

European Investment Bank

Environmental and Social Standards

2 February 2022



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**Environmental
and Social Standards**

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Standard 1 – Environmental and Social Impacts and Risks

Introduction

- 1 This Standard promotes an integrated approach to impact assessment and risk management by ensuring that environmental, climate, social and human rights¹ considerations are addressed and taken into account in the decision-making processes.
- 2 This Standard recognises the importance of the promoters' commitment to effective and sustained environmental and social performance through the establishment of an environmental and social management system commensurate with the identified impacts and risks.

Objectives

- 3 This Standard outlines the promoter's responsibilities² with regard to the process of assessing the potential environmental, climate and/or social impacts and risks associated with the project, and developing and implementing procedures³ for managing and monitoring these impacts and risks throughout the EIB's project cycle, specifically:
 - a. Identifying, describing and assessing in an appropriate manner, the likely significant effects covering the direct effects and any indirect, secondary, positive and negative effects, as well as any cumulative and transboundary effects associated with the project and its ancillary/associated works/facilities, where appropriate;
 - b. Applying the mitigation hierarchy through the identification of measures to avoid, prevent and reduce any significant adverse effects and, if required, remedy/compensate any residual effects on project-affected people, communities and workers, as well as on the environment;
 - c. Ensuring respect for human rights by integrating human rights impacts and risks into the impact assessment process as described in this Standard;
 - d. Identifying measures to maximise the positive effects of the projects and considering the establishment of project benefit-sharing and/or community development programmes, where appropriate;
 - e. Systematically following up and monitoring the implementation of agreed prevention, reduction and, if required, remedial/compensatory measures, as well as measures to further enhance the environmental, climate and social performance of the projects.

Scope

- 4 This Standard applies to all projects likely to have significant environmental, climate and/or social impacts and risks. These impacts and risks need to be taken into account at the earliest possible stage of planning and decision-making processes, including to ensure consistency with "Do Not Significant Harm" (DNSH) and "Minimum Safeguards" (MS) principles and requirements⁴.

¹ Throughout the Standard, human rights considerations are fully integrated in environmental and social aspects.

² The promoter's other responsibilities are spelled out in the other Standards, when triggered.

³ The establishment of an environmental and social management system or equivalent.

⁴ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

General Requirements

- 5 All projects located in the EU and EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU legislation. Those projects, which are likely to have significant effects on the environment, human health and well-being, shall be subject to an assessment according to the Environmental Impact Assessment (EIA) Directive⁵. While assessing and managing the environmental impacts⁶ at project level, any relevant information obtained or conclusions arrived at pursuant to the application of the Strategic Environmental Assessment (SEA) Directive⁷, whenever relevant, should also be taken into account in the assessment process.
- 6 This assessment may be coordinated with and/or complemented by any applicable requirements and/or one or more of the following assessments:
 - a. Arising simultaneously from applicable EU legislation: the Appropriate Assessment under the Habitats⁸ and Birds Directives⁹, assessments under the Water Framework Directive (WFD)¹⁰ and the Marine Strategy Framework Directive¹¹; and/or,
 - b. Pertaining to specific topics that may require particular attention: biodiversity and ecosystem services, climate change, cultural heritage, social impacts, as relevant and if deemed necessary by the EIB.
- 7 All projects located in the rest of the world shall comply with the applicable national legislation and with the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant to the assessment and management of environmental, climate and/or social impacts and risks, particularly those contained in the EIA Directive, which are set out in the paragraphs 14 – 31 and annexes of this Standard. For instance, those projects that are likely to have significant environmental, climate and/or social impacts shall be subject to an Environmental and/or Social Impact Assessment (ESIA) process. The assessment of any social aspects is fully embedded in this process and should include considerations of potential human rights risks¹².
- 8 If deemed necessary by the EIB, based on the nature of the project and country context, the assessment carried out as part of the ESIA process may be coordinated with and/or complemented by any applicable requirements and/or assessments/studies pertaining to specific areas that may require particular attention, as relevant. If so, the assessment process shall also take into account any recommendation provided by the relevant EU guidelines and international good practices relating to the assessment and management of environmental, climate, social and/or human rights impacts and risks.

⁵Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive) as amended by Directive 2014/52/EU.

⁶Within the meaning of Art. 3.1 of the EIA Directive, population and human health as well as material assets and cultural heritage are among the factors to be considered in the assessment process.

⁷Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (SEA Directive), including, where relevant, the application of Art 6 of Habitats Directive.

⁸Art. 6 of Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora (Habitats Directive), as amended.

⁹Directive 2009/147/EC on the conservation of wild birds (Birds Directive), as amended.

¹⁰Art. 4.7 of Directive 2000/60/EC establishing a framework for Community action in the field of water policy, as amended, on the derogation from the WFD's environmental objectives due to new modifications to the physical characteristics of a surface water body or alterations to the level of bodies of groundwater, or failure to prevent status deterioration of a body of surface water (including from high status to good status) as a result of sustainable human development activities.

¹¹Art. 14 of Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy, as amended.

¹²Including, inter alia, the right to privacy, right to data protection, freedom of assembly and association, non-discrimination.

Specific Requirements

Environmental Impact Assessment (EIA) process for projects located in the EU, EFTA, Candidate and potential Candidate Countries

- 9 For all projects listed in Annex I to the EIA Directive and Annex II in respect of which the relevant competent authorities have concluded that an EIA is required, the promoter shall:
- Prepare and provide the EIB with an Environmental Impact Assessment Report¹³ that shall include the relevant information required by Annex IV to the EIA Directive and the conclusions of the assessments referred to in paragraph 6a of this Standard;
 - Carry out or otherwise support the competent authorities (as outlined in Standard 2) in carrying out the relevant public participation process¹⁴, including in a transboundary context¹⁵, where applicable;
 - Provide the EIB with the decision(s) of the relevant competent authorities which include the conclusion of the EIA process and satisfy the requirements set out in the EIA Directive, including relevant information in the event the project is exempted from conducting an EIA¹⁶;
 - Implement all environmental conditions attached to the decision(s) and the measures envisaged to avoid, prevent, reduce or, if possible, offset significant adverse effects on the environment as well as, where appropriate, monitoring measures.
- 10 For all projects listed in Annex II to the EIA Directive in respect of which the relevant competent authorities have concluded that an EIA is not required, the promoter shall provide, upon request, the EIB with:
- The information submitted to the relevant competent authorities and used as a basis of their determination¹⁷ (as specified in Annex II.A to the EIA Directive); and,
 - The relevant decision that satisfies the requirements set out in the EIA Directive. The promoter shall implement the measures envisaged to avoid and prevent what might otherwise have constituted significant adverse effects on the environment, where applicable.
- 11 To guarantee the completeness and quality of the information included in the Environmental Impact Assessment Report¹⁸, the Bank may require the promoter to confirm that the information required under paragraph 9 is up to date by providing:
- An update of the report based on the latest studies, as necessary. The exact scope of the additional information to be provided by the promoter shall be agreed with the EIB; and/or upon request of the EIB,
 - A statement from the relevant competent authority, confirming that the information included in the report remains accurate and relevant and properly reflects inter alia the baseline conditions, legal requirements, current knowledge and methods of assessment.
- 12 The promoter shall carry out and provide the EIB with all relevant assessments that complement the EIA as defined in paragraph 6b, where applicable.

¹³ The provisions listed in paragraph 22 are also taken into account in the preparation of the EIA Report.

¹⁴ In line with the spirit and principles of the United Nations Economic Commission for Europe Convention on access to information, public participation in decision-making and access to justice in environmental matters (Aarhus Convention), available at: <http://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf>.

¹⁵ In line with the approach defined in the United Nations Convention on Environmental Impact Assessment in a Transboundary Context and its Protocol on Strategic Environmental Assessment (Espoo Convention and its Kiev Protocol), available at: http://www.unece.org/fileadmin/DAM/env/eia/documents/legaltexts/Espoo_Convention_authentic_ENG.pdf.

¹⁶ Art. 2.4 Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive) as amended by Directive 2014/52/EU.

¹⁷ Art. 4.4 and 4.5 of the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive) as amended by Directive 2014/52/EU.

¹⁸ This is especially important for projects requiring a long-term preparation process, and where the prediction of the impacts was carried out at an early stage in the project's design, when relevant data may not have always been easily available.

- 13 In addition, for projects located in Candidate and potential Candidate countries, the promoter shall:
- a. Consider any timeframes and difficulties encountered for achieving compliance with specific EU environmental legislation arranged between the European Union and the Candidate and potential Candidate countries through bilateral agreements and/or action programmes;
 - b. Take into account as part of the EIA process the relevant social considerations described below and in the applicable Standards.

Environmental and Social Impact Assessment (ESIA) process for projects located in the rest of the world

- 14 For projects located in countries covered by the EU European Neighbourhood and Partnership policies, the promoter shall apply the provisions of this section of the Standard. In addition the requirements of paragraph 13 may also apply, where applicable.
- 15 In order to enhance the efficiency of the ESIA at project level, promoters are encouraged to use the SEA-type approach¹⁹ to ensure that environmental, climate and social considerations and alternatives are addressed as early as possible in plans or programmes that establish the framework for the development of specific projects, whenever relevant. The SEA should address direct and indirect effects, as well as the cumulative impacts²⁰.
- 16 The ESIA process may involve some or all of the following steps: (i) the determination of the need for an ESIA; (ii) the scope and level of details of the assessment; and (iii) the preparation of an ESIA Report and an Environmental and Social Management Plan (ESMP). Engagement with the project stakeholders²¹ is an integral part of this process. Detailed requirements regarding stakeholder engagement are outlined in Standard 2.

Determining the Need for an Environmental and Social Impact Assessment

- 17 An environmental and/or social impact assessment is required for projects listed in Annex I to the EIA Directive and/or when an ESIA is required by national legislation or based on the determination carried out according to paragraphs 18 and 19 of this Standard.
- 18 For those projects listed in Annex II to the EIA Directive and/or in the national legislation, the need to carry out an environmental and/or social impact assessment is determined through a case-by-case examination and taking into account the criteria specified in Annex 1a of this Standard.
- 19 In determining the need for an environmental and social impact assessment, the promoter collects and provides the EIB with the information specified in Annex 1b of this Standard. The information should be comprehensive enough to provide the basis for the promoter's determination. The outcomes of the determination, including its justification, are communicated to the EIB and considered in its due-diligence process.

Scope and Level of Detail of the Assessment

- 20 If deemed necessary by the EIB or required by national legislation, this step determines those environmental, climate and/or social impacts and risks as well as areas of concern that are likely to be of the utmost importance and should therefore be addressed in greater detail. The assessment should be commensurate with and proportionate to the potential impacts and risks.

¹⁹ As the requirements to undertake an SEA-type approach are increasingly incorporated into the national legal systems (e.g. EIA, natural resources or sectors laws and regulations), the outcomes of the process vary and might take different forms: SEA report, EIA/ESIA report, etc.

²⁰ Cumulative effects should be considered as impacts of individual projects that may be minor when considered in isolation, but significant when the projects are viewed collectively.

²¹ See footnotes 12 and 13.

Their nature, likelihood and magnitude shape the scale and extent of the assessment, including those assessments/studies referred to in paragraph 8.

- 21 In order to identify the significant environmental, climate and social effects to be addressed in-depth, the promoter should analyse the following aspects²²:
 - a. The baseline studies required to understand the existing status of the environment, including the need for and level of detail of any additional investigations;
 - b. The prevailing socio-economic context so as to enable the identification of persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics;
 - c. The alternatives that ought to be considered, including the “do nothing” scenario;
 - d. The methods to be used to predict the magnitude of environmental, climate and social effects; and
 - e. The criteria against which the significance of the effects should be evaluated.
- 22 The assessment of environmental, climate and/or social impacts and risks also takes into account the impacts and risks that encompass one or more of the following, as appropriate, even if not financed by the EIB:
 - a. The ancillary/associated works/facilities constructed, expanded or planned to be constructed that can be considered as an integral part of the project, by virtue, inter alia, of their purpose, nature, characteristics and/or location;
 - b. Supporting/enabling activities/facilities owned by or under the control of parties (such as sub-contractors) contracted for the construction and/or operation of the proposed project;
 - c. The ancillary/associated works/facilities that may be owned by a separate legal entity and without which the project would not be technically viable.

Content of an Environmental and Social Impact Assessment Report

- 23 Where an environmental and social impact assessment is required, the promoter shall prepare a report that takes into account all relevant stages of the project and includes, at a minimum, the information specified in Annex 2a of this Standard.

