjoyment; and (iv) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling and primary production.” World Bank Guidance Note on ES1: Footnote 27.

⁹ This section adapts the content from the Guidance Note 4.11 of the ESS 5 of the World Bank.

11. The ESS 5 applies when an Activity includes permanent or temporary impacts from access restrictions to natural resources, livelihood lost, or involuntary limited resettlement¹⁰ resulting from the following types of restrictions or land acquisition:

- Restrictions of access to natural resources or land use (that are not voluntarily adopted) that cause a community, or groups within a community, to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the Activity.
- Restrictions on access or use of other resources (that are not voluntarily adopted) including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.
- Changes in the use and management regimes of natural resources when these changes require establishing restrictions to access to natural resources affecting negatively on the economic, social, cultural, and environmental benefits that people and communities accrue from these resources.
- Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law, or through negotiated settlements with those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures.
- Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date.
- Land rights or claims to land, or resources relinquished by individuals or communities without full payment of compensation¹¹.

¹⁰ Following KfW guidance on risk-based classification, activities that require large scale resettlement or lead to a significant loss of livelihood shall be classified as **Category A** and, therefore, will be included in the CBF Exclusion List.

¹¹ In cases when the land, or portion of the land, necessary for the Activity is donated by an individual, a group of individuals or a community. The CBF needs to approve previously provided that the NCTF or the grantee demonstrates that “the potential donor (s) have been the donation after making sure that “a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and

12. This ESS will be triggered by Activities that do any of the following five actions and the restrictions impact negatively on the rights, livelihoods, and quality of life of those involved¹²:

- i. Establish legal restrictions on natural resources in either existing or new protected areas
- ii. Support the enforcement of protected area management including the enforcement of existing restrictions on natural resources
- iii. Restrict physical access to livelihood resources
- iv. Restrict physical access to zones where social services are delivered to the community
- v. Establish sustainable management schemes for natural resources outside of protected areas that imply access restrictions

13. The ESS 5 does not apply in the following cases:

- When the Activity is Non-Area-Based, as defined by the ESS 1
- When the Activity is classified as Category C (Low Risk).
- When the risks or impacts on incomes and livelihoods are not a direct result of access restrictions to natural resources imposed by the Activity or land acquisition or land use related to the Activity. These risks and impacts shall be addressed in accordance with the CBF ESS 1.
- When the restrictions to access to natural resources are adopted voluntarily, as established in *point 8.1.3 Voluntary Adoption of Restrictions to Access to Natural Resources*.
- When the risks or impacts on incomes and livelihoods derived from voluntary market transactions that fully comply with national law and are duly documented. (“When the voluntary market transaction results in the displacement of persons,

have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land”. The NCTF or the grantee will “maintain a transparent record of all consultations and agreements reached.” (World Bank ESS 5).

¹² This is just an indicative list – applicability is decided on a case-by-case basis.

other than the seller, who occupy, use, or claim rights to the land in question, this ESS will apply”)¹³.

- When the Activity is intended to support land titling or other confirmation, regularisation, or determination of land rights. In these cases, it is necessary to carry out a social, legal, and institutional assessment, as per the ESS 1.
- When the Activity consists of “land use planning or the regulation of natural resources to promote their sustainability on a regional, national, or subnational level (including watershed management, ground water management, fisheries management, and coastal zone management)”¹⁴. In these cases, it is necessary to carry out a social, legal, and institutional assessment, as per the ESS 1.

8.3 REQUIREMENTS

14. The CBF preferred option is to avoid access restrictions to natural resources and resettlement. Large Involuntary Resettlement, defined as a resettlement of more than 15 households from the same location, is prohibited by the CBF’s Exclusion List. The CBF encourages NCTFs, EbA grantees, and other grantees to engage with communities to find out alternatives to the establishment of access restrictions and resettlement.
15. CBF will not finance Activities triggering involuntary resettlement of Indigenous Peoples.
16. The Free, Prior, and Informed Consent (FPIC) of the affected communities is required to impose access restrictions to natural resources or otherwise planning and implementing activities that will result in the resettlement of these communities. The FPIC process is established in the CBF ESS 7. All other provisions of the ESS 7 also would apply if access restrictions involve Indigenous Peoples.
17. When imposing access restrictions to natural resources or resettling households are unavoidable and necessary for a highest goal of conservation or protection of ecosystems, NCTFs, EbA grantees, and grantees of any other CBF Facility must compensate the affected persons and provide them with any assistance necessary to improve or at least to restore their standard of living or livelihoods.

¹³ This refers to “legally recorded market transactions in which the seller is given a genuine opportunity to retain the land and to refuse to sell it and is fully informed about available choices and their implications.

¹⁴ World Bank ESS 5 (The text has been highlighted by the author of this ESS).

18. Access to natural resources includes access to both terrestrial and aquatic resources, including marine areas and resources. Negative impacts derived from access restrictions to natural resources include economic and livelihood losses, loss of income from the restricted resources, and non-material impacts on livelihoods related to spiritual, cultural, and educational value of the natural resources.
19. Activities including access restrictions to natural resources and/or limited resettlement (less than 15 households from the same location) will be classified as **Category B+**¹⁵.

8.3.1 Eligibility for Compensation, Resettlement, and other Assistance

20. Affected persons eligible for compensation, resettlement, other assistance, and other benefits will be identified under the basis of a census to be elaborated by the NCTF or the grantees in collaboration with the affected community. This census is part of the Livelihood Restoration and Compensation Plan or the Resettlement Plan, as the case be.
21. The affected persons will be classified as follows:
 - A. Persons who have formal legal rights to land or assets.
 - B. Persons who do not have formal legal rights to land or assets but have a claim to land or assets that is recognizable by national law.
 - C. Persons who have no recognizable legal right or claim to the land or assets they occupy or use.
22. Those who encroach on the project area after the cut-off date for eligibility are not eligible for any compensation and the NCTF or the grantee are not required to compensate them, provided that the cut-off date has been clearly established and communicated¹⁶.

8.3.2 Compensation and Benefits

23. Compensation and benefits will be standard for the different categories of affected persons meaning that persons of the same category (paragraph 21) will have similar compensation and benefits. Compensation may include a range of options such as in-kind compensation, non-monetary compensation, and monetary compensation, as

¹⁵ Activities including resettlement or more than 15 households of the same location will be deemed to include large resettlement, be in the CBF Exclusion List, and therefore they will be no subject to financing by the CBF.

¹⁶ Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the date of completion of the assets inventory, or an alternative mutually agreed on date, will not be compensated". (IFC – Handbook for Preparing a Resettlement Action Plan).

appropriated. The compensation and benefits by category of affected persons will be documented and widely disclosed by the NCTF or the grantee and will be distributed through transparent procedures.

24. Where livelihoods of affected persons are land-based, or where land is collectively owned, and the restrictions to access are permanent, or there is a permanent displacement, the NCTFs or the grantees must offer an option for replacement. This replacement option shall have productive potential, locational advantages, and other factors at least equivalent to that being lost.
25. In exceptional cases, after the NCTFs or the grantees have demonstrated to the CBF that a feasible replacement land is unavailable, and there is no other feasible alternative, the CBF may approve compensation in lieu of replacement.
26. NCTFs or grantees will establish effective restrictions to access to natural resources only after replacement or compensation in accordance with this ESS have been made available to the affected persons and, if the Activity involves limited resettlement, the displaced people have been resettled and have their livelihoods restored or have been provided with compensation.
27. Notwithstanding the previous requirement, in exceptional cases where, despite of the best efforts of NCTFs and grantees, the payment of compensation to some affected persons proves to be too difficult for reasons beyond the control of NCTFs or grantees¹⁷, the CBF may authorise the establishment of the restrictions to access to natural resources, provided that the NCTF or the grantee deposit the required compensation funds into an interest-bearing account. These funds will be made available to the affected persons when the issues that prevented the payment are solved.
28. Affected persons under category C (paragraph 21) are entitled to compensation in lieu of land.
29. Affected persons whose livelihoods are derived from illegal activities under national law (such as poaching, logging, dynamite fishing, etc.) will not be eligible for compensation and benefits.

¹⁷ This may include the impossibility to contact the affected person, or when the affected person refuses the compensation that has been agreed upon with the community, or if the land or the assets are subject to lengthy legal proceedings. World Bank ESS 5 (para 16).

8.3.3 Livelihood Lost and Economic Displacement

30. When the Activity implies the loss of livelihoods, impacts on the income generation, or otherwise the economic displacement of people, the NCTF or the grantee must plan and implement effective measures to allow the affected persons to at least restore their incomes of livelihoods. That plan must establish the different entitlements of the affected persons with special attention to the needs of the most vulnerable including women, in a transparent, equitable, and consistent way. The NCTF or the grantee shall monitor the effectiveness of the implementation of such measures and evaluate them upon completion.
31. The mitigation of livelihoods lost, and economic displacement will be considered completed when the affected persons have received all the assistance they are entitled to and have been provided with adequate opportunity to re-establish their livelihoods.
32. The results of the implementation of resettlement and livelihood restoration activities may be assessed as part of a completion audit specific to this purpose.
33. The NCTF or the grantee shall offer to the persons affected by livelihood lost or otherwise economic displacement classified under *A. or B. in paragraph 21*, replacement property of equal or greater value or, where appropriate, cash compensation at replacement cost. In case of affected persons classified under *C. in paragraph 21*, the NCTF or the grantee shall compensate them for lost assets other than land (such as crops, irrigation infrastructure and other improvements) at replacement cost. Additionally, they will provide assistance in lieu of land sufficient to give such persons an opportunity to re-establish livelihoods elsewhere. There is additional guidance for cases where commercial enterprises are affected¹⁸.
34. NCTFs and grantees will see that economically displaced persons are provided with opportunities to at least restore their livelihoods, income-earning capacity, and standard of living. Persons whose affected livelihoods are land-based must be offered replacement

¹⁸ "In cases where land acquisition or restrictions on land use affect commercial enterprises (including shops, restaurants, services, manufacturing facilities, and other enterprises, regardless of size and whether licensed or unlicensed) affected business owners will be compensated for the cost of identifying a viable alternative location; for lost net income during the period of transition; for the cost of the transfer and reinstallation of the plant, machinery, or other equipment; and for re-establishing commercial activities. Affected employees will receive assistance for temporary loss of wages and, if necessary, assistance in identifying alternative employment opportunities." World Bank ESS 5.

land with productive potential at least equivalent to that being lost. Persons whose affected livelihoods are natural resource-based must be allowed to continue accessing the affected resources or provided with access to alternative resources equally accessible and with equivalent livelihood-earning potential. Where common property resources are affected, the benefits and compensation may be collective in nature.

