

Environmental and Social Data Sheet

Overview

Project Name:	CDB CLIMATE ACTION FL II
Project Number:	2016-0150
Country:	Regional - Caribbean
Project Description:	Framework loan to finance CDB's climate mitigation, adaptation and climate-resilience lending programme, supporting a) the regional efforts to reduce vulnerability to climate change in Caribbean developing countries and b) these countries low-carbon pathways
EIA required:	This is a multisector Framework Loan operation. Some sub-projects may require an EIA under the relevant legislation.
Project included in Carbon Footprint Exercise:	no

Environmental and Social Assessment

Environmental Assessment

The project will be a multi-sector framework loan intermediated by the Caribbean Development Bank (CDB) with the aim to support its climate action policy. The underlying sub-projects will be located in the CDB's borrowing member countries (BMC), located in the Caribbean area. The final beneficiaries will be public administrations and state-owned companies and private promoters investing in different sectors with climate action, mitigation and adaptation, as the common denominator.

It is the second operation with the CDB focusing on climate action. During the first one, the CDB has developed its capacity to perform in this area thanks to a programme of Technical Assistance (TA). The preparation of sub-projects was also supported by the TA plus support to BMCs in their planning and upstream analysis of climate risks and vulnerabilities. It is expected that this latter TA will be also offered to support this new CDB framework loan, to improve the climate-resilience of the BMCs' and CDB's project pipeline and take account of climate change risks in the selected sub-projects.

The current CDB's 2015-19 Strategic Plan focuses on assisting the Region to identify and exploit opportunities for achieving inclusive and sustainable growth and development, strengthening BMCs resilience to external economic shocks and natural hazard events and reducing poverty and inequality. The Plan will also chart a course for the Bank to build on its own comparative strengths, enhance its role and relevance to its stakeholders, build its portfolio, improve its efficiency and effectiveness, and strengthen its results focus.

Since 1994, CDB has followed the guidelines of its Environmental and Social Review Procedure (ESRP), the current edition currently under revision. The rules established in the ESRP are in line with international best practices and are closely related to the EIB's social and environmental standards. The CDB will ensure that each promoter acts according to CDB's ESRP. The promoters will be requested to deliver the NTS of the EIAs (when applicable) before the funds are allocated.

Sub-projects having any impact on special protection areas will have to provide evidence of the compliance with the CDB's ESRP and the promoters will have to provide evidence of the compliance with the CDB's guidelines with regards biodiversity and environment preservation. No EIB's funds will be allocated before this evidence is presented and approved by the CDB.

Luxembourg, 24th February 2017

The promoter will have to carry out a Climate Risk and Vulnerability Assessment to identify the vulnerabilities to climate change and appropriate measures to mitigate those risks should then be identified in both the projects' design and management. Each project will then be required to include selected climate adaptation measures to improve the project climate-resilience. Funds from the Cotonou 3- Subsidy Envelope, is proposed to be made available to support promoters to implement such adaptation measures

Social Assessment, where applicable

The CDB's Strategic Plan focuses on sustainable and inclusive economic growth, having poverty reduction as the main target. Generally, climate events usually affect the most vulnerable and poorest population.

The project will improve climate resilience of the affected areas acting in different sectors, for example: roads, to ensure evacuation in case of need, prevent losses aggravation due to unsuitable designs and more efficient road maintenance, social infrastructure to strengthen resilience against climate events and provide refuge when needed, water provision, etc. Other projects aim to improve electricity supply by using renewable sources. This will have a twofold effect. It will reduce the countries dependency on fossil fuels (usually imported), and therefore it will improve energy supply security..

In summary, each individual project will improve the quality of life of citizens of the affected areas by increasing their resilience to climate events and at the same improving accessibility, social services provision, energy supply security.

The CDB's ESRP includes standards acceptable for the Bank regards resettlement, vulnerable population, health and safety and labour conditions. It also applies a Gender Policy to include gender related issues at project level and to raise awareness among promoters and public administrations.

Public Consultation and Stakeholder Engagement

The CDB involve stakeholders, including project-affected groups and NGOs, as early as possible in the project preparation process and ensure that their views and concerns are made known to decision makers and taken into account.

Additionally, the CDB's Office of Integrity Compliance and Accountability deals with complaints that can arise from any project financed.

Conclusions and Recommendations

Overall, the net environmental and social impacts are expected to be positive. The Project will contribute to enhance the climate resilience of the BMC, to raise awareness of climate change impacts and to build up the capacity to address these issues. It will also improve the citizens' quality of life, whilst supporting low-carbon development pathways.

The CDB is well established institution in the area. It has developed clear procedures to implement projects with regards environmental and social issues that are in line with the EIB's standards.

The institutional capacity of individual promoters will be supported by the CDB in environmental and social issues. At the same time, the EIB will provide TA to technically the promoters to elaborate and implement climate adaptation measures taking into account the climate vulnerability context. Therefore, the Project is acceptable to the Bank in environmental and social terms.