Environmental and Social Management Plans

- 24 Taking into account the findings of the ESIA process, the conclusions of any other relevant assessments/studies and the outcomes of the stakeholder engagement process, the promoter shall develop and implement a set of measures to address the identified impacts and risks, as well as any opportunities for improvement of the project’s environmental and social performance. These may be documented in an environmental and social management plan (ESMP) or equivalent. The level of detail and complexity as well as the prioritisation of the identified measures shall be commensurate with the nature and magnitude of the project’s impacts and risks.
- 25 The ESMP or equivalent may consist of some documented combination of the organisational structure, responsibilities, practices, procedures, processes and resources for its implementation and monitoring, measurable actions to address the identified impacts and risks and related supporting documents (including legal agreements, if applicable) and shall include, at a minimum, the information specified in Annex 2b of this Standard.
- 26 The promoter is also responsible for the proper implementation of any specific requirements set out in the ESMP or equivalent that is carried out by contractors or subcontractors. Effective contractor management includes due consideration to relevant ESMP provisions in respect of:

²² The list is not exhaustive.

- a. Tender documents, as appropriate, including criteria (such as knowledge, skills and resources) to determine potential contractors'/first-tier suppliers' capacity to meet the requirements;
 - b. Contractual requirements for contractors/first-tier suppliers to comply with the relevant Standards and to remedy any identified non-compliance;
 - c. Monitoring of contractor/first-tier supplier compliance with the above requirements; and
 - d. In the case of sub-contracting, the contractors/first-tier suppliers are required to have similar arrangements with their subcontractors.
- 27 The promoter may engage with stakeholders and/or third parties, such as independent experts, local communities and/or non-governmental organisations (NGOs), to support the implementation of monitoring requirements as defined in the ESMP or equivalent or to facilitate community-driven monitoring.
- 28 The promoter shall periodically report on the implementation of the ESMP, as well as the fulfilment of obligations and/or undertakings incorporated into the legal documentation signed with the EIB. The promoter shall notify the EIB of any environmental and social-related accident or incident, including incidents of gender-based or other types of violence and harassment, that has significant adverse effects and take immediate actions to address and prevent any recurrence.

Promoter's Organisation Capacity and Competencies

- 29 The promoter shall establish an integrated Environmental and Social Management System (ESMS) or equivalent as a dynamic, adaptive, and continuous process that is commensurate with the size and nature of the impacts and risks of the activity. The ESMS may be endorsed by the management and adequately communicated internally and externally, where appropriate.
- 30 The ESMS outlines the set of management processes and procedures that allows the promoter to ensure compliance with the relevant environmental, climate and social legal framework, international best practices and the EIB requirements, where applicable. The ESMS may be subject to external audits, where relevant and as deemed necessary by the EIB.
- 31 The promoter shall establish, maintain, and strengthen, as necessary, the organisational structure that defines clear roles and responsibilities to implement and monitor the efficiency of the ESMS. The promoter shall ensure that adequate human and financial resources are provided on an ongoing basis to achieve effective and continuous improvement in performance of the ESMS.
- 32 The responsibilities related to the Paris alignment of counterpart's activities are defined in the EIB Paris Alignment of Counterparties Framework²³.

²³ https://www.eib.org/attachments/publications/the_eib_group_path_framework_en.pdf.

ANNEX 1a – Criteria to determine the need for an ESIA (referred to in paragraph 18)

- 1 Characteristics of the project, with particular regard to, as relevant:
 - the size and, and where relevant, its ancillary/associated works;
 - cumulation with other projects and activities (existing and/or approved);
 - the use of land and natural resources²⁴, including formal and informal/customary land and natural resources rights and uses;
 - the production of waste;
 - pollution and nuisances;
 - the risks of major accidents and/or disasters, including those caused by climate change;
 - the risks to human health and any likely social impact as described in Standards 6 to 9.
- 2 Location of the project considering the environmental sensitivity and any relevant social aspects of the geographical area likely to be affected, with particular regard to, as relevant:
 - the existing and planned land use, including land take;
 - the relative abundance, availability, quality and regenerative capacity of natural resources²⁵ in the area;
 - the absorption capacity of the natural environment²⁶;
 - areas in which there has already been or is likely to be a failure to meet the environmental quality standards;
 - densely populated areas;
 - socio-economic characteristics of the area;
 - areas known to have a high occurrence of social risks as described in Standards 6 to 9 (such as presence of indigenous people, violation of human rights, including any actual and potential discrimination, conflict and/or social violence, gender-specific risks, labour rights²⁷), as well as any conflict-affected and fragile situations;
 - landscapes and sites of historical, cultural or archaeological significance.
- 3 Nature and significance of the potential effects of the project, with particular regard to:
 - the magnitude and spatial extent of the impact (such as the geographical area and amount of project-affected people and communities);
 - the nature (including the transboundary nature), intensity and complexity, probability, duration, frequency and reversibility of the impact;
 - cumulation of the impact with the impact of other projects and activities;
 - the possibility of effectively reducing the impact.

²⁴ In particular land, soil, water, and biodiversity.

²⁵ Including soil, land, water, and biodiversity.

²⁶ With particular attention paid to areas classified for a biodiversity assessment as described in Standard 3, areas classified or protected under national legislation and areas protected by international instruments.

²⁷ The list is not exhaustive and may include sexual and other types of violence, human trafficking and/or forced labour, sexual exploitation and abuse, high concentration of internally displaced people, migrant workers or refugees.

ANNEX 1b – Information to be provided by the promoter in order to determine the need for an ESIA (referred to in paragraph 19)

- 1 The project description, including the physical characteristics of the project.
- 2 A description of the location of the project, with particular regard to the environmental sensitivity and any relevant social aspects of the geographical area likely to be affected.
- 3 Country context-related information relevant to the specific social-related risks at project level, such as human rights, labour conditions, enabling environment for public participation, gender-based and other types of violence and harassment, including risks of reprisals, socio-economic inequalities including those related to gender, as well as any impacts and risks specific to conflict-affected and fragile situations.
- 4 A description of the environmental, climate and/or social aspects and the identification of the project-affected people and/or communities likely to be significantly affected while paying particular attention to the impacts on persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics.
- 5 A description of any likely significant effects (to the extent possible based on the information available) on the environment, climate, human rights, human health and well-being, as well as socio-economic inequalities resulting from: (i) the expected residues, emissions and production of waste, where relevant; (ii) the use of natural resources, in particular soil, land, water and biodiversity; (iii) any expropriation of land and/or easements resulting in displacement and involuntary resettlement, likely related restrictions on access to land, shelter and/or livelihood and subsistence strategies and/or voluntary land acquisition and (iv) labour conditions.

Annex 2a – Recommended Table of Contents for the ESIA Report (referred to in paragraph 23)

- 1 A description of the applicable environmental and social legal framework, including a gap analysis indicating the differences between the relevant national legislation and EIB standards, as applicable.
- 2 The description of the country and/or sector context relevant to the specific social-related risks at project level, such as human rights, labour conditions, enabling environment for public participation, gender-based and other types of violence and harassment, including risks of reprisals, socio-economic inequalities including those related to gender, as well as any impacts and risks specific to conflict-affected and fragile situations.
- 3 The description of the project, including in particular:
 - a. the location, site, design, size;
 - b. the physical characteristics of the project (including any demolition or land-use requirements);
 - c. the technical capacity and the characteristics of the operational phase;
 - d. an estimate of any residues, emissions and quantities and type of waste produced.
- 4 The description of the reasonable alternatives (for example in terms of project design, technology, location, size and scale) which are relevant to the proposed project, and an indication of the main reasons for selecting the chosen option, including a comparison of the environmental and social effects.
- 5 The description of the baseline scenario against which the project's impacts are assessed. This should be based on adequate and appropriate quantitative and qualitative, primary and secondary data on the relevant aspects.
- 6 The description of the environmental, climate and/or social aspects²⁸ likely to be affected by the proposed project, including comprehensive and context-specific identification and analysis of people and communities likely to be affected, as well as other relevant stakeholders, paying particular attention to persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics.
- 7 Assessment of the likely significant environmental and social effects of the proposed project (also taking into account the outcomes of any complementary assessments and/or focused studies as referred to in paragraphs 9 and 10, if applicable), resulting from inter alia:
 - a. the construction and existence of the project;
 - b. the use of natural resources, considering as far as possible the sustainable availability of these resources;
 - c. the technologies and substances used;
 - d. the emissions of pollutants, noise, vibration, light, heat and radiation, and the disposal and recovery of waste;
 - e. the risks to human health, well-being, persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socio-economic characteristics, cultural heritage or the environment;
 - f. the cumulation of effects with other projects and/or activities.

²⁸ The list is not exhaustive and may include: population, human health, biodiversity (for example fauna and flora), land (for example land take), soil (for example organic matter, erosion, compaction, sealing), water (for example hydromorphological changes, quantity and quality), air, climate (for example greenhouse gas emissions, impacts relevant to adaptation), material assets, cultural heritage, including architectural and archaeological aspects and landscape, and, whenever possible, sex disaggregated socio-economic data.

The description should cover the direct effects and any indirect, secondary, cumulative, transboundary, short-, medium- and long-term, permanent and temporary, positive and negative effects of the project.

- 8 A description of the forecasting methods or evidence used to identify and assess the significant environmental, climate and social effects, including details of difficulties related to technical deficiencies or lack of knowledge, as well as the main uncertainties involved.
- 9 A description and justification of the measures planned to prevent, reduce and where possible, compensate/remedy any significant environmental, climate and/or social adverse effects as outlined in the environmental and social management plan (ESMP), as defined in paragraph 24.
- 10 A description of the expected significant environmental, climate and/or social adverse effects deriving from the vulnerability of the project to risks of major accidents and/or disasters that are relevant to the project concerned, including those caused by climate change. Where appropriate, a description of the measures planned to prevent such risks, as well as measures regarding preparedness for and response to emergencies (as required by Standards 3 and 9), should be included in the ESMP.
- 11 A description of opportunities and measures to further enhance the environmental and social (including human rights) performance of the project and augment its positive impacts.
- 12 Arrangements for monitoring and evaluation of the effectiveness of impact management and any positive enhancement action, where applicable, measured as part of the overall environmental and social management plan and system, which should include appropriate qualitative and quantitative indicators and draw on feedback from both internal and external sources, including affected stakeholders.
- 13 A summary of the stakeholder engagement process undertaken with different groups of affected men and women and/or communities, as well as other relevant stakeholders, including its results and how those results have been incorporated/taken into account or otherwise addressed (full stakeholder engagement process is described in Standard 2).
- 14 Arrangements for grievance mechanisms and the steps that will be taken to ensure effective access to remedy for affected stakeholders; such mechanisms should reflect prevailing social norms and cultural context to ensure that they are culturally and socially appropriate to and inclusive of the intended users, in line with the relevant requirements set out in Standard 2.
- 15 A non-technical summary (or equivalent) of the information provided under the above-mentioned headings.

ANNEX 2b – Minimum information to be included in the ESMP (referred to in paragraph 25)

- 1 The mitigation and/or compensatory/remedial measures, reflecting the mitigation hierarchy and determining the monitoring arrangements. Where stakeholders are identified as disadvantaged, excluded, vulnerable or marginalised (as defined in Standard 7), the ESMP/equivalent shall include differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing any development benefits and opportunities resulting from the project.
- 2 Opportunities to achieve additional environmental and social benefits of the project including, when applicable, community development programmes noting clearly that any positive contributions shall not be used to offset any adverse environmental and social effects.
- 3 Procedures to: (i) evaluate the effectiveness of the mitigation and/or compensatory/remedial measures, including appropriate qualitative and quantitative indicators (disaggregated by sex, age and any other relevant socio-economic characteristics, wherever possible), targets or acceptance criteria; and (ii) identify any hitherto unforeseen adverse effects that draw on feedback from both internal and external sources, including affected stakeholders. In addition, the promoter may use third parties, such as independent experts, local communities or NGOs, to complement or verify its own monitoring information.
- 4 Allocation of resources (including financial), responsibilities and timeframe for its implementation and monitoring. As appropriate, the ESMP or equivalent shall recognise and incorporate the role of relevant actions and events controlled by third parties to address identified risks and impacts. It may also include provisions for the involvement of impacted men and women, communities and other stakeholders as appropriate, e.g. as mentioned above.

Standard 2 – Stakeholder Engagement

Introduction

- 1 This Standard recognises the importance of stakeholder engagement, as a means to ensure respect for the rights to¹: (i) access to information; (ii) public participation in decision-making processes; and (iii) access to justice.
- 2 Stakeholder engagement² is essential for the effective assessment, management and monitoring of environmental, climate and/or social impacts and risks, and contributes to the overall sustainability and better outcomes of projects. It enhances relevant stakeholders’ benefits and understanding and, therefore, their support for projects.

Objectives

- 3 This Standard outlines the promoter’s responsibilities for the implementation of transparent and continuous engagement with project stakeholders³, with the key objectives of:
 - a. Adopting an inclusive and systematic approach to engaging constructively with stakeholders, namely persons and/or communities who are directly or indirectly affected by a project⁴, or those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively;
 - b. Ensuring that stakeholders have timely access to information on the project’s environmental, climate and/or social risks and impacts in a manner that is culturally appropriate and understandable to all stakeholders, including those needing special measures or assistance;
 - c. Promoting and enabling the meaningful and free participation and input of stakeholders in project-related decision-making processes that may affect them, thereby seeking to build mutual trust and improving project outcomes;
 - d. Providing rights-holders⁵ with effective means to raise grievances and access remedies, and promoting organisational accountability and continuous learning and improvement.
- 4 Where the stakeholder engagement process is the responsibility of the relevant competent authorities, the promoter shall collaborate with the responsible authority to seek to achieve outcomes that are consistent with this Standard.