35. Only when it is demonstrated to the CBF that replacement land or resources are unavailable, NCTFs and grantees may offer economically displaced persons other options for alternative income earning opportunities including credit facilities, skills training, business start-up assistance, employment opportunities, or cash assistance additional to compensation for assets.

8.3.4 Physical Displacement

36. When the Activity requires the physical displacement of people, the NCTF or the grantee must offer these persons choices of resettlement options that include replacement housing or cash compensation and provide relocation assistance. This assistance shall be customised for each group of displaced persons.
37. New locations must offer at least the same conditions of the previous location. When the previous conditions were substandard with regards to the national minimal codes, the new locations must offer conditions at least consistent with the national minimal codes.
38. The host communities (i.e., the communities living in the locations where the new settlement is to be prepared) need to be consulted previously regarding the resettlement plans.
39. The NCTF or the grantee shall offer to the affected persons physically displaced classified under *A. or B. in paragraph 21* a choice of replacement property of equal or higher value, with security of tenure, equivalent or better characteristics, or cash compensation at replacement cost. In case of affected persons classified under *C. in paragraph 21*, the NCTF or the grantee shall provide arrangements to allow them to obtain adequate housing with security of tenure. When these persons own structures, the NCTFs or grantees shall compensate them at replacement cost for the loss of assets other than land¹⁹. Additionally, upon consultation with these persons, the NCTFs or grantees shall

¹⁹ Structures such as dwellings and other improvements to the land. World Bank ESS 5.

provide them in lieu of compensation for land, relocation assistance sufficient to restore their living standards.

8.3.5 Community Engagement

40. The application of this ESS 5 requires meaningful community engagement. This is a process consisting of a good-faith dialogue between the NCTFs or the grantee and the communities affected by the access restrictions and/or the resettlement. Community engagement shall be culturally sensitive, conducted in a language that is understandable for the community, and in collaboration with the organisation's representative of the affected communities. To achieve effective community engagement, the NCTF or the grantee shall use the necessary means of communication in a way that corresponds to the culture, abilities, and customs of the affected communities. NCTFs and grantees will follow the guidance established in the CBF ESS 10.
41. The community engagement will facilitate the agreement on the *Process Framework* that is required for all Activities involving access restrictions, livelihood lost, and/or limited resettlement, as described in point 8.4.1.
42. NCTFs, EbA grantees and other grantees must ensure that the community engagement process reflects the perspectives, interests, and concerns of people of all genders, gender identities, and sexual orientations without discrimination based on gender or sexual orientation. Equally important, they need to make sure that all stakeholders can participate effectively in community engagement sessions and are able to voice their preferences and issues related to the restoration of their livelihoods and the resettlement planning. This may imply that NCTFs, EbA grantees and other grantees need to organise separate consultation sessions to respond to special needs of stakeholders. For instance, it may be necessary to carry out an intra-household analysis in cases where women's and men's livelihoods are affected in a different way and when they may have different preferences for restoration or compensation. In general, NCTFs and grantees shall follow the guidance established in the CBF ESS 10.

8.3.6 Grievance Mechanism

43. In line with the ESS 1 and ESS 10, the NCTF or the grantee will have in place a functioning Grievance Mechanism to capture and manage grievances and concerns of the affected

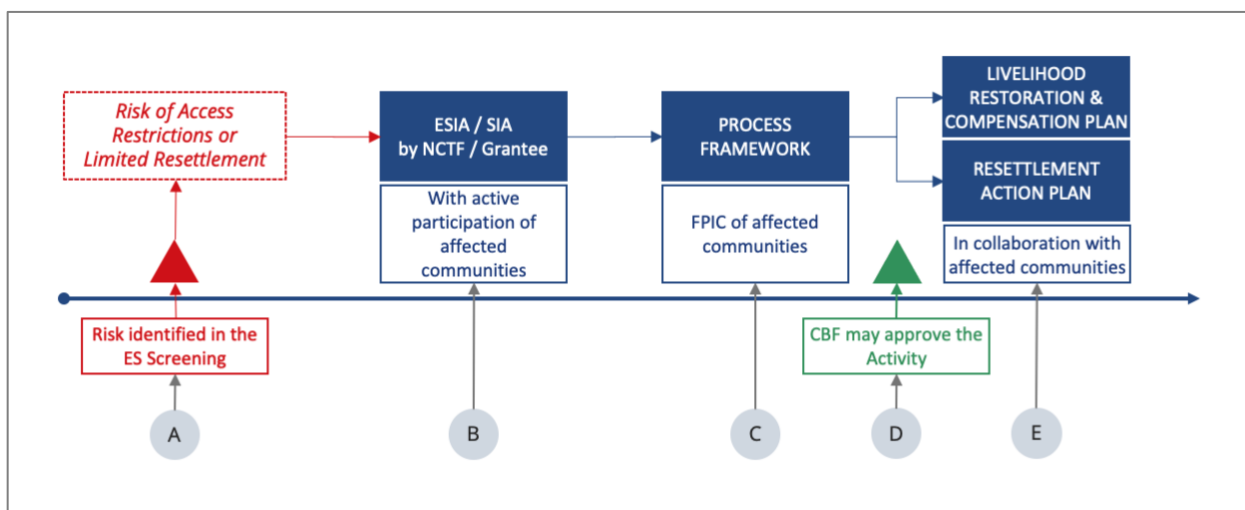
persons with regards to the imposition of access restrictions, livelihood restoration, compensation, and relocation.

44. The Grievance Mechanism shall be fully accessible by different ways to the affected persons and other stakeholders. It shall permit reception and process of confidential and anonymous complaints. Grievances shall be handled by NCTFs or other grantees in a culturally appropriate manner. Responses must be discreet, objective, and sensitive with the affected persons. For this, NCTFs and grantees will follow the guidance established in the CBF ESS 10.

8.4 PROCEDURES RELATED TO ACCESS RESTRICTIONS TO NATURAL RESOURCES AND LIMITED RESETTLEMENT

45. All Activities presented to the CBF for funding must be subject to environmental and social screening as part of the due diligence (Due Diligence) that is carried out by the organisation presenting the Activity and reviewed by the CBF.
46. When the risks and impacts of access restrictions or limited resettlement are identified in the environmental and social screening the following procedures are triggered as presented in *Figure 5: Procedures related to Access Restrictions and Resettlement*.

Figure 5: Procedures related to Access Restrictions and Resettlement



- A. While conducting the environmental and social screening the NCTF or the grantee determine that the Activity at any point involves access restrictions to natural

resources and/or limited resettlement (less than 15 households from the same location). The Activities is classified as **Category B+**²⁰.

- B.** The NCTF or the grantee prepare a fit-for-purpose Environmental and Social Impact Assessment (ESIA) or a Social Impact Assessment (SIA), with the active participation of the affected stakeholders (i.e., the persons and the community most likely to be affected by access restrictions and resettlement).
- C.** After the ESIA / SIA, the NCTF or the grantee prepare a *Process Framework* to assess, mitigate and manage impacts of access restriction and limited resettlement, as established in this ESS 5 (see point 8.4.1). The FPIC of the affected communities is necessary to prepare the Process Framework.
- D.** When the Process Framework is finalised and the FPIC of the affected communities is ascertained, the CBF may approve the NCTF's work plan containing the Activity or the Activity proposed by the grantee. This approval includes the commitment to complete and implement the Livelihood Restoration and Compensation Plan or the Resettlement Action Plan, as the case may be. All these instruments are subject to CBF approval.
- E.** The NCTF or the grantee, in collaboration with the affected communities, produce and implement a Livelihood Restoration and Compensation Plan or the Resettlement Action Plan, as the case may be. NCTFs and grantees, in consultation with affected persons, will carry out monitoring and evaluation of the implementation – and introduce corrective actions when needed. The completion of the livelihood restoration and resettlement plans, and the results of their implementation are to be assessed as part of a completion audit specific for this purpose.

8.4.1 Process Framework

- 47. All Activities involving access restrictions, livelihood loss, and limited resettlement are required to prepare a Process Framework in collaboration with the affected communities. The Process Framework shall include a description of the Activity's risks and impacts. It shall also present the eligibility criteria for compensation, assistance,

²⁰ Activities including resettlement or more than 15 households of the same location will be deemed to include large resettlement, be in the CBF Exclusion List, and therefore they will be no subject to financing by the CBF.

resettlement, and livelihood losses. It shall reflect and adapt to the local circumstances the procedures to obtain the FPIC of the affected communities established in the ESS 7. The Process Framework shall include a census of beneficiaries, or the ToR of the census if it hasn't been done as part of the ESIA/SIA. In defining these aspects, the Process Framework will follow the requirements of this ESS 5, and the requirements established in the ESS 7 and ESS 10 as well.

48. Access restrictions will be determined with the best available scientific information and traditional knowledge, through participatory processes where the affected communities will play a central role.
49. For Activities involving access restrictions or any other impacts on livelihoods or income generation, the Process Framework will set out the eligibility criteria for affected persons, procedures, and standards for compensation, the additional measures relating to livelihood improvement or restoration, and incorporate arrangements for monitoring, and consultations and addressing grievances.²¹
50. For Activities involving limited resettlement, in addition to the abovementioned aspects, the Process Framework will establish the additional measures relevant to relocation of affected persons.
51. The above mentioned provision also applies when the Activity includes changes in land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes. In these cases, the Process Framework will establish a participatory process for determining appropriate restrictions and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.
52. The Process Framework shall present a description of the roles and responsibilities for the implementation of the Livelihood Restoration and Compensation Plan or the Resettlement Action Plan, including roles of the organisation carrying out the Activity (NCTF of the grantee and their consultants), community representatives, and other stakeholders. It shall also include an indicative budget and timeline. The full cost will be included in the total cost of the Activity.

²¹ In accordance with the ESS 10.

