

Guidance note to EIB promoters

On environmental and social performance
in EIB-financed operations in response
to the COVID-19 outbreak crisis

Annex 3 – Social inclusion

May 2020



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Annex 3 – On maximising social inclusion and resilience building

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The impact of COVID-19 is not uniform across sectors, individuals or locations. Specific sociodemographic characteristics affect an individual's capacity to cope with the health, economic and social impacts associated with the pandemic. Where individuals are systematically discriminated against or excluded from access to key services and resources, their vulnerability to the effects of such a health crisis is compounded. Such characteristics include, but are not limited to: ethnicity, race, religion, sex, sexual orientation, gender identity, caste, descent, age, disability, HIV status, migrant status, language or where they live.

Indeed, COVID-19 is disproportionately affecting the more vulnerable segments of populations and workforces, such as informal, self-employed, part-time, temporary, seasonal, migrant, older workers, as well as workers with underlying health issues and/or disabilities. Furthermore, it affects men and women differently. Occupational segregation, employment type and caring/domestic responsibilities vary according to gender, affecting the respective capacities of men and women to maintain their livelihoods and generating different levels of exposure to the health risks of COVID-19.

In assessing and minimising the potential health risks to the workforce, in devising business continuity strategies and in seeking to support the ability of workers and local populations to cope with, and sustain, the economic impacts of the pandemic, it is recommended that attention be paid to the sociodemographic characteristics of a workforce and surrounding communities. This is the case across the application of EIB standards and specific COVID-19 related measures. In addition to specific underlying health conditions, and to those people who are traditionally excluded or discriminated against within a given context, the following factors can constitute a risk:

1. **Gender;** gender is a clear differentiating factor when it comes to the impact of COVID-19 on individuals. Existing workforce structures resulting in occupational segregation and gender pay gaps lead to *gendered* impacts of a health crisis on individuals and businesses, with COVID-19 impacts affecting men and women differently. Those differences exist in terms of exposure to the virus and to job losses, and in terms of one's capacity to cope with the side effects of the pandemic, such as the inability to travel, lack of childcare solutions or poor access to social insurance schemes. Different solutions, that recognise the differentiated gender impacts of a health pandemic, are needed to cater for the specific characteristics of men and women.

2. *Poverty*; people living on the brink of poverty with little access to savings will be particularly exposed to the economic fallout of COVID-19. They may face hard choices between adhering to social distancing measures and economic survival. Studies of previous disease outbreaks (SARS and Ebola) have suggested that poverty is an important factor in disease transmission.¹ In particular, people who depend on a daily income from informal economic activities, those in precarious employment situations, those without paid leave or teleworking solutions, and/or in sectors where little social regulation or capacity to compensate worker exits will suffer disproportionately from restrictions imposed by COVID management and the economic fallout of the pandemic.
3. *Migrant status*; migrant workers are amongst the populations most directly affected by COVID-19, due to the closure of economic sectors that typically employ them (for example, the garment sector), the concentration of migrants in sectors where health and safety guidelines are difficult to enforce (for example, agriculture), poor access to health information for some categories of migrants, limited access to health services including health insurance, risks of getting stranded due to border closures, and finally, reliance on remittances that have drastically decreased.
4. *Location*; those in fragile and conflict-affected situations face enhanced risks, where the dangers that COVID-19 outbreaks pose will be magnified. Conflict, poor conditions in displacement sites, overpopulated refugee camps and constrained resources are likely to amplify the risks for the most vulnerable people. Furthermore, health systems and local manufacturing capacity of basic medical equipment can be extremely weak in such contexts, risking an exacerbation of existing fragilities that could lead to social unrest and a deterioration in security.

Therefore, and recognising that COVID-19 will have differential impacts based on location, sectors and the socioeconomic characteristics of individuals, and that the pandemic risks further reinforcing entrenched inequalities, EIB promoters may consider how their projects and investments can:

1. **Minimise the potential impact** of the pandemic's effects on the most vulnerable and exposed segments of their workforce and the local population, whilst looking for opportunities to promote and support social inclusion.
2. Learn from the current pandemic to **further build the resilience** of their business and projects to sustain such future shocks, and to do so in an inclusive manner that avoids disproportionate impacts on more vulnerable segments of a population.

In practice, EIB promoters could consider taking the following actions. These are provided as a resource for promoters to draw on in considering potential options and seeking to identify good practice. They are not intended as an exhaustive list of options.

At the level of the workforce²:

- ensuring equal representation of women on internal taskforces set up to assess and mitigate COVID-19 related risks. Ensuring that such committees are diverse and representative of the entire workforce, and in particular of those most vulnerable to the effects of COVID, including migrant workers, those with underlying health conditions, staff with disabilities and parents;
- introducing temporary, or where feasible longer-term, inclusive employment opportunities such as alternative and flexible working arrangements, part-time opportunities and/or remote working technology. Offering the possibility to take unpaid leave, with the right to return;

¹ https://www.odi.org/sites/odi.org.uk/files/resource-documents/coronavirus_from_pandemics_to_poverty.pdf

² Including not just formal employees of a company but also contract labour, migrant workers, seasonal workers, and day labourers. In the context of financial intermediaries, this also includes employees among final beneficiaries.