Scope

- 5 This Standard applies to a specific project, when its relevance is determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1), based on its likely environmental, climate, and/or social impacts and risks. Depending on such impacts and risks, specific requirements of this Standard

¹ In line with the spirit and principles of the United Nations Economic Commission for Europe (UNECE)’s [Aarhus Convention](#) on access to information, public participation in decision-making and access to justice in environmental matters.

² Stakeholder engagement is an inclusive and iterative process that involves, in varying degrees, the identification and analysis of stakeholders, engagement planning, information disclosure, meaningful consultation, and a mechanism ensuring access to grievance procedures and remedy.

³ Known as a “public participation process” (including access to information and consultation processes) in the applicable EU legal framework, e.g. Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive) as amended by Directive 2014/52/EU amending, Directive 2010/75/EU on Industrial Emissions (Integrated Pollution, Prevention and Control) – Industrial Emission Directive, and I the Directive 2003/4/EC of the European Parliament and of the Council of 28 January 2003 on public access to environmental information and repealing Council Directive 90/313/EEC.

⁴ Known as “public concerned” in the European Union as defined in the applicable EU legal framework, e.g. EIA Directive 2014/52/EU and Industrial Emissions Directive 2010/75/EU).

⁵ Rights-holders are understood as all individuals and population groups that can make valid claims to fundamental rights from a human rights perspective. In the context of EIB projects, it refers to persons who are, actually or potentially, adversely affected by the project. It includes project-affected persons, local community members, workers, etc. As described in the [UN Guiding Principles on Business and Human Rights](#), organisations or entities, such as States, trade unions or religious institutions, are not human rights-holders, but may act in a representative capacity for individuals who are rights-holders.

apply throughout the EIB project cycle. The nature and extent of the stakeholder engagement shall be commensurate to the project's likely environmental, climate and/or social impacts and risks, taking into account the type and complexity of the project, sector and country context.

- 6 This Standard shall be read in conjunction with the requirements set out in the other EIB Environmental and Social Standards whenever applicable, paying special attention to engagement with vulnerable, marginalised, and/or discriminated-against groups, Indigenous Peoples, workers and their representatives, as well as engagement in the context of involuntary resettlement and/or economic displacement, or emergency preparedness and response.

General Requirements

- 7 All projects located in the EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU legislation. All projects located in the rest of the world shall comply with the applicable national legislation and this Standard, which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant to stakeholder engagement, as defined in paragraphs 15-44 of this Standard.⁶
- 8 The promoter shall engage with stakeholders early on in the decision-making process, when all options are still open, to allow for their meaningful contribution and ensure that their opinions, interests and concerns are taken into account to reach an optimal result.
- 9 The engagement process shall be respectful of human rights, including the rights to privacy and data protection⁷, and adapted to the country context by acknowledging and respecting the values and the historical, cultural and local knowledge of affected communities and other stakeholders. The promoter shall engage with stakeholders in a manner that is free from intimidation, coercion or violence against any individuals, in particular those who voice their opinion in relation to the projects.⁸
- 10 The engagement shall be gender responsive and inclusive, devoid of discrimination and take into account, if necessary, the different needs of and potential barriers facing the various stakeholders to ensure their equitable participation, including needs and barriers involving vulnerable, marginalised and/or discriminated-against groups, as well as those who are traditionally excluded or in need of special assistance.⁹

Specific Requirements

Projects located in EU, EFTA, Candidate and potential Candidate countries

- 11 For all projects subject to an assessment according to the Environmental Impact Assessment (EIA) Directive¹⁰, coordinated and/or supplemented with any applicable specific assessments, as defined in Standard 1, the promoter shall support the competent authorities¹¹ in carrying out the relevant public participation process, including in a transboundary context where applicable, to seek to achieve outcomes that are consistent with this Standard, and provide to the EIB upon request:

⁶ Specific requirements for stakeholder engagement may apply pursuant to Standards 6 and 7, notably to obtain Free, Prior, and Informed Consent in case of projects affecting Indigenous Peoples.

⁷ In line with the EU Charter of Fundamental Rights and where applicable, [Regulation \(EU\) 2016/679](#) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, General Data Protection Regulation (GDPR).

⁸ As per EIB's [Environmental and Social Policy](#).

⁹ Standard 7 lays out the requirements related to vulnerable, marginalised, and/or discriminated-against groups, as well as the requirements relating to the free, prior and informed consent (FPIC) process for projects affecting Indigenous People.

¹⁰ Directive 2014/52/EU amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive).

¹¹ As per the EIA Directive, where the competent authority is also the promoter, the states shall at least implement, within their organisation of administrative competences, an appropriate separation between conflicting functions when performing their duties arising from the Directive.

- a. Evidence that the relevant information¹² is disclosed in a timely manner, electronically and/or by other appropriate means, allowing the public to access it easily and effectively;
 - b. Information about the detailed arrangements of the consultation process, including in a transboundary context, where applicable, to ensure its meaningfulness as per the definition in this Standard;
 - c. A summary of the results of the overall consultation process and how those results have been incorporated or otherwise addressed, as reflected in the decision(s) from the relevant competent authorities which satisfies/satisfy the requirements set out in the EU legal framework.
- 12 For all projects for which the relevant competent authorities have determined that an EIA is not required, as defined in Standard 1, the promoter shall provide to the EIB evidence that this determination has been made available to the public.¹³
- 13 Considering the national and EU requirements for public participation in various decision-making processes beyond the EIA procedure¹⁴, the promoter shall engage with relevant stakeholders throughout the EIB project cycle, wherever necessary, and provide to the EIB, upon request, evidence of such engagement.
- 14 The promoter shall supplement the formal engagement process carried out by relevant competent authorities, or otherwise needed in relation to the requirements set out in the other EIB Environmental and Social Standards whenever applicable, with any action specified in paragraphs 15-44 of this Standard, as deemed necessary by the EIB.

Projects located in the rest of the world

- 15 The promoter shall carry out a stakeholder engagement process that is proportionate to the nature and scale of the project and its potential impacts and risks, involving, at a minimum¹⁵: (i) the identification and analysis of the stakeholders; and (ii) the establishment and/or maintenance of a grievance mechanism; as well as some or all of the following elements to varying degrees as deemed necessary by the EIB; (iii) engagement planning; (iv) disclosure of information; (v) meaningful consultation; and (vi) monitoring and reporting.

Identification and analysis of the stakeholders

- 16 The promoter shall identify, analyse and document the different stakeholders. In doing so, the promoter shall pay particular attention to and prioritise the identification and analysis of individuals or groups that may be differentially or disproportionately affected because of their vulnerability status.¹⁶
- 17 Based on this identification, the promoter shall further analyse and prioritise individuals and groups who may have different concerns and priorities about project impacts and risks, mitigation mechanisms and benefits, and who may require different or separate forms of engagement.

¹² The information to be made available to the public includes, at a minimum, the following: (i) the EIA report as described in EIB Standard 1; (ii) where relevant, outcomes of any supplementary assessments/studies carried out; and (iii) any relevant report required by the competent authorities in line with the national legal framework.

¹³ In line with Article 4 (5) of the EIA Directive.

¹⁴ Public participation in environmental decision-making processes is not limited to the requirements of the EU EIA Directive and includes, where relevant, engagement in the planning and/or permitting processes, e.g. Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (SEA Directive), the Industrial Emissions Directive, Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora (Habitats Directive), as amended; Directive 2000/60/EC establishing a framework for Community action in the field of water policy, as amended; Directive 2008/56/EC establishing a framework for community action in the field of marine environmental policy, as amended.

¹⁵ The identification and analysis of the stakeholders as well as the establishment and/or maintenance of the grievance mechanism are also commensurate to the nature and scale of the project and its potential environmental and social impacts and risks.

¹⁶ See glossary or the EIB Environmental and Social Standard 7 for a definition.

Taking note of the country context and the public debate about the project and the sector in question, the analysis shall also take into account any risks of reprisals against those who voice their opinion regarding the project activities or the promoter, and identify groups at risk in that respect.

- 18 As legitimate representatives of stakeholders¹⁷ often play a significant role in the engagement process, the promoter shall engage with them so they can facilitate the communication and convey the comments of affected communities, as appropriate.
- 19 When a project is likely to have significant environmental, climate and/or social transboundary effects, the identification and analysis shall also consider the individuals and groups from other countries likely to be affected (in particular neighbouring or downstream countries or those with shared natural resources), without discrimination.
- 20 The stakeholder identification and analysis shall be comprehensive and provide an adequate level of information with a view to further determining the nature, scope and modalities of the engagement process.

Grievance mechanism

- 21 Grievance mechanism refers to the system introduced and/or maintained by the promoter that enables all stakeholders, in particular affected people and communities, to channel their grievances related to the environmental and social performance of the project, and access recourse and remedy.¹⁸
- 22 As early as possible, the promoter shall establish an effective project-level grievance mechanism to receive and facilitate redress for concerns and grievances of stakeholders throughout the EIB project cycle. This mechanism shall cover aspects related to all Standards, except for employer-workforce relations including occupational health, safety and security aspects, as a separate grievance structure is dedicated to this purpose in line with requirements in Standards 8 and 9. The grievance mechanism sets out a clear step-by-step process with indicative timeframes, outcomes, defined monitoring and performance indicators, and reporting requirements.
- 23 The project-level grievance mechanism may use any existing formal or informal mechanisms, provided they are properly designed and implemented, and suitable for project purposes. If deemed necessary by the EIB, these may be supplemented with project-specific arrangements. The mechanism should: (i) address concerns promptly and effectively; (ii) be free from intimidation, coercion and reprisals; and (iii) be inclusive.
- 24 The mechanism shall also be gender inclusive and responsive, and address potential access barriers to men and women, non-binary or gender non-conforming persons, young persons and the elderly, illiterate persons, or otherwise vulnerable, marginalised and discriminated-against groups, as appropriate. It should guarantee the privacy of individuals and include the anonymity option. The information about the access to the project's grievance mechanism process should be publicly available in relevant languages and via suitable channels.
- 25 The project-level grievance mechanism shall document and address concerns in a timely manner, through dialogue and engagement, using an understandable, fair and transparent process that is culturally appropriate, rights-compatible and readily accessible to all stakeholders at no cost and without retribution. The mechanism shall include appeals options and it shall not impede, or

¹⁷ For example, community leaders, local government representatives, civil society representatives, teachers, and/or others representing one or more affected stakeholder groups, including indigenous people.

¹⁸ As outlined in Principle 31 of the UN Guiding Principles on Business and Human Rights, the grievance mechanism will be effective, by way of being: i) verifiably legitimate; ii) accessible; iii) predictable; iv) equitable; v) transparent; vi) compatible with human rights; vii) based on engagement and dialogue; and viii) a source of learning for all stakeholders involved, including the promoter.

purport to impede, complainants' access to alternative judicial or administrative channels for lodging complaints, such as the EIB Group's Complaints Mechanism.¹⁹

Engagement planning

- 26 For projects with significant environmental, climate, and/or social impacts and risks, or if otherwise deemed necessary by the EIB, the promoter shall ensure an effective engagement process by planning it thoroughly and preparing a Stakeholder Engagement Plan (SEP) or an equivalent document. The SEP shall describe the entire stakeholder engagement process for the project, specify activities, outline roles, resources and timelines, and serve as a guiding document throughout the EIB project cycle.
- 27 The promoter shall develop the SEP early in the process and shall disclose the draft, as early as possible, to seek feedback from stakeholders on its content, including on the identification and analysis of stakeholders and proposed engagement activities.
- 28 The SEP is tailored to the needs and interests of the identified stakeholders and their expected roles in the process, and specifies different types of engagement formats that may be needed to ensure the meaningful participation of all stakeholders.
- 29 The SEP outlines the consultation process by defining: (i) the information to be disclosed; (ii) the dissemination means, tools and languages; (iii) its timing and frequency; (iv) the levels and methods used to consult each identified group; (v) the details of the time schedule for submitting opinions, questions and/or concerns; and (vi) grievance mechanism.
- 30 Where risks of reprisals exist or are anticipated, the SEP shall, as deemed necessary by the EIB, include a strategy for preventing and responding to reprisals, in particular by engaging constructively with individuals and groups at risk. The SEP shall be particularly attentive to providing secure fora for consulting these groups as needed and ensuring reprisal-sensitive stakeholder engagement.
- 31 Depending on the nature of the project and level of information available, the SEP may adopt a framework approach and lay out the general principles and key features of the planned engagement process that would be specified once more project-related information is available.
- 32 In order to ensure its effectiveness in securing meaningful stakeholder engagement, the SEP shall be subject to regular reviews and updates as project information and stakeholder participation needs may change over time. The promoter should publicly disclose a revised version, if significant changes are made to the SEP.