53. The Process Framework shall include arrangements for monitoring the execution of the Livelihood Restoration and compensation Plan or the Resettlement Action Plan. The results of the implementation of Plans are to be assessed as part of a completion audit of the Activity specific to this purpose.
54. To identify the persons who will be affected by the restrictions to access to natural resources or resettlement, NCTFs or grantees, as the case will be, will elaborate a census to collect appropriate socio-economic baseline data. The census may be part of the ESIA/SIA or may be conducted later if the circumstances require to do so. The census will help in determining an inventory of land and other resources as well as who will be eligible for compensation and assistance. The census will respect a cut-off date for eligibility to discourage ineligible persons - opportunistic livelihood-seekers. The information about the cut-off date must be disseminated widely throughout the affected area at different opportunities and by different media including written information, nonwritten forms (as graphics and other visuals), audio using local radio broadcasters, and social media as well.
55. The Process Framework's indicative content to be adapted to the specific circumstances of the Activity is the following²²:
- Brief description of the Activity
 - Definition of the affected area and of the areas used by the affected community (including social mapping, GIS mapping and official maps of protected areas -if there is any).
 - ToR for the Census, including the cut-off date (see description below in *paragraph 48*)
 - Affected stakeholder analysis, including description of their customary approach to natural resources management
 - A land / marine tenure assessment, including the formal / legal tenure and the informal, customary systems
 - Description of the Protected Area management plan (if there is any)
 - Description of the risks and anticipated positive and negative impacts
 - Description of any conservation agreement with the affected communities
 - Description and documentation of the community engagement process and the process to seek FPIC.
 - Criteria for eligibility of beneficiaries and affected people

²² A Process Framework format is available in the Annex section of this document and in the CBF website.

- Mitigation measures to restore livelihoods (or improve them)
- Roles and responsibilities
- Monitoring arrangements

8.4.2 Instruments for Livelihood Restoration and Compensation, and Resettlement

56. These are two instruments: the Livelihood Restoration and Compensation Plan and the Resettlement Action Plan. They shall be developed in alignment with the Process Framework previously agreed upon with the affected communities and in a way that is consistent with this ESS 5 and the ESS 7 and ESS 10. Formats of both Plans are presented in the Annex section of this document and are available on the CBF website.

** ** END OF ESS 5 ** **

9 ESS 6: BIODIVERSITY CONSERVATION, NATURAL HABITATS, AND SUSTAINABLE MANAGEMENT OF LIVING RESOURCES

9.1 INTRODUCTION

1. The CBF's ESS 6: Biodiversity Conservation, Natural Habitats, and Sustainable Management of Living Resources (ESS 6) aligns with the CBF's vision of a Caribbean region where both its natural environment and people thrive, the ESS 6: goes beyond the requirements of this kind of Multilateral Development Banks. The CBF explicitly promotes the conservation, protection and management of biodiversity and natural resources and requires effective climate change adaptation measures in the marine and coastal zone of the insular Caribbean.
2. The ESS 6 adapts and integrates provisions from the following internationally recognised safeguards and standards that are pertinent and appropriate to the CBF's context and operations:
 - The World Bank's ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.
 - The IFC's PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources.
 - The IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources.
 - The IDB's ESPS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources.

9.1.1 Objectives

3. The objectives of the ESS 6 are:
 - v. To support the generation of significant positive environmental and social benefits in conserving the natural integrity and biodiversity in the Caribbean Region.
 - vi. To strengthen the resilience and reduce climate risks to people in the Caribbean by supporting and facilitating the use of biodiversity and ecosystem services for climate change adaptation.

- vii. To enhance the environmental and social performance of CBF funded Activities.

9.1.2 Definitions

4. For this ESS, the following definitions are adopted:

- Areas with high biodiversity value are areas with one or more than one of the following attributes¹:
 - areas important to threatened species according to IUCN Red List of Threatened Species;
 - areas important to endemic or restricted-range species or to migratory and congregatory species;
 - areas representing key evolutionary processes, providing connectivity with other critical habitats or key ecosystem services;
 - highly threatened and/or unique ecosystems²;
 - High Conservation Value areas (often referred to as critical habitats by other standards including the IFC's and the IDB's)
 - areas identified as Key Biodiversity Areas and subsets such as important bird and biodiversity areas; important plant areas; important sites for freshwater biodiversity and Alliance for Zero Extinction (AZE) sites.
- Biological Diversity means 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 ecosystems³.

¹ IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources, Glossary

² To be determined by the evolving IUCN Red List of Ecosystems.

³ Convention of Biological Diversity, Article 2., Use of Terms.

- Critical Endangered species term is used in the context of the IUCN Red List, to refer to a specie with extremely high risk of extinction in the wild in the immediate future.
- Endangered species term is used in the context of the IUCN Red List, to refer to a specie with very high risk of extinction in the wild in the immediate future.
- Ecosystem is a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit³.
- Ecosystem-Based Approach (EbA): It is the use of biodiversity and ecosystem services as part of an overall adaptation strategy to help people to adapt to the adverse effects of climate change⁴.
- Ecosystem services are a set of benefits that people, including businesses, derive from ecosystems.
- Habitat means the place or type of site where an organism or population naturally occurs³.
- Modified Habitats are areas that may contain a large proportion of plant or animal species of non-native origin, where human activity has substantially modified the area's primary ecological functions and species composition⁵.
- Hybrid solutions (green-gray solutions): Are solutions that combine build infrastructure with natural habitats, often providing cost effective, long-term climate resilience to vulnerable communities and infrastructure.
- No-regret options: Are adaptation options (or measures) that would be justified under all plausible future scenarios, including the absence of manmade climate change. These are essentially activities that provide benefits even in the absence of climate change⁶.

⁴ Convention of Biological Diversity (CBD)

⁵ IDB's ESPS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

⁶ World Bank

- Protected Area are clearly defined geographical spaces, recognised, dedicated, and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.
- Sustainable use is the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations³.

9.1.3 Applicability and Triggers

5. The applicability of the ESS 6 will be decided during the Environmental and Social Due Diligence, with the support of the **ES-Screening-Q** tool that includes triggers of the safeguard.
6. The ESS 6 neither apply to Non-Area-Based Activities nor to Activities classified as Category C (Low Risk)⁷.
7. By general rule, the ESS 6 is not applicable to Activities that are implemented exclusively in Modified Habitats, as defined in *para 4 above* and do not include the use of living natural resources (as explained in para 30 to 35, below). Nevertheless, its applicability will be decided case by case during the Due Diligence.
8. Most often, the ESS 6 applies to Activities that involve risks to the biodiversity, affect the ecosystem's services, or use natural resources in an unsustainable manner. The following type of Activities may trigger the ESS 6 although its applicability will always be decided upon on a case-by-case basis.
 - Activities intended to create a Protected Area.
 - Activities that change the management regime of a Protected Area.
 - Activities that include the introduction of non-native species.
 - Activities that are carried out in a Protected Area or in an area with high biodiversity value, and:

⁷ In other words, an Activity that triggers the ESS 6 can't be classified as **Category C**.

- Include infrastructure construction, upgrades, or decommissioning⁸.
- Include agriculture or aquaculture activities⁸.
- include wild-harvest fisheries or wildlife management activities.
- involve the use of timber or non-timber forest products.
- Involve the risk of creating pathways for spreading invasive species.

9.2 ACTIVITIES IN PROTECTED AREAS

9. All Activities to be carried out in a protected area must comply with the pertinent national legislation of the country where the Protected Area is located⁹.
10. In case an Activity will involve more than one Protected Area that are located in two or more countries, the NCTF, EbA grantee, or the grantee of any other CBF Facility, will comply with the pertinent national legislation of the countries involved. If two different national legislations can be applied to the same Activity at the same time, preference will be given to the most stringent.
11. Activities in protected areas will not lead to adverse impacts on the biodiversity, nor affect the ecological processes supporting this biodiversity, nor lead to a net reduction of the population of any Critical Endangered or Endangered species, as defined in *para 4 above*. In protected areas NCTFs, EbA grantees, and any other CBF grantees can only implement Activities intended to:
 - Support and strengthen protected areas.
 - Carry out alternative and sustainable livelihood programs explicitly designed to strengthen protected areas or marine managed areas that reduce climate risks and provide other ecosystem services.
 - Promote diversified, supplemental, and sustainable livelihoods that can simultaneously reduce social vulnerability and reduce pressures on EbA-supporting marine and coastal resources.
 - Promote sustainable agriculture as a means of relieving the pressure on marine and coastal zone ecosystems as well as providing for enhanced food security.

⁸ Activities of this type may trigger the ESS 3 Resource Efficiency and Pollution Prevention.

⁹ See CBF's ESMS National Legal Framework.

12. All Activities in protected areas must be aligned with the protected area management plan unless the purpose of the Activity is precisely to formulate that plan. If this is the case, the provisions of *para 13 below* will apply.
13. When an Activity includes the formulation of the management plan of a protected area, or significant changes to an existing management plan, the NCTF, EbA grantee, or any other CBF grantee must build upon an ESIA or a similar study to inform the formulation of such plan or the changes to the existing plan. If an ESIA has not been previously conducted, the NCTF or the grantee shall carry out an ESIA or a similar study. As a result of the ESIA further studies may be necessary to go ahead with the Activity.
14. When the Activity involves infrastructure construction, upgrade, or decommissioning, the provisions established in the SSE 3 Resource Efficiency and Pollution Prevention (*point 6.4 Infrastructure Construction, Upgrade, or Decommissioning, para 17 to 27*) apply.
15. When the Activity involves *research activities*, the provisions established in *point 9.3 Research Activities, para 23 to 26*, apply.