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- contributing to national and complementary insurance schemes that provide for paid sick leave, parental leave or caretaker leave;
- providing financial support and paid leave to caregivers, including monetary support for emergency childcare, disability, and elderly care and extending paid leave to all employees. Communicating positive messaging around care that encourages women and men to take the time and resources available to them to care for themselves and their dependents;
- sharing resources concerning domestic violence³ with all employees, together with information on how to report and access domestic violence support services (such as national/local hotlines and hyperlinks to local domestic violence services) and relevant HR documentation; in consultation with experts. Enabling employees to report domestic abuse through existing employee assistance programmes. Providing monetary or in-kind support to domestic violence services;
- assessing the differentiated impact of collective dismissals and mass retrenchments on vulnerable groups and on women and men, so that women (or indeed any other segment of the workforce) are not disproportionately exposed or left vulnerable due to their over-representation in low-skilled or low-paid job roles and that all employees understand their labour rights;
- ensuring that all protective equipment is equally suited to male and female body types;
- ensuring that information is provided in an accessible and inclusive manner to all members of the workforce (in multiple languages to reach all migrant workers, orally or through symbols for those who cannot read, among others);
- ensuring that the entire workforce gets information about how to prevent and respond to the epidemic in ways that all workers can understand, regardless of socioeconomic characteristics (including age, disability, ethnicity, minority, migrant status, language). Messaging should consider gender, social and cultural differences in hygiene/sanitation practices and required changes should be implemented in a socially, culturally and gender-sensitive manner in so far as possible.

At the level of community engagement:

- through corporate social responsibility programmes, supporting services in the local community that address specific risks related to COVID-19 such as the increased risk of gender-based and domestic violence during confinement periods and the limited access to sexual and reproductive health services;
- provide easily accessible information and guidance on where to find support on these more indirect risks associated with the outbreak of a pandemic, such as increased gender-based violence and poor access to non-virus related health services;
- engage remotely with local communities to provide access to information for all populations, avoiding convening large groups where this may increase the risk of transmission, whilst accounting for age, disability, education, gender, migration status, sexual orientation, and the existence of pre-existing health conditions in this engagement.

³ Evidence shows that COVID 19 has led to a rise in both physical and online Gender Based Violence, including domestic and intimate partner violence as a result of confinement measures.

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At the level of client targeting, particularly for financial intermediaries including funds, banks and microfinance institutions:

- in the case of a microfinance institution, identifying those clients most exposed to the economic fallout of COVID and to the effects of national lockdowns and confinement measures. Devising possible solutions for such clients will be essential and can involve mobile banking services, financing solutions and micro insurance products to withstand future shocks;
- targeting and tailoring support to those SMEs in sectors most at risk or those businesses employing large numbers of vulnerable people as identified above;
- providing favourable terms or financing solutions to those clients investing in access to health services. In particular, this could focus on access to health services that are negatively affected by the pandemic such as maternal and child health, gender-based violence, survival care, HIV/AIDS and other infectious disease treatment, and childbirth and neonatal services.

At the level of investment choices:

- identifying and supporting specific projects that need financing due to COVID-19 impact. These include projects or businesses in particularly hard-hit sectors (e.g. retail), or operating in particularly affected geographies with high levels of poverty or vulnerabilities (e.g. protracted crisis contexts), or social enterprises providing essential services to vulnerable populations (e.g. shelters for survivors of domestic violence, which increases in times of reduced mobility);
- supported projects or services should provide long-term resilience-building solutions to specific COVID-related issues (e.g. affordable housing, safe water and food distribution, affordable childcare solutions, remote working and learning solutions, mobile banking and financial services, digital solutions to social distancing);
- identifying investment opportunities that build longer-term resilience to other sudden crises brought on by health pandemics. This might include prioritising investments in those sectors such as public health care, hygiene services, medical research (including the gendered and other social implications of public health emergencies), production of safety and protective equipment for healthcare workers and others including the general public, and also general health care systems to ensure their ongoing viability in the time of crisis;
- identifying projects that enhance social inclusion, address inequalities such as gender inequality (e.g. reproductive sexual and health care services able to sustain and operate under a COVID-19-type crises), and promote social protection and safety nets (e.g. restart solutions, affordable or micro insurance products) to build the long-term capacity of societies and communities to better resist shocks;
- applying approaches that enable the assessment of specific risks associated with, or specific vulnerabilities to, COVID-19 impact and thus the identification of means that enable long-term and sustainable recovery. This might include, for example, the application of conflict sensitivity approaches in project appraisal to assess any risks of rising social tensions or violence linked to COVID-19 restrictions. It will also entail undertaking careful social or gender analysis to identify what might be specific sociodemographic vulnerabilities to health pandemics.

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