Disclosure of information

- 33 In order to ensure the effective participation of the identified stakeholders, the promoter shall make available to the public the following information in the most accessible way and as soon as it can reasonably be provided:
 - a. The purpose, nature and scale of the project, including the duration of proposed project activities;
 - b. The description of the likely project impacts and risks for local communities, as well as the proposed mitigation and/or compensatory/remedial measures as defined in Standard 1;
 - c. As and where applicable, the description of potential impacts and risks that might disproportionately affect vulnerable, marginalised, and/or discriminated-against groups and an overview of the different measures proposed to avoid and minimise these;

¹⁹ Any natural or legal person who alleges a case of maladministration by the EIB Group in its decisions, actions and/or omissions can lodge a complaint with the EIB's Complaints Mechanism. More information can be found here: <https://www.eib.org/en/about/accountability/complaints/index.htm>.

- d. The proposed stakeholder engagement process and opportunities for public participation, including locations and dates of any envisaged public consultation meetings, and the process by which meetings are notified and reported, as described in the SEP and its revisions/updates where applicable;
 - e. The available project-level grievance or feedback mechanism, the EIB Group's Complaints Mechanism²⁰ and how stakeholders can access them; and
 - f. Any opportunities for benefit-sharing and added value for affected communities, where applicable.
- 34 In its information disclosure and dissemination efforts, the promoter shall seek to ensure that reliable and accurate information reaches stakeholders, including those who are illiterate, by making it available in readily understandable and culturally appropriate formats and languages, and adapting information for people needing special measures or assistance.
- 35 The promoter shall disclose information related to, and engage with stakeholders on, any changes to the project scope and/or implementation that result in significant environmental, climate and/or social impacts and risks as they arise, as well as additional mitigation and/or compensatory/remedial measures and monitoring arrangements, where applicable.

Meaningful consultation

- 36 Meaningful consultation is a two-way process that:
- a. Is initiated as early as possible to allow for effective stakeholder participation in the design of project activities or mitigation measures that could potentially affect them either positively or negatively;
 - b. Is sustained throughout the EIB project cycle;
 - c. Is based on the prior disclosure and dissemination of relevant, accurate and easily accessible information in a timeframe that facilitates meaningful dialogue with stakeholders in a culturally appropriate format, in the relevant local language(s) and is understandable to stakeholders;
 - d. Is inclusive of all the relevant stakeholders, including commonly underrepresented groups on account of sex, gender, gender identity, age, health status, poverty, disability, educational profile or other factors;
 - e. Includes tailored measures as necessary to empower affected individuals and communities, in particular those who are vulnerable, marginalised, and/or discriminated against, to fully and effectively participate in engagement processes;
 - f. Encompasses stakeholders' feedback as well as responses to it either through integration of the stakeholders' views or provision of justification for why this could not be done;
 - g. Is free from external manipulation, interference, coercion, discrimination, and intimidation; and
 - h. Is recorded and publicly disclosed by the promoter.²¹
- 37 The promoter shall undertake a meaningful consultation process that provides opportunities to stakeholders to express their views on the project on an ongoing basis, as well as the identified environmental, climate and/or social impacts and risks and the proposed measures and actions to address them. The promoter shall engage with the identified stakeholders in a collaborative

²⁰ Overview of the EIB Group Complaints Mechanism: <https://www.eib.org/en/about/accountability/complaints/index.htm>.

²¹ With the possibility of anonymity of persons participating in the consultation process, upon their request, and in line with the spirit and principles of the GDPR.

process to respond to and address their opinions and concerns as they arise, and document and disclose information about this process.

- 38 The consultation includes culturally appropriate mechanisms and processes and is tailored to the different needs of stakeholders. It also considers diverse forms of targeted communication to facilitate the increased participation of men and women, taking also into account factors such as age, literacy, language, mobility, or vulnerability status. The timelines for engagement shall be realistic and respectful of all identified stakeholders, and in particular affected persons and/or groups.
- 39 If the project is located in challenging environments, such as fragile and conflict-affected areas, or with high incidence of human rights violations, or taking place during a crisis that could impact consultation process, the promoter shall consider the specific context and devise targeted consultation formats and processes to ensure a safe space for stakeholders to engage.
- 40 The promoter shall make available to the public, in a timely manner, information on how the stakeholders' views have been incorporated or otherwise addressed during the project design along with any mitigation and/or compensatory/remedial measures, or the reasons why not.
- 41 The promoter shall further inform the stakeholders on the project-level non-judicial grievance mechanism that is available throughout the EIB project cycle.

Monitoring and reporting

- 42 The promoter shall conduct regular monitoring of the stakeholder engagement process agreed with the EIB and use this information to identify areas in which stakeholder engagement should be strengthened, including through the revision and update of the SEP or adjustments in the grievance mechanism, as needed. Whenever feasible, the promoter is advised to have in place monitoring by third parties, such as stakeholder representatives, civil society or community-based organisations, affected communities, external experts, local and public authorities, think tanks or others familiar with relevant aspects of the projects.
- 43 Where requested by the EIB, the promoter shall maintain open communication channels with stakeholders on the overall environmental and social performance of the project, building upon the engagement already taking place.
- 44 Where requested by the EIB, the Promoter shall report to the EIB, inter alia, on implementation of agreed stakeholder engagement measures, any significant aspects or challenges, and the volume and nature of stakeholder complaints registered through grievance mechanism.

Standard 3 – Resource Efficiency and Pollution Prevention

Introduction

- 1 This Standard recognises the contribution of resource efficiency to relieve pressures on the environment and climate change whilst bringing increased competitiveness through cost savings from improved efficiency, commercialisation of innovation and better management of resources over their whole life cycle.
- 2 This Standard encourages the identification, design and use of the appropriate technologies, processes and services to achieve environmental quality objectives, including the use of Best Available Techniques¹ (BAT) or emerging techniques², as relevant.
- 3 This Standard promotes the transition to a circular economy through the development and use of existing and/or new business models that seek to increase circularity (the value of products, materials and other resources is maintained for as long as possible) which can deliver substantial material savings throughout value chain and production processes, generate extra value and unlock economic opportunities.

Objective

- 4 This Standard outlines the promoter’s responsibilities to ensure an integrated approach to resource efficiency, pollution prevention and control of emissions to air, water and land, noise pollution, radiation, prevention of accidents, as well as waste management and the safe use of hazardous substances and pesticides, avoiding the shift of pollution from one environmental medium to another, ensuring consistency with the “Do Not Significant Harm” principle³ and thus contributing to the achievement of the “zero pollution” EU ambition target⁴.

Scope

- 5 This Standard applies to a specific project when its relevance determined during the environmental impact assessment/environmental social impact assessment (EIA/ESIA) process (as outlined in Standard 1) and additionally to EIB-financed projects associated with modifications and/or extensions of existing activities/facilities, for which the promoter shall determine the appropriate requirements.

General Requirements

- 6 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU environmental legislation. For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframes for reaching compliance with specific EU environmental legislation as agreed with the European Union through bilateral agreements and/or action programmes. Where national environmental standards and requirements are more stringent than those contained in EU environmental legislation, as may be the case for environmental quality standards and/or emission limit values, national standards shall apply.

¹ 'BAT' means the most effective and advanced stage in the development of activities and their methods of operation, which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole as defined in Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

² 'Emerging technique' means a novel technique for an industrial activity that, if commercially developed, could provide either a higher general level of protection of the environment or at least the same level of protection of the environment and higher cost savings than existing best available techniques (Directive on industrial emissions).

³ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

⁴ EC Communication Pathway to a Healthy Planet for All EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' of 12th May 2021 (COM (2021) 400).

- 7 All projects located in the rest of the world shall comply with the applicable national legislation and this standard which reflects the core principles and essential procedural elements laid down by EU legislation and policies that EIB considers relevant to environmental quality standards and/or emission limit values, the safe use and management of dangerous substances and environmental sound management of waste as outlined in this Standard. The EIB shall agree with the promoter the applicable requirements of EU standards on a case-by-case basis taking into account local conditions and specificities.

Specific Requirements⁵

Resource efficiency and circular economy

- 8 The promoter assesses the effectiveness and efficiency of the project's use of materials and natural resources (e.g. land, soil, water, biodiversity), as well as energy, in particular in production processes, and the impacts on the environment resulting from resource use over the lifetime of the project and life cycle of any products produced. Based on the outcome of such life cycle assessment, the promoter, on a best effort basis, undertakes preventive and mitigating measures to protect natural resources and avoid any significant harm in order to preserve their long-term availability for human activity. Such measures include, but are not limited to, the following:
 - a. reduce inefficiencies in the use of materials and substances or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products and assets, including in terms of durability, reusability, upgradability, reparability, recyclability or, where applicable, easy disassembly and adaptability of products and assets;
 - b. promote waste prevention, reuse and recycling in accordance with the waste hierarchy⁶;
 - c. avoid activities that would lead to a significant increase in the generation, incineration or disposal of waste;; and,

Pollution prevention and control

Projects located in the EU, Candidate and potential Candidate Countries

- 9 For projects associated with activities listed in Annex I to the Industrial Emissions Directive⁷ (IED) that are also subject to an EIA process, the promoter shall provide the EIB with:
 - a. the EIA Report, where applicable, that includes a description of the proposed technology and other techniques (including the use of BAT or emerging techniques) for preventing or, where this is not possible, reducing emissions to air, water and land, generation of waste, use of raw materials and noise, as well as enhancing energy efficiency, the prevention of accidents and restoration of the site upon closure, in line with the requirements of the IED;
 - b. the relevant decision(s) from the competent authority that satisfy the requirements set out both in the EIA Directive and the IED;
 - c. the existing permit issued by the competent authority in accordance with the IED requirements, including the results of emission monitoring, if applicable.
- 10 The promoter shall implement all environmental conditions attached to the decision(s) the measures envisaged to avoid, prevent or reduce and, if possible, offset significant adverse effects on the environment, as well as where appropriate, monitoring measures.
- 11 For projects associated with modifications and/or extensions of existing activities/facilities, covered by Annex I to the IED that are not subject to the EIA process, the promoter shall provide

⁵ Specific requirements are applicable to all projects regardless of their location, unless specified otherwise.

⁶ Directive 2018/851 amending Directive 2008/98/EC on waste.

⁷ Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

the EIB with the permit granted by the relevant competent authority and, upon request, the following information:

- a. a description of the existing activities/facilities, including the proposed modifications and/or extensions, where applicable;
- b. the raw and auxiliary materials, other substances and the energy used or generated, as well as the waste generated and the nature and quantities of emissions into each environmental medium;
- c. the use of BAT and/or any emerging techniques;
- d. the appropriate preventive measures taken against pollution into air, water, including groundwater, and soil, including the monitoring arrangements, if applicable.

Projects located in the rest of the world

- 12 For projects associated with activities listed in Annex I to the IED that are subject to an ESIA process, the promoter shall:
 - a. provide the EIB with ESIA Report that includes a description of the proposed technology and other techniques for preventing or, where this is not possible, reducing emissions to air, water and land, generation of waste, use of raw materials and noise, as well as enhancing energy efficiency, the prevention of accidents and restoration of the site upon closure;
 - b. agree with the EIB the applicability of BAT and any emerging techniques, in whole or in part, including the relevant time frames for their implementation;
 - c. implement all required environmental conditions and the measures envisaged to avoid, prevent or reduce and/or, where necessary, offset significant adverse effects on the environment as a whole, as well as the appropriate monitoring measures as outlined in the ESMP.
- 13 For projects associated with modifications/extensions of existing activities/facilities listed in Annex I to the IED that are not subject to the ESIA process, the promoter shall provide to the EIB, upon request, the information listed in Annex I of this Standard.

Emergency Prevention, Preparedness and Response

- 14 The promoter shall be prepared to respond to any incident, accident and emergency by setting up effective management systems and implementing control measures for ensuring prevention, preparedness and adequate response to major accidents⁸ in line with the applicable legal framework⁹ and international good practices.
- 15 The promoter's overall environment and social management systems (as outlined in Standard 1 and communicated to the EIB accordingly) sets out, where relevant:
 - a. a major accident prevention policy and the safety management system to be put in place for its implementation;

⁸ As defined by EU Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances (so-called Seveso III Directive).

⁹ For projects located in EU, EFTA, Candidate and potential Candidate countries where dangerous substances may be present (e.g. during processing or storage) in quantities exceeding a certain threshold, the requirements of the Seveso III Directive shall be considered. For all projects, regardless of their location, the approach defined in the UN Convention on the Transboundary Effects of Industrial Accidents. (https://www.unece.org/fileadmin/DAM/env/documents/2017/TEIA/Publication/ECE_CP_TEIA_33_final_Convention_publication_March_2017.pdf) is also considered.

- b. a contingency plan¹⁰ that analyses disaster risks and establishes arrangements in advance to enable timely, effective and appropriate responses, including actions to ensure that those plans are tested, revised, and implemented.
- 16 The promoter plays an active role and supports the relevant competent authorities in designing external emergency plans that should be duly consulted with potentially affected people and communities, as well as other interested stakeholders, especially when their participation and collaboration are necessary to ensure effective response.