9.2.1 Activities in Areas with High Biodiversity Value

16. Activities to be implemented in areas with high biodiversity value, as defined previously in *para 4*, will not lead to adverse impacts on the biodiversity, nor affect the ecological processes supporting this biodiversity, nor lead to a net reduction of the population of any Critical Endangered or Endangered species¹⁰.
17. If a *Fish Spawning Aggregation Site* is outside of a protected area, it shall be considered an area with high biodiversity value. It means that any *Fish Spawning Aggregation Site* is effectively covered by the provisions of this safeguard whether it is part of a protected area or not.
18. To determine whether the Activity will take place in areas with high biodiversity value NCTFs, EbA grantees, and other CBF's grantees are encouraged to use the best available data, including spatial data and landscape mapping, land classification and land use

¹⁰ NCTFs, EbA grantees, and other CBF grantees shall take in consideration that "modified habitats" as defined previously in para 4 can be included in areas with high biodiversity value and therefore protected by the provisions of this section of the safeguard.

maps, satellite imagery, ecosystem maps, and topographical and hydrological maps, when available.¹¹

19. Activities in areas with high biodiversity value will not lead to adverse impacts on the biodiversity, nor affect the ecological processes supporting this biodiversity, nor lead to a net reduction of the population of any Critical Endangered or Endangered species, as defined in *para 4 above*.
20. NCTFs, EbA grantees, and other CBF grantees can implement the following type of Activities in areas with high biodiversity value:
 - Sustainable livelihood programs that reduce climate risks and provide other ecosystem services.
 - Support to diversified and sustainable livelihoods that reduce social vulnerability as well as pressures on EbA-supporting marine and coastal resources.
 - Sustainable use of living natural resources, including sustainable agriculture as a means of relieving the pressure on marine and coastal zone ecosystems as well as providing for enhanced food security.
21. When the Activity involves infrastructure construction, upgrade, or decommissioning, the provisions established in *point 6.4 Infrastructure Construction, Upgrade, or Decommissioning, para 17 to 27*, apply.
22. When the Activity involves *research activities*, the provisions established in *point 9.3 Research Activities, para 23 to 26*, apply.

9.3 RESEARCH ACTIVITIES

23. Activities that include research to improve long-term biodiversity conservation and use of living natural resources will abide by the following provisions regardless of where the research is conducted – whether in a protected area, an area with high biodiversity value, or another area.
24. All research-related Activities will use the best available science and expert advice and the available traditional ecological knowledge. For field operations, NCTFs, EbA grantees

¹¹ World Bank's Guidance Note on ESS 6.

and other CBF's grantees will prefer using local fishers and other local community stakeholders.

25. All research-related Activities will share the results of the research with local communities, organizations managing Protected areas, and other stakeholders.
26. The use of animals for scientific purposes in Activities shall always be justified in terms of the contribution to the achievement of net biodiversity benefits. Activities that include research activities using animals and other natural living resources shall have a Research Protocol that summarizes the measures to prevent harm, minimize stress, and avoid other unintentional adverse impacts. NCTFs, EbA grantees and other CBF's grantees are welcome to adopt commonly used research protocols for this purpose.

9.4 RESTORATION AND REHABILITATION OF HABITATS

27. Activities may include restoration and rehabilitation of habitats, usually as part of the Climate Change program (EbA Facility). These Activities require adequate scientific and technical background, the best available science, on a cost-effective basis, and relevant traditional ecological knowledge.
28. This type of Activity may include restoration of coral reefs through coral nursery and out-planting; restoration of mangroves through nursery and out-planting; restoration of sea-grass beds throughout-planting; restoration of upland forests and riparian areas (linked to climate risk reduction for coastal zones) through planting operations, and "hybrid" restoration solutions¹².
29. For these Activities that include restoration and rehabilitation of habitats all provisions related to Activities in areas with high biodiversity value (*para 16 to 21*) are applicable. If they are going to be implemented in protected areas, the provisions for protected areas (*para 9 to 15*) apply.

9.5 SUSTAINABLE USE OF LIVING NATURAL RESOURCES

30. Living natural resources are wild living resources or plants and animals cultivated for human or animal consumption. The term relates to agriculture, animal husbandry, wild-

¹² Solutions that integrate traditional "grey" engineering structures, such as sea walls or coastal armoring, and "green" infrastructure such as conservation and restoration of mangroves, coral reefs, seagrass, and coastal wetlands.

harvest fisheries, aquaculture, forestry, wildlife management and the harvest of wild plants and other non-timber forest products.

31. NCTFs, EbA grantees or other CBF's grantees proposing Activities that include using living natural will conduct an inquiry into their environmental and social risks and potential adverse impacts as part of the Due Diligence process. The beliefs, values, cultural characteristics, and concerns of affected communities and other stakeholders shall be carefully considered in this inquiry.
32. Activities involving the production of living natural resources shall use industry-specific sustainable management practices and standards and, where available and appropriate, credible verification or certification schemes^{13 - 14}. Credible globally, regionally, or nationally recognized standards are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage stepwise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.¹⁵
33. These Activities involve at least one of the following sub-activities:
 - Agriculture
 - Animal husbandry
 - Wild-harvest fisheries
 - Aquaculture
 - Forestry
 - Wildlife management
 - Harvest of wild plants and other non-timber forest products¹⁶.

¹³ IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources.

¹⁴ Grantees are encouraged to use different references to standards, like the ones included in the <https://standardsmap.org/>.

¹⁵ IFC PS 6.

¹⁶ Including harvesting of native wild species as well as harvesting of substances produced by living species, such as sap from trees, or honey and wax from bees (World Bank's Guidance Note ESS 6).

34. Activities involving restrictions of harvesting wild living resources shall comply with CBF's ESS 5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost (LL), and Limited Involuntary Resettlement (LIR).
35. Activities involving plantation development (agriculture or forestry or any other type) that require conversion or degradation of natural forest areas on of any other area with high biodiversity value, are excluded by the CBF's Exclusion List.

** ** END OF ESS 6 ** **

10 ESS 7: INDIGENOUS PEOPLES AND TRADITIONAL LOCAL COMMUNITIES

10.1 INTRODUCTION

1. The CBF's ESS 7: Indigenous Peoples and Traditional Local Communities (ESS 7) integrates the provisions that are pertinent and appropriate to the CBF's context and operations from the following internationally recognised safeguards and standards:
 - The World Bank's ESS 7 Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities.
 - The IFC's PS 7 Indigenous Peoples
 - The IUCN's Standard on Indigenous Peoples
 - The IDB's ESPS 7 Indigenous Peoples
2. The term Indigenous Peoples and Traditional Local Communities reflects the World Bank's ES Framework's definition of "Indigenous Peoples/Saharan African Historically Underserved Traditional Local Communities"¹. The term refers exclusively to "a distinct social and cultural group possessing the following characteristics in varying degrees
 - a. Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and
 - b. Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas;
 - c. Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and
 - d. A distinct language or dialect, often different from the official language or languages of the country or region in which they reside".
3. The term may also include communities or groups of Indigenous Peoples and Local Traditional Communities who, "during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the

¹ ESS 7 *Indigenous Peoples/Saharan African Historically Underserved Traditional Local Communities* [2016. "World Bank Environmental and Social Framework." World Bank, Washington, DC.] License: Creative Commons Attribution CC BY 3.0 IGO.

project area, because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area”¹.

10.2 OBJECTIVES

4. The objectives of the ESS 7 are:
 - i. To ensure that Activities respect human rights and collective rights (including their right to make their own decisions), culture and livelihoods of Indigenous Peoples and Traditional Local Communities.
 - ii. To avoid environmental and social risks and adverse impacts to Indigenous Peoples and Local Traditional Communities and, when total avoidance is not possible, to minimise these risks and adverse impacts, and to mitigate the remaining risks and adverse impacts.
 - iii. To recognise, respect and preserve traditional knowledge, specially that one associated with genetic resources, and to ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources.
 - iv. To support Indigenous Peoples and Traditional Local Communities’ conservation activities and efforts.
 - v. To ensure adequate process of Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples and Traditional Local Communities when it is required.

10.3 APPLICABILITY

5. The applicability of the ESS 7 is established during the Due Diligence. The ESS 7 shall be applied when the Due Diligence determines one or more of the following situations:
 - The Activity is or will be implemented with or by Indigenous Peoples and Traditional Local Communities.
 - The Activity entails the risk of negatively affecting Indigenous Peoples and Traditional Local Communities, including their access to Natural Resources or to critical cultural resources.
 - Indigenous Peoples and Traditional Local Communities inhabit the area where the Activity takes (will take) place.

- The Activity involves access to, and use of, traditional knowledge associated with genetic resources.
 - The Activity includes the use of cultural heritage for commercial purposes or any other economic benefit ², and Indigenous Peoples and Local Traditional Communities, hold customary rights over the cultural heritage in question.
6. The participation of Indigenous Peoples and Traditional Local Communities in the Activity, or their presence in the Activity's location, will be ascertained with the Stakeholder Analysis.
 7. When the participation of Indigenous Peoples and Traditional Local Communities in the Activity, or their presence in the Activity's location, is established, the NCTFs, the EbA Facility grantee, or the grantee of any other CBF's Facility shall carry out either a meaningful consultation process or a Free, Prior, and Informed Consent (FPIC) process, as needed (*see para 8 below*).
 8. FPIC is required in the following cases. All other Activities, that do not demand FPIC, require meaningful consultation process (*see para 9 below*).
 - a. The Activity includes the direct participation of Indigenous Peoples and Traditional Local Communities (i.e., they actively participate in the sub-activities, they are the direct beneficiaries of the Activity, they receive funds from the Activity).
 - b. The Activity takes place in the territory (land or sea) where Indigenous Peoples and Traditional Local Communities live or find their livelihood.
 - c. The Activity involves access restrictions to Natural Resources or to critical cultural resources. (In this case, the ESS5: Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement also applies)
 - d. The Activity includes the commercial use of traditional knowledge of Indigenous Peoples and Traditional Local Communities, especially traditional knowledge related to genetic resources.

² This includes "knowledge, innovations, or practices of local communities for commercial purposes, such as commercialization of traditional medicinal knowledge or other sacred or traditional technique for processing plants, fibers, or metals". IFC PS 8 Cultural Heritage.

- e. The Activity supports the use of, or the generation of economic benefit from, the cultural heritage of Indigenous Peoples and Traditional Local Communities. (In this case ESS 6: Physical Cultural Resources and Cultural Heritage may also apply).