Management of Waste

- 17 For projects involving the production of waste with significant environmental impact, the promoter shall include, as part of the EIA/ESIA Report a waste management plan containing measures planned to mitigate such impacts and feasible goals and objectives for waste prevention, reuse, recycling and recovery, in line with the waste hierarchy principle. Where applicable, the plan shall include life cycle assessment methods and indicators in order to identify and assess the environmental impacts associated with its products, processes, or activities by quantifying raw materials, energy and waste the project releases into air, water and soil.
- 18 Hazardous waste shall need to be reduced and, if not possible, safely managed to minimise adverse effects on human health and the environment, following a strict control regime as required by EU standards and relevant international treaties. This includes labelling, record keeping, monitoring and control obligations. The promoter is, moreover, encouraged to identify relevant market-based alternatives for its environmentally sound disposal, also considering the limitations applicable on its transboundary movements¹¹.
- 19 The promoter shall record and report on a regular basis the waste quantities generated, as well as their off-site transfer, as required by the national and/or EU legislation, the relevant international treaties and good practices. When third parties provide for the final disposal of waste and hazardous waste, the promoter shall ensure the use of licenced contractors.

Sound Management of Hazardous Substances and Materials

- 20 The promoter shall seek to avoid, reduce or eliminate the use and storage of hazardous substances and materials of high concern and consider replacing them by less hazardous substitutes, where suitable economically and technically viable alternatives are available. Furthermore, the promoter is also encouraged to develop projects that lead to the innovative development and use of sustainable substitutes.
- 21 Where avoidance or substitution is not feasible, the promoter shall consider the safety use and storage of hazardous substances and materials by strictly applying/aligning to the requirements of EU horizontal chemicals legislation¹² and international good practices. In doing so, the promoter shall identify and shall apply appropriate risk management measures to minimise and/or control the exposure/release to/of hazardous substances and materials of very high concern.

¹⁰ As defined by Sendai Framework for Disaster Risk Reduction 2015-2030:
https://www.preventionweb.net/files/43291_sendaiframeworkfordrren.pdf

¹¹ Basel Convention on the control of transboundary movements of hazardous waste and their disposal: text in English (basel.int).

¹² Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures.

Pesticide Use and Management

- 22 When the activity includes the use of pesticides, the promoter shall implement the general standards of the sustainable use of pesticides by:
 - a. reducing the risks and impacts of pesticide use on human health and the environment;
 - b. promoting the use of integrated pest management (IPM)¹³;
 - c. promoting alternative approaches or techniques such as non-chemical alternatives to pesticides.
- 23 The promoter shall pay particular attention to avoiding pollution of surface water or groundwater by acting appropriately and reducing, as far as possible, or eliminating, if appropriate, the use of pesticides in sensitive areas (e.g. areas designated for abstraction of drinking water, on sealed or very permeable surfaces) that can lead to higher risk of pollution of the aquatic environment.
- 24 The promoter shall handle and store any pesticides as well as their packaging and remnants in line with applicable EU legislation and international good practices by applying measures that lead to the avoidance of dangerous handling operations and prevention of unwanted releases.

¹³ EU Directive 2009/128/EC on the sustainable use of pesticides, as subsequently amended.

Annex 1 – Information to be Provided by the Promoter for Projects associated with modification and/or extensions of existing activities/facilities listed in Annex I to the IED, located in the rest of the world, that are not subject to the ESIA process:

- 1 information on the site with all the activities developed;
- 2 the raw and auxiliary materials and other substances and the energy used in or generated on the site;
- 3 the application of best available techniques (BAT) and/or any emerging techniques, the proposed timeframe for reaching the compliance with them;
- 4 the nature and quantities of emissions on the site released into each medium;
- 5 the appropriate preventive measures taken against pollution into air, water, including groundwater, and soil;
- 6 the monitoring arrangements put in place to ensure that the level of pollution is controlled;
- 7 the measures taken to prevent the generation of waste and, where waste is generated, taken to prepare it for reuse, recycling, recovery or, as a very last resort, disposal in such a way that avoids or reduces any impact on the environment;
- 8 the measures taken for the efficient use of energy and resources, which can generate significant opportunities in terms of competitiveness, cost reduction, improved productivity and security of supply.

Standard 4 – Biodiversity and Ecosystems

Introduction

- 1 This Standard recognises that protecting and conserving biodiversity¹ and ecosystems² and maintaining the ecological functions and processes of such ecosystems are fundamental to environmental and social sustainability. The EIB supports projects that are compatible with maintaining the integrity of areas important for biodiversity as well as the core natural functions, processes, and resilience of ecosystems to halt and reverse biodiversity loss, increase biodiversity and ecosystem benefits and, where required, achieve a Net Positive Impact³ on biodiversity.
- 2 This Standard recognises that growing pressures on natural resources and ecosystems lead to unprecedented biodiversity losses, which are exacerbated by the adverse impacts of climate change, and that the degradation of ecosystems may have a disproportionate impact on poor rural households and vulnerable and indigenous communities who depend on ecosystem services for their livelihoods and well-being. Therefore, the EIB promotes a holistic and human rights-based approach to the conservation and protection of biodiversity and ecosystems as well as to the sustainable use of natural resources.

Objective

- 3 This Standard outlines the promoters' responsibilities with regard to the identification, assessment, management and monitoring of the impacts and risks affecting biodiversity and ecosystems that result from the projects that the EIB finances, ensuring consistency with the "Do No Significant Harm" principle⁴ and thus contributing to putting Europe's and global biodiversity on the path to recovery by 2030⁵ through :
 - a. the application of a precautionary approach throughout the project life cycle to avoid or prevent irreversible impacts on biodiversity and ecosystems in cases where the consequences of damage or loss are potentially significant and the knowledge needed to manage the risks and/or impacts is lacking;
 - b. the use of appropriate sectoral, land use and marine spatial planning, the application of the mitigation hierarchy to avoid, or where unavoidable, minimise further losses, restore and, as a last resort, compensate for any residual impacts on biodiversity and ecosystems. This applies to all biodiversity and all ecosystems, regardless of their formal conservation status;
 - c. the use of an ecosystem-based approach to assess biodiversity-related impacts and risks, ensuring that the interdependencies between people, biodiversity and ecosystems are recognised; and
 - d. the seeking of opportunities to enhance biodiversity and ecosystems⁶ whenever possible in line with broader area-based conservation efforts where the project is located and ensuring that mitigation and restoration strategies align with relevant conservation goals and do not solely address site-level impacts.

¹ For the purpose of this Standard, biodiversity is defined in accordance with the Convention on Biological Diversity (UN 1992) as the "variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems."

² Ecosystems are defined in the Convention on Biological Diversity (UN 1992) as "a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit."

³ Net Positive Impact (NPI) on biodiversity is generally defined as a target for project outcomes in which the impacts on biodiversity (i.e. the variety of ecosystems and living things) caused by the project are outweighed by the actions taken to avoid and reduce such impacts, rehabilitate affected species/landscapes and offset any residual impacts (IUCN definition). NPI on biodiversity relies on the application of the mitigation hierarchy to avoid, minimise, restore or compensate for biodiversity losses. It is additional to these approaches, not instead of them. Net Positive Impact on Biodiversity must be defined on a case-by-case basis relative to an appropriate reference scenario. EC Guidance "Managing Natura 2000 Sites – The provisions of Article 6 of the "Habitats" Directive 92/43/EEC."

⁴ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

⁵ EC Communication "EU Biodiversity Strategy for 2030 – Bringing Nature Back to our Lives" of 20 May 2020 (COM (2020) 380).

⁶ Including nature-based solutions to maximise synergies towards biodiversity and climate co-benefits.

Scope

- 4 This Standard applies to a specific project when its relevance is determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1), and specifically to EIB financed projects which may entail a significant impact and risk affecting: (i) biodiversity and ecosystems; (ii) ecosystem services,⁷ including the communities whose access to or use of ecosystem services may be affected by project activities; (iii) protected areas or recognised areas of high biodiversity value; and (iv) critical habitat. The Standard also applies to projects that involve primary production and/or the procurement of living natural resources.

General Requirements

- 5 For all projects, the promoter shall identify, assess and manage the impacts and risks that could potentially affect biodiversity and ecosystems, either positively or negatively, directly or indirectly, and on which the project may depend on for its success.⁸
- 6 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with applicable national and EU environmental legislation.⁹ In the case where national requirements for the conservation and protection of biodiversity and ecosystems are more stringent than those contained in EU environmental legislation, national requirements shall apply.
- 7 For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframe for achieving compliance with specific EU environmental legislation as arranged with the European Union through bilateral agreements and/or action programmes.
- 8 All projects located in the rest of the world shall comply with national legislation and this Standard which reflects the core principles and essential procedural elements laid down by EU legislation and policies, as well as international good practices¹⁰ to the extent that they relate to the protection and conservation of biodiversity, ecosystems and ecosystem services that EIB considers relevant to achieve no loss of biodiversity and a Net Positive Impact on biodiversity, where required.

⁷ The Millennium Ecosystem Assessment defines ecosystem services as the “benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as regulation of floods, drought, land degradation, and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other non-material benefits.

⁸ Where a project is likely to have a significant impact on natural heritage, both the cultural, biodiversity and ecosystem services aspects shall be considered and the requirements in Standard 10 shall apply in conjunction with the requirements presented in this Standard.

⁹ The relevant EU legislation spells out the assessments required where the project has significant impacts and risks affecting biodiversity, ecosystems, ecosystem services, protected areas, critical habitats and the production of living natural resources.

¹⁰ These international good practices have been set out in the following international conventions related to the protection and conservation of biodiversity and ecosystems: The Convention on Biological Diversity including the Nagoya Protocol; the Convention on Wetlands of International Importance; the Berne Convention on the Conservation of European Wildlife and Natural Habitats; the Convention on International Trade in Endangered Species of Wild Flora and Fauna, the Convention on the Conservation of Migratory Species of Wild Animals.

Specific Requirements¹¹

Assessment of significant impacts and risks affecting biodiversity and ecosystems

- 9 As part of the EIA/ESIA as set out in Standard 1, the promoter shall consider the direct, indirect, cumulative and in-combination impacts of the project and ancillary/associated works/facilities, where relevant, when assessing the significance of the impacts and risks on habitats, species and ecosystems. This assessment shall also include, as a minimum, the threats to biodiversity and ecosystems such as the loss, degradation and fragmentation of habitats, the loss of species diversity and abundance, the loss of genetic diversity, the degradation of ecosystem services, pollution and incidental take, as well as project-related climate change impacts.
- 10 To guarantee the completeness and sufficient quality of the assessment of the impacts and risks affecting biodiversity and ecosystems, the promoter shall conduct and document the following, as relevant:
 - a. An adequate characterisation of the baseline conditions, including field surveys over multiple seasons as required, indicating the ecological state of the project site and its assessment areas as they are now and as they would develop in the absence of the planned project. Any field surveys and assessments should be up-to-date and the data should be acquired for the area where the project may have impacts, direct or indirect, including ancillary/associated works/facilities;
 - b. The baseline analysis that considers, but is not limited to, the following threats: (i) habitat loss, degradation and fragmentation (including risk of collision) of marine, freshwater and terrestrial environments and the creation of an edge effect; (ii) deforestation and illegal logging; (iii) overexploitation of natural areas and resources; (iv) migration barriers; (v) the capturing of wild animals and wildlife poaching; (vi) nutrient loading; (vii) pollution and noise, including hydrological changes; (viii) pre-existing threats and the extent to which the project might exacerbate them; and (ix) a spill-over effect, sometimes referred to as induced development;
 - c. The assessment process, including: (i) consideration of potential land/seascape-level impacts, seasonal sensitivities, as well as impacts on the ecological integrity of the ecosystems,¹² regardless of their protection status and regardless of the degree of their degradation; and (ii) any climate change impacts and risks affecting biodiversity and ecosystems, as well as the appropriate measures required to adapt to a changing climate;
 - d. An assessment of the impacts of the construction, operation and decommissioning phases of the various alternatives against the benchmark of the “without-project-scenario” (as established in paragraph a.), indicating if these would result in improved outcomes for biodiversity, ecosystems and their services;
 - e. The application of the mitigation hierarchy as defined in Standard 1 and in view of the requirements to achieve the objectives of this Standard (no loss and Net Positive Impact, where required) by avoiding adverse impacts on biodiversity and ecosystems. When avoidance of these adverse impacts is not possible, the promoter shall implement measures to minimise impacts and restore biodiversity in the light of best scientific knowledge. These may encompass, but are not limited to, avoidance, conservation, mitigation/minimisation, restoration and, as a last resort solution, compensation/offsetting. In the absence of scientific information, the precautionary principle shall apply.
- 11 Stakeholder engagement forms a key part of the assessment of impacts and risks affecting biodiversity and ecosystems, whether to obtain relevant data, understand the uses, values and benefits associated with biodiversity or develop acceptable mitigation strategies. The

¹¹ Specific requirements are applicable for all projects regardless of their location, unless specified otherwise.

¹² Including the habitats within such ecosystems.

engagement with the different stakeholders shall be carried out as defined in Standards 2 and 7. Stakeholder engagement is especially important for communities that depend on ecosystem services for their livelihoods, as they are keepers of knowledge on the local characteristics and sustainable use of the ecosystem services. It is also required where impacts on biodiversity and ecosystem services could affect the resource rights, well-being or culture of Indigenous Peoples. Efforts should be made to identify marginalised, excluded or minority groups who may have a different relationship with the ecosystems due to traditional/cultural customs and social norms.

- 12 Based on the outcomes of the assessment of potential opportunities for, adverse impacts on and risks to biodiversity and ecosystems, the promoter shall develop a biodiversity management plan, or equivalent. This plan shall detail the appropriate mitigation and management measures to avoid and minimise losses of biodiversity and provide opportunities for enhancement.
- 13 Given the complexity in predicting project impacts on biodiversity and ecosystems over the long term, the promoter should adopt a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions (e.g. project design, unforeseen natural events, adverse impacts of climate change) and the results of monitoring throughout the project lifecycle. The biodiversity management plan shall therefore allow for a level of flexibility so that the measures can be adjusted in the light of new findings and monitoring results.
- 14 The implementation and monitoring of the biodiversity management plan may be managed through the promoter's Environmental and Social Management System, the elements of which are outlined in Standard 1.

Protection and conservation of high-value biodiversity

- 15 Where the assessment under paragraphs 6 and 10 identifies that the project could have significant, adverse and irreversible impacts on high-value biodiversity, the promoter shall not implement any project-related activities unless:
 - a. it is demonstrated that no other viable alternatives exist for the development of the project in areas of lesser biodiversity value;
 - b. the project is permitted to go ahead under applicable environmental legislation, recognising the biodiversity features that are of conservation importance;
 - c. meaningful consultation with relevant experts and stakeholders has been carried out; and
 - d. appropriate measures are put in place through the application of the mitigation hierarchy to ensure no loss and, where required, a Net Positive Impact on biodiversity features and the habitats that support them so as to achieve positive measurable conservation outcomes.

Protection and conservation of critical habitat

- 16 Critical habitat is the most sensitive of the high-value biodiversity features and is defined as comprising one of the following:
 - a. A highly threatened and/or unique ecosystem;
 - b. A habitat of priority and/or significant importance to critically endangered, endangered or vulnerable species, as defined by the IUCN Red List of threatened species¹³ and in relevant national legislation;
 - c. A habitat of priority and/or significant importance to a population, range or distribution of endemic or restricted-range species, or highly distinctive assemblages of species;

¹³ IUCN Red List of Threatened Species: <https://www.iucnredlist.org/>.

- d. A habitat required for the survival of migratory species and/or congregatory species;
 - e. Biodiversity and/or an ecosystem of significant social, economic or cultural importance to local communities and indigenous groups;
 - f. A habitat of key scientific value and/or associated with key evolutionary processes.
- 17 In areas of critical habitat, the promoter shall not implement any project activities unless all of the following conditions are met:
- a. No other viable alternatives for the project exists either in terms of location or design, and there is rigorous justification of overriding public interest based on human health, public safety considerations and/or beneficial consequences of primary importance for the environment;
 - b. The project does not lead to measurable adverse impacts that will result in any detrimental effect on the ecological and conservation status of the critical habitat, and impacts are avoided and minimised to the extent possible through changes in footprint or design;
 - c. The project does not lead to a net reduction¹⁴ in the population of any vulnerable, endangered or critically endangered species over a reasonable period of time;¹⁵
 - d. Stakeholders are consulted in accordance with Standards 2 and 7, as defined in paragraph 11;
 - e. Positive conservation outcomes (Net Positive Impact) and continued ecological functionality are achieved through appropriate compensation measures for residual impacts that would otherwise occur despite impact avoidance, minimisation and restoration measures; and
 - f. A robust, appropriately designed and long-term biodiversity monitoring and evaluation programme aimed at assessing the status of the critical habitat is integrated into the promoter's adaptive management programme.
- 18 In addition, in EU, EFTA, Candidate and potential Candidate countries, where the assessment covers animal and plant species of Union interest that benefit from the strict protection regime¹⁶ under the Habitats Directive (incorporated into the critical habitat definition), the promoter shall provide the EIB with evidence of any derogation¹⁷ from this regime, issued by the relevant competent authority.

¹⁴ Net reduction is a singular or cumulative loss in individuals that impacts on the species' ability to persist at the global, and/or national/regional scales for many generations or over a long period of time. The scale (i.e. global and/or national/regional) of the potential net reduction is determined based on the species' listing on either the (global) IUCN Red List and/or on the national/regional lists. For species listed on both the (global) IUCN Red List and the national/regional lists, the net reduction is based on the national/regional population.

¹⁵ The timeframe for which promoters must demonstrate "no net reduction" of vulnerable, endangered and critically endangered species is determined on a case-by-case basis in consultation with qualified experts in the field.

¹⁶ As defined in art. 12 to 16 of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora as amended (Habitats Directive).

¹⁷ As required by art. 16 of the Habitats Directive.

Compensation and offsets

- 19 As a last resort and in response to residual impacts, compensation measures may be implemented to reach a minimum of no loss of biodiversity overall. If the project is taking place in an area of critical habitat, a Net Positive Impact on biodiversity and ecosystem services must be achieved. Compensation or offsets¹⁸ shall not be used as a mechanism to achieve no loss or a Net Positive Impact until other forms of mitigation have been implemented to the fullest extent possible.
- 20 Where a project is expected to have impacts that would compromise the viability of a critical habitat and/or a habitat of high biodiversity value or their associated features regardless of any proposed compensation or offset, the promoter shall undertake to redesign the project to avoid the need for such compensation/offset.
- 21 A compensation/offset implementation and management plan shall be developed, providing the rationale and associated evidence base for the compensation or offsets in accordance with the “equivalence or better” principle.¹⁹ It shall set out the actions to be taken to implement compensation measures and monitor their outcomes. The plan should not only address the potential negative impact of biodiversity loss and/ecosystem degradation on people’s livelihoods but also the potential adverse impact of the compensation measures and offsets, where relevant, on local communities and their livelihoods. The plan should also make provision for any necessary financial and institutional arrangements needed to achieve effective offsets in line with the objectives and to support them for the duration of the impacts they are designed to compensate.
- 22 For compensation intended to address residual impacts on high-value biodiversity and/or critical habitat, an external review of the management plan from a qualified, recognised and independent organisation or expert in the field with knowledge of biodiversity offset design and implementation may be required in agreement with the EIB.

¹⁸ Biodiversity offsets are not an acceptable measure to achieve Net Positive Impacts for critical habitat.

¹⁹ The principle of “equivalence or better” means that in most cases, the biodiversity offset should be designed to conserve the same biodiversity and ecosystem values that are affected by the project.

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

Projects located in EU, EFTA, Candidate and potential Candidate countries

- 23 All projects likely to have significant effects on a Natura 2000 site²⁰, a protected²¹ and/or Key Biodiversity Area²² shall be subject to an assessment according to the EU Habitats Directive (i.e. an Appropriate Assessment²³ which will evaluate the project's implications for the site in view of the site's conservation objectives, either individually or in combination with other projects, and identify relevant measures to avoid, prevent and reduce any significant impact). In addition, for projects located in Candidate and potential Candidate countries, any timeframes arranged with the European Union through bilateral agreements and/or action plans to achieve compliance with the mentioned Directives shall be considered.
- 24 For all projects that are subject to an Appropriate Assessment focusing on the species and/or habitats for which the Natura 2000 sites have been proposed or designated, the promoter shall, upon request, provide the EIB with evidence of:
- the outcome of the pre-assessment stage ("screening") which justifies why the project is not likely to have a significant effect on the site concerned and, therefore, an Appropriate Assessment was not deemed necessary; or
 - the Appropriate Assessment; and
 - the compensatory measures²⁴ to offset the residual negative effects of the project, the timeline for their implementation and the information sent to the European Commission, where applicable.
- 25 Where the Appropriate Assessment is undertaken as part of or alongside the EIA process, the promoter shall ensure that the information relevant to the Appropriate Assessment and its conclusions are clearly distinguishable and identifiable in the EIA report.
- 26 The Appropriate Assessment defined in paragraph 23 shall demonstrate that it does not significantly affect the achievement or maintenance of good ecological and chemical status under the EU Water Framework Directive²⁵ or the achievement of good environmental status under the Marine Strategy Framework Directive²⁶ when assessed at the appropriate scales for these directives.

²⁰ Natura 2000 sites represent sites designated for habitat types and species of Community interest listed in Annexes I and II of the Habitats Directive and the sites classified under Directive 2009/147/EC on the conservation of wild birds (Birds Directive). Areas that have been proposed for protection by a competent authority and for which the process of admission is on-going are to be treated as designated areas and the appropriate assessment applies (candidate Natura 2000 sites candidate Emerald Sites, candidate UNESCO World Natural Heritage Sites).

²¹ The EIB applies the protected area definition provided by the International Union for the Conservation of Nature (IUCN): "a clearly defined geographical space, 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." This includes sites protected as part of the Natura 2000 network (including Special Areas of Conservation and Special Protection Areas), potential Natura 2000 sites, sites of the Emerald Network, Ramsar sites, UNESCO Natural World Heritage sites, UNESCO Man-and-Biosphere Reserves, Important Bird and Biodiversity Areas (IBAs), sites from the Alliance for Zero Extinction (AZE), and others as relevant.

²² Key Biodiversity Areas (KBAs) are nationally identified sites that contribute significantly to the global persistence of biodiversity, in terrestrial, freshwater and marine ecosystems. KBAs are identified using globally standardised criteria and thresholds.

²³ The AA assessment should cover also the areas designated under Birds Directive: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0147&from=EN>.

²⁴ Art. 6 (4) of the Habitats Directive, for projects having a negative impact on the integrity of a Natura 2000 site or when such an impact cannot be excluded and projects should proceed for imperative reasons of overriding public interest in the absence of alternative solutions.

²⁵ Article 4.7 of Directive 2000/60/EC establishing a framework for Community action in the field of water policy (Water Framework Directive).

²⁶ Article 14 of Directive 2008/56/EC of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive).

Projects located in the rest of the world

- 27 The EIB shall only finance a project within a protected area, or within a nationally or internationally designated or recognised or candidate area for biodiversity conservation,²⁷ if the promoter is able to demonstrate that the proposed development in the area is legally permitted and that the design of the project is consistent with a recognised management plan for the protected or designated conservation area. In the absence of a recognised plan, the project should be compatible with the achievement of the relevant conservation objectives used to designate the area in question.
- 28 The promoter shall consult, as appropriate, the relevant managing authorities for the protected area, local communities and other relevant stakeholders on the proposed project in accordance with Standard 2.
- 29 The promoter shall seek to implement additional programmes, as appropriate, to promote and enhance the conservation objectives and effective management of the protected area.

Invasive alien species²⁸

- 30 The promoter shall take into consideration the risks associated with the accidental or deliberate introduction of invasive alien species throughout the project's life cycle and take account of those risks when assessing the impacts on biodiversity and ecosystems and in the biodiversity management plan.
- 31 The risk of the accidental transfer and release of alien species should be assessed by the promoter along with the potential impacts on local biodiversity, ecosystems and the associated services.
- 32 The intentional introduction of alien species into areas where they are not normally found can only be carried out in accordance with the international, EU and/or national regulatory framework. Species known to be invasive cannot be introduced under any circumstances.
- 33 The promoter shall identify mitigation measures that control, or attempt to control, the spread of invasive species into areas where they currently are not established. In areas over which the promoter has management control, measures should be implemented to limit the spread of invasive species, or, if possible, to eliminate them.

Ecosystem services assessment

- 34 The identification of the project's impacts and risks that affect ecosystem services, as part of the EIA/ESIA process described in Standard 1, should be carried out by the promoter in collaboration with relevant stakeholders and local communities and Indigenous Peoples that depend on these services. A gender-sensitive approach should be taken, where feasible, acknowledging that men and women may place different values on ecosystems, and derive different benefits from them. Where practical and feasible, a screening of the levels of dependence on these services should be included as part of the assessment process. Ecosystem services critical to the viability of a proposed project should also be identified.
- 35 The EIA/ESIA report shall consider the extent to which a proposed project affects the supply of ecosystem services. It shall also examine any impacts on the ability of female and male beneficiaries and of indigenous, minority, excluded or marginalised groups to utilise such services equitably in order to access the values and benefits they depend on. Where ecosystem services of significant importance have been detected, the following should be assessed, for each service:
 - a. The degree of the project's impact on the service;
 - b. The degree of the project's dependence on the service;

²⁷See definition in footnote 25.

²⁸ Invasive Alien Species (IAS) are animals and plants that are introduced accidentally or deliberately into a natural environment where they are not normally found, with serious negative consequences for their new environment. See list of IAS of EU concern in Regulation (EU) n° 1143/2014.