10.4 MEANINGFUL CONSULTATION WITH INDIGENOUS PEOPLES AND TRADITIONAL LOCAL COMMUNITIES

9. Meaningful consultation process consists of a good-faith dialogue between the NCTFs or the grantee and the Indigenous Peoples and Traditional Local Communities. This process shall allow the Indigenous Peoples and Traditional Local Communities to effectively express their views and concerns about the risks and impacts of the proposed Activity.
10. It will be carried out in a manner that is culturally sensitive, in the language most commonly used by the concerned Indigenous Peoples and Traditional Local Communities, and in close coordination with their customary organisations.
11. The NCTF or the grantee will communicate to the concerned Indigenous Peoples and Traditional Local Communities the purpose of the proposed activity, its components, its environmental and social risks and opportunities, its environmental and social adverse impacts, its timeline and expected budget, and any other pertinent element.
12. To achieve effective communication, the NCTF or the grantee will use the necessary means of communication in a way that corresponds to the culture, abilities, and customs of the concerned Indigenous Peoples and Traditional Local Communities.
13. The views, concerns, and proposals of the concerned Indigenous Peoples and Traditional Local Communities must be taken seriously into consideration by the NCTF or the grantee, as they shall inform the proposed activity.
14. Notwithstanding that the consultation process shall be carried in accordance with the traditions of Indigenous Peoples and Traditional Local Communities, it shall not allow discrimination on grounds of gender or sexual orientation, nor shall reinforce pre-existing gender-based inequalities. NCTFs and EbA Facility grantees will ensure the participation of Indigenous women and people of diverse gender identities and sexual orientation in the meaningful consultation process by accommodating their needs and providing specific spaces to participate.

15. Indigenous Peoples and Traditional Local Communities must be meaningfully consulted at least twice: first, during the proposal preparation to improve the proposed Activity, and second, at the end of the proposal preparation, to be informed of the results of the meaningful consultation process and know the final proposal. NCTFs and grantees will document these consultations and keep written and audiovisual records available to the CBF.
16. NCTFs and grantees will inform the concerned Indigenous Peoples and Traditional Local Communities about the development of the Activity and will make available different ways to participate in the Activity.
17. NCTFs and grantees will accommodate the *reasonable* requirements that the concerned Indigenous Peoples and Traditional Local Communities may have to participate in the Activity. It includes requirements related to the timing, language, locations.
18. NCTFs and grantees shall follow the ESS 10 Stakeholder Engagement and Information Disclosure guidance on this aspect.

10.5 FREE, PRIOR, AND INFORMED CONSENT (FPIC)

19. Any Activity that falls into one or more of the situations presented in *para 8 above* must secure the Free, Prior, and Informed Consent (FPIC) of the concerned Indigenous Peoples and Traditional Local Communities.
20. The FPIC must satisfy all the requirements of the meaningful consultation with Indigenous Peoples and Traditional Local Communities presented in *para 9 to 18 above and the following* requirements as well (presented in *para 21 to 29 below*).
21. Indigenous Peoples and Traditional Local Communities provides (or abstain to do so, or withdraw) their consent voluntary, independently decided upon, without coercion or intimidation or manipulation. It is Free.
22. Indigenous Peoples and Traditional Local Communities' consent is provided *before* the Activity is approved and ideally *before* it is presented to the CBF, following the pace of their decision-making process. Therefore, it is called Prior.
23. Indigenous Peoples and Traditional Local Communities must have clear, consistent, culturally appropriated, transparent information about the Activity, delivered in their

languages, available in their locations, easily accessible without barriers: Their consent is Informed.

24. NCTFs, EbA Facility grantees, and grantees of any other CBF's Facility will inform the concerned Indigenous Peoples and Traditional Local Communities about their rights under the law of the country where the Activity may take place as well as the requirements set by this Safeguard, including their right to decline consent.
25. NCTFs and EbA Facility grantees, and grantees of any other CBF's Facility will engage the concerned Indigenous Peoples and Traditional Local Communities in identifying the environmental and social risks and adverse impacts of the proposed Activity and developing the mitigation measures. Indigenous Peoples and Traditional Local Communities representatives must participate in the formulation of the ESMP including the monitoring of the environmental and social actions.
26. The ESIA and the resulting ESMP must be disclosed to the concerned Indigenous Peoples and Traditional Local Communities in a culturally appropriate manner. Sufficient time and resources shall be provided to allow for effective participation, discussion, and decision making.
27. NCTFs and EbA Facility grantees, and grantees of any other CBF's Facility will make their best efforts to involve Indigenous Peoples and Traditional Local Communities' representatives in the monitoring of the environmental and social performance of the Activity. Indigenous Peoples and Traditional Local Communities will be periodically informed of the environmental and social performance of the Activity.
28. NCTFs and EbA Facility grantees, and grantees of any other CBF's Facility will make their Grievance Mechanism culturally appropriated and will keep it fully available to the concerned Indigenous Peoples and Traditional Local Communities during the FPIC process and throughout the implementation of the Activity.
29. NCTFs and EbA Facility grantees, and grantees of any other CBF's Facility sponsoring the consultation process shall document it and keep written and audiovisual records available to the CBF

** ** END OF ESS 7 ** **

11 ESS 8: CULTURAL HERITAGE

11.1 INTRODUCTION

1. The CBF's ESS 8: Cultural Heritage (ESS 8) is consistent with the following safeguards and standards:
 - The World Bank's ESS 8: Cultural Heritage
 - The IFC's PS 8 Cultural Heritage.

11.2 OBJECTIVES

2. The objectives of the ESS 8 are:
 - i.* To protect cultural heritage from the adverse impacts derived from Activities
 - ii.* To establish management requirements for risks to cultural heritage in Activities
 - iii.* To promote the equitable sharing of benefits from the use of cultural heritage

11.3 SCOPE OF APPLICATION

3. The applicability of the ESS 8 is defined on a case-by-case basis during the Due Diligence. As general rule, this Safeguard will be triggered only by Area-based Activities¹ to be implemented in, or in the vicinity of, a recognized cultural heritage site or sites of cultural significance. Activities that restrict access to natural sites of cultural, spiritual significance or that intends to promote the conservation, management, and use of cultural heritage also trigger this Safeguard.
4. The CBF's ESS 8 shall be applied in conjunction with the national legislation concerning the assessment and management of cultural resources and cultural heritage, including the international obligations of the countries or countries where the Activity will take place. When the national legislation and this Safeguard have different provisions with regards to the same situation, the NCTF, EbA grantee, or any other grantee will uphold the principle of the most stringent provision.

¹ It is very unlikely that a Non-Area-Based Activity will pose a risk to cultural heritage.

11.4 DEFINITIONS

5. For this ESS 8, the following definitions are adopted²:

- The term cultural heritage encompasses tangible and intangible heritage.
- Tangible cultural heritage refers to i) movable or immovable objects, property, sites, structures, or groups of structures, paleontological, archaeological, historical, cultural, artistic, religious, spiritual, symbolic aesthetic, or other cultural significance value for a nation, People, or community; and ii) natural features or tangible objects that embody cultural, religious, spiritual, or symbolic significance for a nation, People, or community.
- Tangible cultural heritage also includes *Underwater Cultural Heritage*, that is “all traces of human existence having a cultural, historical, or archeological character which have been partially or totally under water, periodically or continuously, for at least 100 years”.³
- Intangible cultural heritage refers to practices, representations, expressions, knowledge, skills—as well as the instruments, objects, artifacts, and cultural spaces associated therewith— that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.
- Critical Cultural Heritage is defined as consisting of one or both of the following types of cultural heritage: (i) the internationally recognized heritage of communities who use or have used within living memory the cultural heritage for long-standing cultural purposes; or (ii) legally protected cultural heritage areas, including those proposed by host governments for such designation.

² Definitions are from the IFC Performance Standard 8 Cultural Heritage; the World Bank Environmental and Social Safeguard 8 Cultural Heritage; and IUCN Standard on Cultural Heritage.

³ United Nations Convention Concerning the Protection of the World Cultural and Natural Heritage. This includes “(i) sites, structures, buildings, artefacts and human remains, together with their archaeological and natural context; (ii) vessels, aircraft, other vehicles or any part thereof, their cargo or other contents, together with their archaeological and natural context; and (iii) objects of prehistoric character”. The text of the Convention explicitly says that “Pipelines and cables placed on the seabed shall not be considered as underwater cultural heritage” nor other type of installations placed on the seabed and still in use.

- Replicable Cultural Heritage is defined as the “tangible forms of cultural heritage that can themselves be moved to another location or that can be replaced by a similar structure or natural features to which the cultural values can be transferred by appropriate measures.”⁴
- Natural features with cultural significance are also considered as cultural heritage.⁵
- Movable cultural heritage is defined as a wide variety of historic or rare artifacts and objects highly vulnerable to theft, trafficking or abuse.⁶

11.5 RISK AND IMPACT MANAGEMENT HIERARCHY

6. The Principle of Mitigation Hierarchy governs the management of risks and impacts related to cultural heritage. By default, NTCFs, EbA grantees, and other CBF's grantees will avoid risks and adverse impacts on cultural heritage in their Activities.
7. If negative impacts on cultural heritage cannot be totally avoided, NTCFs, EbA grantees, and other CBF's grantees will minimise them. Any remaining risks and impact on cultural heritage will be managed by restoring them in situ, provided that the authenticity, integrity, and functionality of the resource is assured.
8. If, after avoiding and minimising risks and adverse impacts, and trying to manage remaining risks and impacts with in situ restoration, still the Activity poses risks and impacts to cultural heritage, re-localisation of cultural heritage resources is the last possible option and it shall be carefully assessed in terms of the ability to assure maximum functionality and integrity after re-localisation, and the balance between the gains in conservation derived from the Activity and the costs that re-localisation implies to the communities.

4 “Archeological or historical sites may be considered replicable where the particular eras and cultural values they represent are well represented by other sites and/or structures.” IFC PS 6.

5 It refers to “sacred hills, mountains, landscapes, streams, rivers, waterfalls, caves and rocks, sacred trees or plants, groves and forests; carvings or paintings on exposed rock faces or in caves; and paleontological deposits of early human, animal or fossilized remains”. World Bank’s ESS 8 Cultural Heritage.

6 It includes “books and manuscripts; paintings drawings, sculptures, statuettes, and carvings modern or historic religious items; historic costumes, jewelry, and textiles; fragments of monuments or historic buildings; archaeological material; and natural history collections such as shells, flora, or minerals.” World Bank’s ESS 8 Cultural Heritage.