- c. The relevance of the service for the affected community; and
 - d. The degree of the promoter's management control on the ecological processes supporting the service.
- 36 Where practical and feasible and in order to balance, in an effective manner, the protection and conservation of biodiversity with the potential for utilising its various economic, social and cultural values and benefits, a socioeconomic assessment of the biodiversity and the ecosystem services provided by a site and the larger region in which it is integrated should be carried out by the promoter, which shall identify beneficiary stakeholders and quantify the benefits derived from ecosystem services with a monetary valuation of these benefits.

Supply chains

- 37 The promoter shall identify and assess the impacts and risks affecting biodiversity and ecosystems that are caused by its primary suppliers as part of the supply chain, in accordance with the principles provided in paragraphs 39-41 below. Any mitigation measures identified through the assessment should ensure sustainable outcomes.
- 38 Where the promoter is procuring living natural resource commodities, such as food, timber and fibre, that are known to be produced in regions where there is a risk of significant conversion or degradation of high-value biodiversity and/or critical habitat, the promoter shall contract with companies/suppliers in the sector that abide by recognised standards or certification schemes for sustainable management, where relevant.
- 39 In the absence of a credible and recognised standard, the promoter shall commit to apply good international industry operating principles, management practices and technologies, to be agreed with the EIB. Only living natural resources of a legal and sustainable origin can be purchased, with their sourcing monitored and documented to ensure this sourcing does not adversely impact core ecological functions of the high-value and/or critical habitats.
- 40 For commodities other than living natural resources, promoters involved in the purchasing, processing or trading of such commodities should seek to identify their supply chain risks in relation to adverse impacts on high-value biodiversity and/or critical habitats and assess their operational and reputational exposure to such risks. In situations where such concerns are identified, promoters shall find solutions in order to address them in a manner commensurate with their degree of control and influence and consistent with the requirements of this Standard.

Sustainable management and use of living natural resources

- 41 Renewable natural resources shall be managed in a sustainable manner. Sustainable resource management is the management of the use, development, and protection of resources in a way, or at a rate, that enables people and communities, including Indigenous Peoples, to provide for their current social, economic and cultural well-being while also sustaining the potential of these resources to meet reasonable foreseeable needs of future generations.
- 42 The promoter shall manage living natural resources in a sustainable manner, through the application of good management and industry practices and available techniques. The promoter and the EIB shall agree on the standards to be applied where such primary production is codified in standards, certification and/or accreditation schemes, which are globally, nationally or regionally recognised. The promoter shall implement sustainable management practices to the agreed standard as demonstrated by independent verification or certification.
- 43 Where relevant and credible standards exist but the promoter has not yet obtained independent verification or certification of such standard(s), the promoter shall conduct a pre-assessment of their compliance with the applicable standard and take action to achieve such verification or certification over an agreed reasonable period of time. Where such standards are absent for a particular natural resource, the promoter shall apply international good practice.

Standard 5 – Climate Change

Introduction

- 1 This Standard recognises the importance and urgency of combating climate change, which poses a major global threat and is a common concern of humankind, as rising temperatures increasingly result in severe, pervasive and irreversible negative impacts for people, economic activities, ecosystems and the regenerative capacity of the planet.
- 2 This Standard further recognises the role of finance in supporting low-carbon and climate-resilient development, i.e. in (i) addressing climate change by reducing greenhouse gas (GHG) emissions; and (ii) building the resilience and adaptive capacity of people, nature and assets to cope with current and future climate change-induced impacts.

Objectives

- 3 This Standard sets out the responsibilities of promoters with respect to climate change mitigation and adaptation¹ and thereby to the fight against climate change, as further described below.
- 4 This Standard promotes the alignment of projects supported by the EIB with the goals and principles of: (i) the Paris Agreement² and (ii) the Sustainable Finance Action Plan³. It does so by stipulating that climate change mitigation and adaptation considerations must be explicitly addressed and incorporated by promoters in the decision-making process of the projects that the EIB supports, in accordance with the approaches established in the EIB Group Climate Bank Roadmap⁴ and the EIB Climate Strategy⁵.

Scope

- 5 This Standard applies to all operations and the specific requirements that need to be addressed are determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1) and the EIB appraisal, based on the nature and scope of the project.
- 6 This Standard outlines the responsibilities of the promoter with regard to assessing, managing and monitoring project-related (i) GHG emissions and transition climate risks⁶ and (ii) physical climate risks⁷. More specifically, the promoter's responsibilities involve:
 - Assessing GHG emissions at the project level and the project's alignment with pathways to limit global warming to 1.5oC above pre-industrial levels and options to reduce transition risks;

¹ Climate change mitigation refers to human intervention to reduce emissions or enhance GHG sinks. Note that this encompasses carbon dioxide removal (CDR) options (IPCC Glossary at: https://www.ipcc.ch/site/assets/uploads/2018/11/sr15_glossary.pdf).

Climate change adaptation refers to adjustments in structures and practices to reduce potential damage or to benefit from opportunities resulting from a changing climate. It is centred on the understanding that the climate attributes of the past no longer represent the future, and therefore adjustments are required for societies, economies or ecosystems to continue to function in the future.

² Adopted on 12 December 2015 at the 21st session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP 21) in Paris. https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

³ Communication from the Commission, Action Plan: Financing Sustainable Growth (COM/2018/97 final), and subsequent supporting legislation, notably Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment ("the Taxonomy Regulation") <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>.

⁴ Adopted on 11 November 2020 by the EIB Board of Directors. <https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap>.

⁵ Update adopted on 11 November 2020 by the EIB Board of Directors. <https://www.eib.org/en/publications/eib-climate-strategy>.

⁶ Transition climate risks are risks caused by the process of transitioning to a lower-carbon economy. This process may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations. (<https://www.tcfidhub.org/Downloads/pdfs/E06%20-%20Climate%20related%20risks%20and%20opportunities.pdf>). Transition risks may also threaten the provision of services to the general public and local communities.

⁷ Physical climate risks result from both chronic or slow onset climate-related hazards (such as average temperature increases and rising sea levels) and rapid or acute climate related hazards (such as extreme rainfall, storm surges, flooding and heat waves).

- Assessing the project’s resilience to physical climate risks, its alignment with climate-resilient development pathways⁸, and the options to reduce physical climate risks to the project, its natural environment and the people that may be affected by it.

General requirements

- 7 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU environmental and climate legislation. All projects shall also support the delivery of applicable climate change mitigation and adaptation objectives, and/or be consistent with reaching emission reduction or resilience pathways, in accordance with relevant international, EU and national legislation implementing the Paris Agreement as well as any other international agreements relevant to the fight against climate change. Clear reference points include, but are not limited to, the European Green Deal,⁹ the European Climate Law,¹⁰ National Energy and Climate Plans (NECPs) and national Adaptation Plans. For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframes for reaching compliance with specific EU climate-related legislation as arranged with the European Union through bilateral agreements and/or action programmes.
- 8 All projects located in the rest of the world shall comply with the applicable national legislation and this standard, which reflects the core principles and essential procedural elements laid down by EU legislation that the EIB considers relevant to climate mitigation and adaptation. All projects shall also be consistent with the delivery of applicable climate change mitigation and adaptation objectives, and/or be consistent with reaching emission reduction or resilience pathways, in accordance with relevant national legislation implementing the Paris Agreement as well as any other international agreements relevant to the fight against climate change. Clear reference points include the Paris Agreement and the Paris Rulebook for its implementation, Nationally Determined Contributions¹¹ and national vehicles to communicate on adaptation in accordance with Article 7 of the Paris Agreement (NDC, National Communication, National Adaptation Plan), as well as national climate change mitigation and adaptation strategies and/or related long-term strategies¹².
- 9 All projects shall comply with the EIB’s alignment framework, as set out in the EIB Group Climate Bank Roadmap (CBR), including to ensure consistency with the “Do No Significant Harm” principle to climate change mitigation or adaptation objectives, as defined by the EU Taxonomy Regulation¹³.
- 10 The promoter shall provide the EIB with information establishing the project’s impact on GHG emissions and its vulnerability to physical climate change risks, as well as its alignment with relevant low-carbon and climate-resilient pathways.
- 11 The extent of the promoter’s reporting requirements relating to physical and transitional climate risks and impacts shall be commensurate to the risks and potential impacts identified.¹⁴

⁸ Climate-resilient development pathways refer to trajectories that strengthen sustainable development and efforts to eradicate poverty and reduce inequalities while promoting fair and cross-scalar adaptation to and resilience in a changing climate (IPCC Glossary at: https://www.ipcc.ch/site/assets/uploads/2018/11/sr15_glossary.pdf).

⁹ Communication from the Commission, The European Green Deal (COM/2019/640 final), and subsequent supporting policies https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

¹⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’) EUR-Lex - 32021R1119 - EN - EUR-Lex (europa.eu)

¹¹ Nationally Determined Contribution is a term used under articles 3 and 4 of the Paris Agreement to designate the official document whereby each country that is a Contracting Party shall communicate and undertake its efforts to contribute to the global response to climate change, comprising its mitigation commitments set out in accordance with article 4 and, eventually, its adaptation objectives, policies and measures set out in accordance with article 7.

¹² Nationally Determined Contribution is a term used under the United Nations Framework Convention on Climate Change (UNFCCC) to refer to a statement in which a country that has joined the Paris Agreement outlines its plans for reducing its net GHG emissions.

¹³ See for example CBR Chapter 4, Annex 2 and 3 for details. Criteria on alignment with the Paris agreement defined in the EIB Climate Bank Roadmap may in some instances be more stringent than the “Do No Significant Harm” to climate mitigation criteria defined in the Taxonomy.

¹⁴ Pursuant to Standard 1.

- 12 The promoter shall report to the EIB any changes that take place during the project's implementation phase that are likely to lead to significantly different transition risks, including annual GHG emissions, or physical risks to the project and to people, nature and assets, as compared to those reported to the EIB and assessed ex-ante.
- 13 When applying Standard 5, the promoter shall take into account relevant environmental and social, including gender, aspects in line with the requirements outlined in other EIB standards, in particular Standard 2 "Stakeholder Engagement", Standard 7 "Vulnerable Groups, Indigenous Peoples and Gender", and Standard 10 "Cultural Heritage".
- 14 While the preceding paragraphs refer to promoter responsibilities in relation to projects, responsibilities relating to the Paris alignment of wider activities of EIB counterparts are defined in the EIB Paris Alignment of Counterparties Framework.¹⁵

Specific Requirements¹⁶

Assessment and minimisation of GHG emissions

- 15 The promoter shall provide to the EIB all relevant information on the nature and magnitude of the project's GHG emissions and/or sequestration, as required by the EIB in order to conduct its assessment in line with the EIB methodology¹⁷ and to determine the project's alignment with the EIB Group Climate Bank Roadmap (CBR), including consistency with the "Do No Significant Harm" principle to climate change mitigation objectives, as set out in the EU Taxonomy Regulation.
- 16 The promoter shall demonstrate, on request, that due consideration has been given to alternatives to minimise project-related GHG emissions. These measures may include, but are not limited to: the use of best available techniques (BAT) and/or any emerging techniques,¹⁸ energy efficiency, resource efficiency, adoption of less carbon-intensive or renewable energy sources, or the reduction of fugitive emissions.

Physical climate risk assessment and minimisation

- 17 The promoter shall provide to the EIB all relevant information relating to physical climate risks associated with a project as required by the EIB in order to determine a project's alignment with the EIB Group Climate Bank Roadmap (CBR), including consistency with the "Do No Significant Harm" principle to climate change adaptation objectives, as set out in the EU Taxonomy Regulation.
- 18 Where a project is determined by the EIB to be at risk from physical climate hazards, the promoter shall carry out a Climate Risk and Vulnerability Assessment (CRVA), in line with the approach adopted by the EIB¹⁹ and other relevant EIB Standards. The CRVA shall (i) assess how climate change may affect the project and the system in which the project takes place, including the natural environment and the people potentially affected, and (ii) identify commensurate adaptation measures to reduce the risks posed by climate change to the project and the system in which it takes place.
- 19 The extent of both the CRVA and the information that the promoter shall provide to the EIB (including but not limited to scoping, risk identification, adaptation planning, monitoring,

¹⁵ https://www.eib.org/attachments/publications/the_eib_group_path_framework_en.pdf.

¹⁶ Specific requirements are applicable to all projects regardless of their location, unless specified otherwise.

¹⁷ Where above a defined threshold, EIB reports routinely on the GHG emissions – absolute and relative – of a project in accordance with its publicly available methodology for assessing a project's carbon footprint, Methodologies for the Assessment of Project GHG Emissions and Emission Variations. <https://www.eib.org/en/about/cr/footprint-methodologies.htm>.

¹⁸ As defined in Standard 3.