9. Re-localisation of cultural heritage resources must have the Free, Prior, and Informed Consent of the concerned stakeholders.
10. When avoiding, minimising, and managing cultural heritage risks are not enough and still there is a high level of risks or adverse impacts to cultural heritage, and re-localisation is not feasible, the CBF will deny approval of the Activity -either by denying the proposal (in the case of the EbA Facility) or by not approving the work plan (in the case of the Endowment).

11.6 SCOPING RISKS TO CULTURAL HERITAGE

11. The most evident cultural heritage risks are identified by answering specific questions of the Environmental and Social Screening Questionnaire (**ES-Screening-Q**).
12. Other risks will be identified during the stakeholder engagement and meaningful consultations that are required for any Activity, as established in ESS 1 and ESS 10. In addition to local communities this also includes consultations with local authorities, local experts, traditional knowledge *holders*, protected areas' sponsors, and peer organisations. Additional risks may be identified with the ESIA, SIA, or other studies required for the Activity.
13. If the Activity includes infrastructure construction, refurbishment, or decommissioning, its Health and Safety (H&S) Plan may require temporarily restrictions to access to cultural heritage sites to comply with the ESS 2 or the local legislation. In these cases, these restrictions shall be clearly explained and openly discussed with stakeholders.
14. If the Activity includes infrastructure construction, refurbishment, or decommissioning, it is necessary to include the Chance Finds Procedure in the grant agreement, as established in *para 19 below*.
15. The preference is to avoid permanent restrictions to access to cultural sites. Nevertheless, when Activities have risks of restricting access to cultural sites on a permanent basis, NCTFs, EbA grantees and other CBF's grantees shall comply with the requirements set in the CBF's ESS 5 Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement.

11.7 CHANCE FINDS PROCEDURE

16. Area-based Activities that involve infrastructure construction or refurbishment may cause *chance finds*⁷ by carrying out excavations, demolition, and movement of earth. In these cases, the ESS 8 will be triggered, and a *Chance Finds Procedure* will be followed
17. A *Chance Finds Procedure* is an Activity-specific procedure be followed when previously unknown cultural heritage is encountered during the execution of the Activities. It comprises provisions for training of construction workers; stopping the work if an object or a site of potential cultural heritage value is found; notifying the CBF Secretariat of such event and the pertinent local authorities; record the incident; making sure that the object or site found is evaluated by experts; proceeding with the works only when the local authorities (and the experts) advise to do it.
18. The Chance Finds Procedure shall include the option of asking for qualified expert advice to decide whether full disclosure of information related to the *find* is advisable and does not compromise the safety or integrity of the cultural heritage in question.⁸
19. A *Chance Finds Procedure* shall be included in the grant agreements related to Area-based Activities that include construction, excavations, demolition, movement of earth, flooding, or other changes in the physical environment.⁹

11.8 COMMERCIAL USE OF CULTURAL HERITAGE

20. When an Activity includes the use of cultural heritage for commercial purposes or any other economic benefit¹⁰, the NCTF, EbA grantee or the grantee of any other Facility at the CBF shall follow this procedure presented in *para 21 to 24 below*.
21. As part of the stakeholder engagement and meaningful consultation processes required for the Activity, the NCTF, EbA grantee, or the grantee of other CBF's Facility, will inform the stakeholders of the scope and nature of the Activity, the intended use of the cultural

⁷ A chance find is a tangible cultural heritage encountered unexpectedly during project construction or operation. IFC Performance Standard 8 Cultural Heritage.

⁸ IUCN Standard on Cultural Heritage.

⁹ World Bank's ESS 8 Cultural Heritage.

¹⁰ This includes "knowledge, innovations, or practices of local communities for commercial purposes, such as commercialization of traditional medicinal knowledge or other sacred or traditional technique for processing plants, fibers, or metals". IFC PS 8 Cultural Heritage.

heritage, their rights under the law of the country or countries where the Activity takes places and the dispositions of this ESS 8, and the risks of endangering local communities.

22. If there are communities including Indigenous Peoples and Local Traditional Communities, that hold customary rights over the cultural heritage in question, the NCTF, EbA grantee, or the grantee of other CBF's Facility must obtain their Free, Prior, and Informed Consent to proceed with the Activity.
23. A fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with the customs and traditions of the holders of the customary rights (Indigenous Peoples and Local Traditional Communities) shall be agreed upon.
24. Mitigation measures are identified and put in place, as indicated in *para 6 to 10 above*.

** ** END OF ESS 8 ** **

12 ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

12.1 INTRODUCTION

1. Environmental and Social performance starts and ends with the stakeholders. Proactive and efficient stakeholder engagement is the foundation of good management of environmental and social risks and potential adverse impacts of an Activity.
2. The term stakeholder refers to individuals or groups of people who are affected or are likely to be affected by an Activity, or may have an interest in an Activity.
3. Unless there is a contrary explicit indication, the term stakeholder is generic and may include funders, partners, authorities, implementers, peer organisations, affected peoples, Indigenous Peoples, Local Traditional Communities, etc. The ESS 7 is dedicated to establishing the requirements related to Activities involving Indigenous Peoples and Local Traditional Communities¹.
4. Stakeholder engagement is an ongoing process that precedes the Activity itself, helps shape NCTF's and grantee's proposals, facilitates implementation and monitoring, and extends through the Activity's closure. Stakeholder engagement is intertwined with open, multi-directional, and horizontal communication.
5. The CBF's ESS 10: Stakeholder Engagement and Information Disclosure is consistent with the following safeguards and standards:
 - The World Bank's ESS 10: Stakeholder Engagement and Information Disclosure
 - The sections of the IFC's PS 1 that are pertinent to stakeholder engagement.
 - The IDB's ESPS 10 Stakeholder Engagement and Information Disclosure
6. The CBF's ESS 10 is also consistent with the objective of implementing the rights of access to environmental information, public participation in the environmental decision-making process, and access to justice in environmental matters enshrined in the Regional

¹ ESS 7: Indigenous Peoples and Traditional Local Communities.

Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement).

12.2 OBJECTIVES

7. The objectives of the ESS 10 are:
 - i. To facilitate adequate engagement with stakeholders throughout the Activity life cycle, ensuring that relevant information is appropriately disclosed, and grievances of affected peoples and other stakeholders are proactively and effectively managed.
 - ii. To help NCTFs and grantees implement a systematic approach to stakeholder engagement to build trust and maintain effective relationships with them.
 - iii. To guide the process of meaningful consultation with stakeholders and facilitate compliance with national regulations related to consultation and citizens' participation².
 - iv. To contribute to the reduction of environmental and social risks and enhance environmental and social performance by ensuring that stakeholders' views, interests, concerns, and knowledge are duly considered in the Activity.
 - v. To guide timely disclosure of information related to the Activity.
 - vi. Increase community engagement especially from vulnerable groups and Activity-affected people throughout the Activity's life cycle on issues that could potentially affect or benefit them from the Activity.

12.3 SCOPE OF APPLICATION

8. The ESS 10: Stakeholder Engagement and Information Disclosure applies to all Activities regardless of their risk category, their budget, or their implementation arrangements.
9. All NCTFs, EbA grantees and grantees of any other CBF's Facility, will engage with the stakeholders of their Activities in meaningful consultations early in the process of

² Refer to the CBF's ESMS Legal Framework for more information about applicable national legal frameworks.

developing proposals. The length and deep of these shall be proportional to its environmental and social risks and impacts, as presented in *para 39 to 43 below*.

12.3.1 Stakeholder Engagement in the Context of Social and Physical Distancing

10. Emerging environmental and social risks such as the COVID 19 pandemic create challenges for NCTFs and grantees to engage with stakeholders while preserving their health and wellbeing, complying with public health regulations, and at the same time satisfying the requirements of this Safeguard.
11. Social distancing mandates at the country level may restrict large gatherings of stakeholders and, in some cases, even their movement from one place to another. These measures may have direct negative consequences in public consultation and participation processes.
12. For these reasons, NCTFs, EbA grantees, and any other CBF's grantee will incorporate in their Stakeholder Engagement and Communication Plans (SECP) provisions related to the use of traditional media such radio, TV, and newspapers, as well as mobile phones and social media. Guidance related to the communication component of the SECP is provided in *point 12.4.2 Planning Communication with Stakeholders, para 23 to 27 below*.

12.4 PERMANENT STAKEHOLDER ENGAGEMENT

13. Activities must have permanent engagement with their stakeholders throughout the Activity life cycle. The stakeholder engagement must be systematic, relevant, and timely. It must be conducted in good faith, in a culturally appropriate manner, and free of manipulation, interference, coercion, discrimination, and intimidation. Stakeholder Engagement will have equitable participation of people of all genders.
14. NCTFs and grantees will comply with the national legislation with regards to stakeholder engagement and consultation. If an Activity extends over two or more countries, the NCTF, EbA grantee, or the grantee of any other CBF Facility, will, comply with the pertinent national legislation of the countries involved. If different national legislations pertaining stakeholder engagement and consultation can be applied to the Activity at the same time, preference will be given to the most stringent.
15. Appropriate stakeholder engagement is at the basis of the environmental and social performance of an Activity. It helps in identifying environmental and social risks from

multiple perspectives and enabling the participation of vulnerable or disadvantaged stakeholders³ who may lack the agency and ability to act on their behalf. These stakeholders can be ignored if there is not an articulated and systematic effort to identify them and enable their informed participation in engagement processes and public consultations.

16. Stakeholder engagement also contributes to the proactive management of risks and impacts and enhances the environmental and social performance of the Activity by ensuring that the NCTF or grantee are effectively and constantly considering stakeholders' views, interests, concerns, and knowledge.
17. NCTFs, EbA grantees and any other CBF's grantee will articulate and organise their stakeholder engagement in a Stakeholder Engagement and Communication Plan (SECP) that will be integrated into the Activity planning. The requirements of the SECP are presented below in *point 12.6*.

12.4.1 Stakeholder Identification and Analysis

18. Stakeholder identification and analysis is an ongoing undertaking all along with any Activity. NCTFs and grantees will identify the stakeholders of their Activities for the preparation of their Work Plans or proposals.
19. This identification will determine whether Indigenous Peoples and Traditional Local Communities are participating in the proposed Activity or are present in the area or are -or may be- affected otherwise by the proposed Activity. If this is the case, most probably the CBF's ESS 7: Indigenous Peoples and Traditional Local Communities will be triggered and their Free, Prior, and Informed Consent (FPIC) will be required.⁴
20. This initial identification will include a short description of the stakeholders and their relation to the Activity. They could be people or organisations participating in the Activity (also known as beneficiaries), people or organisations that are affected by the Activity (also

³ "Disadvantaged or vulnerable refers to those people who may be more likely to be adversely affected by the project impacts and/or less able to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from or unable to participate fully in the mainstream consultation process and may require specific measures or assistance to do so." ("World Bank Environmental and Social Framework." World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO) and IDB – ESPF – ESPS 10 Stakeholder Engagement and Information Disclosure.

⁴ For matters related to FPIC and other matters related to Indigenous Peoples, seek guidance in the CBF's ESS 7: Indigenous Peoples and Traditional Local Communities.

known as project affected peoples or PAPs), and other stakeholders such as a public organisation holding decision power over the Activity, an Office granting licenses or permits, a Ministry that can create a protected area or an area of especial interest, a Multilateral Development Bank providing funds, etc.

21. NCTFs and grantees will analyse the stakeholders in terms of their interest and motivation to participate, support, or oppose the Activity; their influence and power over the Activity; the legitimacy of their involvement in the Activity; and the urgency of their needs and concerns.
22. At the time of presenting their concepts, proposals, or Work Plans, NCTFs, EbA grantees and any other CBF's grantee will provide to the CBF a summary of their stakeholder identification and analysis exercise. This document will the foundations of the required SECP.

12.4.2 Planning Communication with Stakeholders

23. Stakeholder engagement is a communication process in which the NCTF or the organization proposing the grant (the grantee) and the stakeholders interact. Communication with stakeholders shall be horizontal and bidirectional in the sense that the grantee and the stakeholders establish a dialogue in good faith, respectful of their differences, with the shared interest of finding common ground, with access to timely, accurate, and understandable information about the proposed grant and its implications, with balanced.
24. The stakeholders do not constitute a monolithic communication audience. They are divided into several groups and sub-groups that constitute different communication audiences with specific interests, profiles, habits, ability, and ways of communicating.
25. *Multichannel, multilevel* communication accounts for the different types of stakeholders. Some communication with stakeholders shall be direct, without mediation, as in public hearings, workshops, and other public gatherings. Some other communication shall be mediated at different levels, using a variety of communication channels.
26. The emerging environmental and social risks such as the COVID 19 pandemic modify the conditions of the communication process with the stakeholders. The restriction of large gatherings, due to social distancing mandates and other public health measures, demands changes in the way communication with stakeholders is planned and executed,

especially with regards to public consultation and public participation. The health and safety of stakeholders and the organization's staff participating in public consultation and public participation events that require face-to-face interaction is paramount.

27. The NCTF or the organization proposing the grant will inquiry into the stakeholders' ability to engage in digitally mediated interpersonal communication processes with the view of using this kind of communication as much as feasible. This includes virtual meetings and face-to-face conversations supported by digital platforms. Communication with stakeholder will be also conducted with the use of traditional media such radio, TV, and newspapers, as well as mobile phones and social media.

12.4.3 Engagement during preparation of the proposed Activity

28. Stakeholder Engagement starts early in the process, in the design phase when the NCTF, EbA grantee or any other CBF's grantee is preparing a concept or a proposal for the consideration of the CBF.
29. During the design phase, the NCTF, EbA grantee or any other grantee must engage with the stakeholders participating in the Activity (also known as "*beneficiaries*") and with other affected stakeholders to disclose the concept of the Activity under preparation. This stakeholder engagement shall take place by means of organising workshops, hearings, working meetings and other similar situations. It is necessary to document these events and keep the records available because the CBF may request them.
30. In the documentation of their stakeholder engagement during the preparation of the proposed Activity, the NCTFs and the grantees will highlight the modifications to the proposal that were made because of this engagement. They will also explain the reason for not considering or acting upon other stakeholders' ideas and concerns.

12.4.4 Engagement During Activity Execution

31. NCTFs and grantees will continue to engage with stakeholders throughout the execution of their Activities. Through the stakeholder engagement they will provide information about the implementation process; report on specific environmental and social issues; increase their interest and maintain their participation in the Activity. They will also address their concerns and meet their expectations to the extent possible and promote the involvement of vulnerable and disadvantage stakeholders in the Activity.

32. For multi-year Activities, NCTFs and grantees will organise stakeholder engagement and update sessions at least once a year, to present the partial results of the Activity and discuss the next scheduled actions.
33. In case a significant change is made on the Activity that may result in additional environmental and social risks, the NCTFs and grantees will inform their stakeholders accordingly.
34. In cases where research sub-activities are conducted as part of the Activity, NCTFs and grantees will engage with their stakeholders to share the results of their research as established in the CBF's ESS 6.

12.5 MEANINGFUL CONSULTATION

35. Meaningful consultation is intended to realize the rights of access to environmental and social information and public participation in the decision-making process related to Activities. Meaningful consultation process consists of a good-faith dialogue between the organisation promoting, sponsoring, or executing the Activity (an NCTF, an EbA grantee, or any other grantee) and its stakeholders. The extend and intensity of consultation is commensurate to the environmental and social risks, potential adverse impacts, and opportunities of the proposed Activity.
36. Active participation in consultation sessions may be easier for articulated and well organised stakeholders than for stakeholders in a vulnerable position or historically disadvantaged. For this reason, NCTFs, EbA grantees and other grantees shall make sure that all stakeholders can participate effectively in consultation sessions and are able to get their messages across. This may imply that NCTFs, EbA grantees and other grantees organise separate consultation sessions to respond to special needs of stakeholders. These special needs may relate to social hierarchy, age, language, location, gender identity and sexual orientation (see *para 37 below*). These arrangements shall be included in the Stakeholder Engagement and Communication Plan (SECP).
37. NCTFs, EbA grantees and other CBF's grantees will ensure that the consultation process reflects the concerns of people of all genders, gender identities, and sexual orientations without discrimination based on gender or sexual orientation.
38. Notwithstanding that meaningful consultation shall be carried out on an ongoing basis, it is of the utmost importance during the preparation of the proposal. It shall allow the

stakeholders to effectively express their views and concerns about the risks and impacts of the Activity. The organisation behind the Activity shall take seriously into consideration these views and concerns; summarise and present them as part of the concept paper (in case there is one), the full proposal, or the Work Plan to which the Activity belongs (in case the Activity is funded by the Conservation Finance Program).

12.5.1 Consultation by Risk Category

39. The extent of the consultation will be commensurate to the environmental and social risks and potential adverse impacts of the Activity as presented in this section.
40. Activities classified as **Category C (Low Risk)**, do not require any further consultation in addition to the stakeholder engagement actions required during the proposal preparation, as presented in *para 28 to 30 above*. Nevertheless, these Activities may include additional stakeholder engagement different than consultation, as the SECP will establish.
41. Activities classified as **Category B (Moderate Risk)**, must include a consultation about the results of the Environmental and Social Screening of the proposal⁵ with participating and affected stakeholders. Documentation of this consultation shall be presented with the proposal.
42. Activities classified as **Category B+ (Substantial Risk)**, must include consultations with participating and affected stakeholders about the results of the Environmental and Social Screening of the proposal⁵; the Terms of Reference of the ESIA and of any other required study to allow stakeholders to propose adjustments; and the presentation of the results of the ESIA and of any other required study. Documentation of these consultations shall be presented with the proposal.
43. The abovementioned consultations differ from the Free, Prior, and Informed Consent (FPIC) that NCTFs, EbA grantees and other CBF's grantee must seek if their proposed Activities affect the rights, lands, and uses of Indigenous Peoples⁶. Guidance regarding FPIC is presented in the CBF's ESS 7: Indigenous Peoples and Traditional Local Communities.

⁵ For additional guidance about information disclosure see *point 12.6.1 Disclose of Information*.

⁶ These Activities are necessarily classified as **Category B+ (Substantial Risk)**.

12.6 STAKEHOLDER ENGAGEMENT AND COMMUNICATION PLAN

44. All Activities financed by the CBF will have a Stakeholder Engagement and Communication Plan (SECP), proportionate to the type and scale of the Activity. The SECP involve continuous identification and analysis of stakeholders, planning of engagement activities alongside the Activity cycle, consultation, information disclosure, addressing stakeholders' grievances, and reporting.
45. For Activities classified as **Category C** the SECP does not need to be a stand-alone document but a section of the Environmental and Social Action Plan. For Activities classified as **Category B and Category B+** the SECP will be a stand-alone document.
46. The SECP has the following objectives:
- Increase trust between the NTCF or grantee and the Activity's stakeholders.
 - Organise and facilitate meaningful consultation with stakeholders.
 - Increase community engagement especially from vulnerable groups.
 - Facilitate proper management of grievances related to the Activity.
 - Facilitate timely disclosure of information related to the Activity.
 - Facilitate compliance with national regulations related to consultation and citizens' participation⁷.
 - Contribute to the enhancement of Activity's environmental and social performance by making possible that stakeholders' interests, concerns, feedback, and knowledge are duly considered in the Activity
47. For the formulation of their SECP, NCTFs, EbA grantees and other grantees are encouraged to follow the format that is included in the CBF's website. The SECP shall include at the minimum the following aspects:
- a.* The stakeholder identification and analysis (discussed in *para 18 to 22 above*)
 - b.* The planned engagement activities and consultation sessions specifying any arrangement made to accommodate disadvantaged or vulnerable stakeholders,
 - c.* The most suitable communication actions and means to outreach stakeholders and facilitate and maintain a double-way communication process
 - d.* Ongoing reporting to stakeholders.

⁷ Refer to the CBF's ESMS Legal Framework for more information about applicable national legal frameworks.

- e. The Information Disclosure Matrix (see *para 49 below*),
 - f. The grievance mechanism (see *para 50 below*),
 - g. The mechanisms to document and record stakeholder engagement.
48. When the proposed Activity is composed of several sub-activities or sub-projects that are not yet completely define but will be defined as part of the implementation of the Activity NCTFs, EbA grantees and other grantees will produce a Stakeholder Engagement and Communication Framework (SECF) rather than a SECP, to be applied to all subsequent sub-activities. In most of the cases this SECF will be complementary to the Environmental and Social Management Framework (ESMF) required for the Activity.

12.6.1 Disclose of Information

49. NCTFs, EbA grantees, and other CBF grantees will disclose information pertaining their proposed (or in-implementation) Activities to their stakeholders on a regular basis, as part of their stakeholder engagement activities. The information will be disclosed in the languages used by the stakeholders, in a way that makes it understandable for a wide variety of people, with minimal technical jargon, in a way that is culturally appropriate to the stakeholders and accommodating the needs of vulnerable or disadvantaged stakeholders in terms of disability, literacy (or lack thereof), mobility and any other accessibility issue. Activities will have information disclosed as presented in **Table 4: Disclosure Matrix**.

Table 4: Disclosure Matrix

PHASE	ITEM	WHO	HOW
DESIGN	Concept (or) Activity outline	Participating ⁸ and Affected Stakeholders	Workshops, Hearings, and/or proponent website, and/or printed copies
PROPOSAL	Proposal brief (or) Summary of the Activity	Participating and Affected Stakeholders	Workshops or Hearings, and/or proponent website, and/or printed copies

⁸ Also called “beneficiaries”

PHASE	ITEM	WHO	HOW
CAT C Proposals	Nothing additional		
CAT B Proposals	Brief of the Environmental and Social Screening	Participating and Affected Stakeholders Other Stakeholders	Workshops or Hearings, and proponent website, and/or printed copies
CAT B+ Proposals	Brief of the Environmental and Social Screening Special Studies ⁹ ToRs, summary, and findings	Participating and Affected Stakeholders Other stakeholders. Special guidance when FPIC is sought after.	Workshops or Hearings, and proponent website, CBF's website , and printed copies. Special guidance when FPIC is sought after.
APPROVAL	Activity Summary Budget Schedule	Participating and Affected Stakeholders	NTCF's website (or organisation's) carrying out the Activity CBF's website
CAT C Activities	Nothing additional		
CAT B Activities	Brief of the ESAP	Participating and Affected Stakeholders Other Stakeholders	NTCF's website (or organisation's) carrying out the Activity CBF's website
CAT B+ Activities	Full ESAP Plans to comply with ESSs	Participating and Affected Stakeholders Other stakeholders. Special guidance when FPIC was secured.	NTCF's website (or organisation's) carrying out the Activity CBF's website. Special guidance when FPIC was secured.

⁹ Special Studies may be any of the studies required by the CBF's ESSs.

PHASE	ITEM	WHO	HOW
EXECUTION	Grievances Advancement Reports Brief	Participating and Affected Stakeholders	NTCF's website (or organisation's) carrying out the Activity CBF's website
CAT C Activities	Nothing additional		
CAT B Activities	ESAP monitoring reports	Participating and Affected Stakeholders	Website of the NTCF or the organisation carrying out the Activity CBF's website
CAT B+ Activities	ESAP monitoring reports Other plans' monitoring reports	Participating and Affected Stakeholders Other stakeholders. Special guidance when FPIC was secured.	Website of the NTCF or the organisation carrying out the Activity CBF's website. Special guidance when FPIC was secured.
CLOSING	ESAP closing report – including grievances report	Participating and Affected Stakeholders Other stakeholders	Website of the NTCF or the organisation carrying out the Activity CBF's website

12.7 GRIEVANCE MECHANISM

50. The CBF's Grievance Mechanism consists of a set of procedures and tools to receive and address concerns and facilitate resolution of grievances with regards to Activities funded by the CBF, especially when these Activities fail to comply with the CBF's Environmental and Social Policy, the CBF's Environmental and Social Safeguards, or its ESMS.
51. The CBF's Grievance Mechanism shall be fully accessible by different ways to the CBF's stakeholders and to the Activities' stakeholders as well. It shall also be responsive and effective and produce a response to the grievances on a timely manner.

52. Grievances shall be handled in a culturally appropriate manner. Responses must be discreet, objective, and sensitive with the affected stakeholders. The Grievance Mechanism will permit reception and process of confidential and anonymous complaints.
53. The use of the CBF's Grievance Mechanism does not preclude legal actions (or other type of actions) to which the aggrieved party may feel entitled to, or that the CBF may find appropriated. Equally, the reception and processing of grievances by the CBF or by the NCTFs, EbA grantees or other CBF's grantees do not imply recognition of fault by any of them.
54. The Grievance Mechanism shall have two levels: the first one is the Activity Level. The second one is the CBF Secretariat.

12.7.1 Activity Level Grievance Mechanism

55. All Activities must have an active Grievance Mechanism proportionate to its environmental, social, and climate change-related risks and potential adverse impacts. NCTFs executing more than one Activity at the same time may "aggregate" the Grievance Mechanisms of each of its Activities in a single Activity level Grievance Mechanism.
56. NCTFs, EbA grantees, or other CBF's grantees must respond to all grievances on a on a timely and effective manner. The affected stakeholder who made the grievance may accept the response or escalate the grievance to the CBF Secretariat Level (second level).
57. The Activity-Level Grievance Mechanism comprises the following elements:
 - 1 Access
 - i. The minimum acceptable conditions for access to the mechanism consists of a dedicated email address and a functional WhatsApp number to receive grievances.
 - ii. It advisable to have social media accounts dedicated to the Activity that may serve as channels of access for grievances.
 - iii. It is also advisable to have a website where grievances could be canalised.
 - iv. The Area-based Activities (or sub-activities) that are implemented around a known location (community center, Administrator of a Protected Area, fish market) shall have a visible letter box where documents (written papers) can be left. These letter boxes shall be reviewed periodically, and any grievance

received shall be promptly remitted to the organisation responsible for the Activity. The Activity shall pay the remittance cost.

- v. Employees and other workers participating in the Activity shall have access to the Activity Level Grievance Mechanism and may use it free from reprisal. At the time of recruitment (if they are hired to work on the Activity) or at the time of incorporation into the team (if they were hired by the organisation previously) they shall receive clear and simple information about the Grievance Mechanism.

2 Record Keeping

- i. All grievances shall be logged on a grievance database (on a spread sheet or similar) and receive an identification number that allows for tracking and record keeping the record of the grievance's process and aggregation and reporting as well.

3 Process

- i. The NCTF, EbA grantee or other grantee shall process the grievance in the five working days after having received it.
- ii. In this term, the NCTF, EbA grantee or other grantee shall deliver a full response looking into the matter of the grievance. If this full response is not possible in this term, the NCTF, EbA grantee or other grantee shall acknowledge the reception of the grievance and explain the process, including the timing and the expected date of a full response.
- iii. In this case, the full response shall be produced in a reasonable timeframe.
- iv. This process shall be recorded in the database.
- v. If the grievance and/or the response to the grievance affects or may affect negatively the CBF or its funding agencies, donors or partners, the organisation responsible for the Activity shall inform the CBF about it without delay.

4 Escalation

- i. Although it is preferable to resolve the grievances at the Activity Level, it may be necessary to escalate it to the CBF Secretariat Level (2nd level) for further processing. Any grievance could also be escalated autonomously by the affected stakeholder(s) if they find unsatisfactory the Activity Level process and result.
- ii. For the escalation, the organisation responsible for the Activity sends the grievance to the CBF Secretariat and confirms reception.

- iii. This step is recorded in the database.

5 Consolidation and Report

- i. Grievances at the Activity Level shall be consolidated in a data base.
- ii. The NCTF, EbA grantee or other grantee reports on the grievances and related processes to the CBF Secretariat as part of its regular reporting arrangements of the Activity.

12.7.2 CBF Level Grievance Mechanism

- 58. The CBF must have a functional Grievance Mechanism consisting of a set of procedures and tools to receive, address, and manage grievances and concerns with regards to the Activities, including the escalations from the Activity-level Grievance Mechanism, and facilitate their resolution. It is called “the second-level Grievance Mechanism”.
- 59. The CBF Level Grievance Mechanism (or second level Grievance Mechanism) is composed of the following elements:

1 Access

- i. The Grievance Mechanism can be accessed by any of the following channels: a dedicated email address; a functional WhatsApp number; a physical (civic) address of the Secretariat (regular mail); a dedicated sub-section on the CBF’s website.
- ii. The Grievance Mechanism is publicised in the CBF’s communication pieces and social media accounts.
- iii. Grievances can be received by the CBF Secretariat either directly from the affected stakeholder or as the result of a scalation from the Activity level.

2 Record Keeping

- i. The CBF’s ESMS records the received grievances and the actions triggered by them on a Grievance Database.
- ii. Grievances are logged on the database at their reception and are assigned with a unique identification number that will be kept all throughout the process.

3 Process

- i. All grievances received at the CBF Secretariat are processed in the next five working days after having logged them on the database.

- ii. In this term, the CBF Secretariat delivers a full response looking into the matter of the grievance. If delivery of this full response is not possible in the established term, the CBF Secretariat will acknowledge the reception of the grievance and provide the complaining party with an explanation of the processing time and the expected date of a full response.
- iii. In this case, the full response is due in a reasonable timeframe.
- iv. If the grievance relates to the Endowment, the Conservation Finance Program Manager is responsible for its process and response.
- v. If the grievance relates to the EbA Facility, the Program Manager of the EbA Facility is responsible for its process and response.
- vi. If the grievance relates to any other Facility, the Program Manager of that Facility is responsible for its process and response. If there is no Program Manager assigned to that Facility, the CBF CEO is responsible for the process and response.
- vii. When in conflict of interest (i.e., when the grievance is against any of them) the abovementioned officers shall escalate the grievance to the CEO.
- viii. When the grievance is against of, or deeply involve, the CEO, the CBF Secretariat shall escalate it to the Board of Directors which will abide by the same response processing times (five working days after reception).
- ix. The same process will be followed with the escalated grievances although the term for response may vary.

4 Consolidation and reporting

- i. Grievances at the Activity Level and at the CBF Secretariat level are consolidated.
- ii. The CBF Secretariat reports on the grievances and related processes to the Board at least once a year, as part of the regular reporting arrangements.

** ** END OF ESS 10 ** **

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