¹⁹ The EIB approach for conducting a CRVA is based on the methodology developed by the European Financing Institutions Working Group on Adaptation to Climate Change (https://econadapt.eu/sites/default/files/201611/EUFIWACC_Adaptation_Note_Version_1.0_ENGLISH_FINAL_20160601%5B1%5D.pdf) and is reviewed regularly to take account of new developments in this field.

engagement of authorities and stakeholder engagement in line with Standard 2) shall be commensurate to the project's characteristics, in particular its complexity and the availability of climate data and information.

Climate-related aspects of economic analysis

20 The promoter shall, on request, provide the EIB with climate-related information relevant to assessing the economic case²⁰ for the project. This may include:

- Climate change mitigation aspects: (i) the volume of GHG emitted per relevant time period, with and without the project; and (ii) the unit value and conceptual basis for the cost of carbon emissions;
- Climate change adaptation aspects: (i) the change in exposure to physical climate risk per relevant time period, with and without the adaptation measures of a project; and (ii) the economic valuation of this change in risk;
- For projects motivated primarily by climate considerations, when practical and feasible, the economic analysis should include an assessment of climate-related project impacts on different groups in society, with a particular focus on vulnerable groups.²¹

Other requirements

21 For all projects (located in EU, EFTA, Candidate and potential Candidate countries) listed in Annex I of the EIA (Environmental Impact Assessment) Directive²² and for those listed in Annex II, in respect of which the relevant competent authorities have concluded that an EIA is required, the promoter shall ensure that the information relevant to the assessment of climate change mitigation and adaptation and its conclusions are clearly distinguishable and identifiable in the EIA report.

²⁰ See Chapter 4 of the EIB Guide to the Economic Appraisal of Investment Projects. <https://www.eib.org/en/publications/economic-appraisal-of-investment-projects>

²¹ See also paragraphs 15-16 of Standard 7 on Vulnerable Groups, Indigenous Peoples and Gender.

²² Directive 2014/52/EU amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment (EIA Directive), as addressed in more detail in Standard 1: Environmental and Social Impacts and Risks.

Standard 6 – Involuntary Resettlement

Introduction

- 1 Involuntary resettlement refers to displacement that occurs as a direct result of project-related land acquisition¹ or restriction on land use. It includes: (a) physical displacement (i.e. physical relocation, loss of residence or loss of shelter); and/or (b) economic displacement (i.e. loss of assets, or access to assets, that leads to the loss of income sources or means of livelihood²). Resettlement is involuntary when affected individuals or communities do not have the right to refuse such displacement.
- 2 Involuntary resettlement can have severe negative effects on the economic, social and cultural well-being of rights-holders (affected persons and host communities). Income sources can be temporarily or permanently lost, persons can be relocated to environments where their skills may be less applicable and compensation may not be sufficient to prevent long-term hardship or disadvantage.
- 3 Therefore, efforts should be made to avoid involuntary resettlement in the first instance. Where involuntary resettlement cannot be avoided, it should be minimised and appropriate measures should be implemented to mitigate adverse impacts on rights-holders with a view to improving or at least restoring their socioeconomic and cultural conditions. Management of involuntary resettlement shall be based on consultation of affected persons and disclosure of information to the public.

Objectives

- 4 This Standard outlines the promoter's responsibilities to manage involuntary resettlement risks and impacts. The objectives of the Standard are:
 - a. To avoid or, when unavoidable, minimise involuntary resettlement by exploring alternative projects, project designs and locations;
 - b. To avoid any forced evictions;
 - c. To improve displaced persons' livelihoods and/or living standards, or at least restore them to pre-project levels;
 - d. To improve living conditions among displaced poor and other vulnerable groups to at least minimum living standards, promoting adequate housing³ and security of tenure⁴;
 - e. To mitigate social and economic impacts from unavoidable involuntary resettlement by: (i) providing timely compensation for a loss of assets at the full replacement cost; (ii) ensuring that resettlement is designed, planned and implemented with the appropriate disclosure of information to those affected along with their consultation and informed participation; (iii) providing displaced persons with access to grievance mechanisms; and (iv) as a development opportunity enabling displaced persons to benefit directly from the project, as the nature of the project may warrant.

¹ Land acquisition refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of land and assets and acquisition of temporary or permanent access rights, such as easements, rights of way, and establishment of restrictions of access to protected and other areas.

² Livelihood refers to the full range of means that individuals, families and communities utilise to secure their living conditions, such as housing, food, clothing and others.

³ Adequate housing is a fundamental component of the right to an adequate standard of living. The criteria to determine and ensure adequate housing standards are the following: adequacy, accessibility, affordability, habitability, cultural appropriateness, suitability of location, security of tenure and access to essential infrastructure and services.

⁴ In the context of involuntary resettlement, the term "security of tenure" refers to the protection of displaced persons from eviction at the new resettlement sites, through provision of culturally and socially appropriate tenure rights.

Scope

- 5 This Standard applies to a specific project when its relevance is determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1), and specifically to all EIB-financed projects⁵ that lead to permanent or temporary involuntary resettlement resulting from:
 - a. The acquisition or restriction of land rights or land-use rights through expropriation or other compulsory procedures⁶ in accordance with national law;
 - b. The acquisition or restriction of land rights or land-use rights through negotiated settlements, if expropriation or other compulsory procedures can be initiated in the case of failed negotiations;
 - c. Restrictions⁷ on land use that result in a loss of access to land, physical, cultural assets or natural resources.
- 6 This Standard also applies to the displacement of persons without formal, traditional or recognisable usage rights, who are occupying or utilising land prior to the cut-off-date⁸.
- 7 This Standard also applies to any resettlement activities that are already underway or finalised before the promoter applies to the EIB for financing, if such activities were carried out in anticipation of or preparation for the project.
- 8 This Standard does not apply to resettlement resulting from voluntary land transactions conducted with integrity, accountability, efficiency and transparency, and which are free of coercion, intimidation, fraud and/or malfeasance. A voluntary land transaction refers to a market transaction where: (i) the buyer cannot resort to expropriation or other compulsory procedures if negotiations fail; and (ii) there is no displacement of persons, other than the seller, who occupy, use or claim rights to the land.
- 9 This Standard does not apply to impacts on incomes or livelihoods that are not a direct result of land acquisition or land-use restrictions imposed by the project. Such impacts shall be assessed as part of the EIA/ESIA process defined in Standard 1.
- 10 This Standard is not applicable to displacement that occurs as a direct result of a natural disaster, armed-conflict, crime or violence.
- 11 For cases where an EIB-financed project leads to the displacement of settlements of refugees and/or internally displaced persons, the involuntary resettlement process shall be adapted to be aligned with the Guiding Principles on Internal Displacement⁹.

General Requirements

- 12 All projects located in EU and EFTA countries shall comply with the applicable national and EU legislation, any obligations deriving from the applicable international human right instruments to which the host country is party, as well as any obligations deriving from the relevant case-law of the European Court of Human Rights.
- 13 In projects requiring the displacement of persons, such as slum-dwellers or squatters, that are occupying land or assets without a formal title, the promoter shall prepare and implement a plan in compliance with this Standard.

⁵ And its ancillary/associated works/facilities as defined in Standard 1.

⁶ Compulsory procedure refers to the process whereby the promoter is legally entitled to take possession of property required for the realisation of the project and duly designated as such, although there may be outstanding grievances and/or pending court judgements concerning the involuntary acquisition or valuation of such asset.

⁷ This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project.

⁸ Cut-off date is set primarily to determine who are the PAPs and their eligibilities. It usually corresponds to the date of the census and assets inventory

⁹ Available at: <https://www.ohchr.org/EN/Issues/IDPersons/Pages/Standards.aspx> [accessed 4 March 2021].

- 14 The promoter shall supplement its assessment and actions with any additional action identified and/or deemed necessary by the EIB, in line with the provisions listed in this Standard.
- 15 For projects in all other countries, including Candidate and potential Candidate countries, the promoter shall observe all the requirements specified in this Standard, which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant to Involuntary Resettlement, as well as comply with any obligations arising from the applicable national legislation and international human rights instruments.

Specific Requirements

Project design

- 16 The promoter shall consider and document feasible alternative projects, project designs and/or locations to avoid and/or minimise physical and/or economic displacement.
- 17 The promoter shall limit the size of buffer zones or rights of way (such as road or rail reserves) in order to avoid or minimise resettlement, considering safety for human use or occupancy.

Eligibility criteria

- 18 All displaced persons or Project Affected Persons (PAPs)¹⁰ are eligible for certain types of mitigation measures. They may be classified as:
 - a. Persons with formal legal rights to land or assets (including customary and traditional rights recognised under national laws);
 - b. Persons who do not have formal legal rights to land and/or assets, but who have claims to land or assets that are recognised or recognisable under national laws or customary and traditional rights;
 - c. Persons who occupy/use the land and/or assets but have no recognisable legal rights or claim to it/them.

Census, socioeconomic baseline and cut-off date

- 19 The promoter shall conduct a census and a socioeconomic baseline survey to identify all PAPs who will be physically or economically displaced and eligible for compensation and/or assistance.
- 20 The census shall cover the total population of PAPs and include an inventory of all losses (assets, business, access to natural or cultural resources or services, etc.). The census shall include seasonal resource users who are not present at the time of the census but who have a legitimate claim to the land.
- 21 The socioeconomic baseline survey shall include: (i) the current socioeconomic profile of the PAPs; (ii) an assessment of vulnerability and the need for special arrangements to be made; and (iii) degrees, types and nature of impacts. Data shall be disaggregated by gender and other relevant parameters. In addition, the socioeconomic baseline survey may require intra-household analyses in cases where the livelihoods of different members in a household (e.g. women and men) are affected differently.
- 22 In conjunction with the census, the promoter shall establish a cut-off date for eligibility. The cut-off shall be well documented and effectively disseminated throughout the project area.
- 23 The cut-off date will be valid: (i) for the period specified in national laws; or (ii) for the period specified in the resettlement planning documents; or (iii) for a reasonable time period from the

¹⁰ PAPs refer to all persons and/or communities impacted by the involuntary resettlement. The term includes all members of a household (women, men, girls, boys, including several generations in the case of extended households); the owner and employees of a business; members of an ethnic minority group; tenants; land owners and sharecroppers; informal settlers (i.e. lacking formal titles); holders of customary land rights; informal business-operators/vendors and their employees/assistants.

census or inventory date. After this period the census, socioeconomic baseline and resulting valuation need to be updated.

- 24 The promoter is not required to compensate or assist persons who encroach on the project area after the cut-off date (or its update in line with paragraph 23).

Valuation, compensation and livelihood restoration

- 25 Whenever feasible, the promoter shall offer all PAPs an informed choice of either compensation in kind (land-for-land; house-for-house; shop-for-shop) or monetary compensation at full replacement cost. The promoter shall respect the choice stated by the PAPs.
- 26 Where the PAPs' livelihood is land-based or the land is collectively owned, the promoter shall favour land-for-land compensation. If this option is not available, the promoter shall provide sufficient justification to the EIB as to why this option is not feasible, including justification that livelihoods are not affected by not replacing land.
- 27 All PAPs described in paragraph 18 shall receive compensation for the structures they own and occupy, and/or livelihood restoration measures, and/or other assistance/compensation in accordance with the next paragraphs.
- 28 PAPs under paragraph 18 (a) and (b) shall receive compensation for land. With respect to land, PAPs under paragraph 18 (c) shall receive, as a minimum, sufficient resettlement assistance for re-establishing, and possibly improving, their livelihoods and/or residence elsewhere.
- 29 In cases of physical displacement:
- a. Where alternative housing is offered, the new residence's value should be equal¹¹ to or higher than prior-project conditions, with equivalent or better characteristics, advantages and location. For PAPs under paragraph 18 (c), the promoter shall provide arrangements to allow them to obtain adequate housing and pursue security of tenure;
 - b. Where cash compensation is offered, the valuation of all affected assets shall be at the full replacement cost¹²;
 - c. Where tenants are being displaced, arrangements shall be put in place to help them secure alternative housing.
- 30 In cases of economic displacement:
- a. Replacement land shall be of equivalent or higher quality and situated as close as possible to the original location or to the current place of residence;
 - b. Where a community's commonly held resources are affected, measures shall be implemented to allow continued access to the affected resources or to provide access to equivalent resources, also taking cultural aspects associated with such common resources into consideration where relevant. When this is not possible, the promoter shall provide sufficient justification to the EIB as to why not and provide assistance to offset the loss of access to the lost resources or the lack of access to alternative sources. This could take the form of initiatives that enhance the productivity of the remaining resources to which the community has access and/or in-kind/cash compensation;
 - c. In the case of cash compensation for all affected assets (including crops, irrigation infrastructure and other improvements made to the land), the valuation shall be at full replacement cost;

¹¹ Provided it is not below minimum living standards

¹² Full replacement cost is defined as a method of valuation that provides sufficient compensation for replacing assets and transaction costs. Where functioning markets exist, the full replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, the full replacement cost can be determined through alternative means, such as the calculation of the output value for land or productive assets, or the undepreciated value of replacement material and labour for the construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in the loss of shelter, the full replacement cost must at least be sufficient to enable the purchase or construction of housing in a similar condition to the housing impacted by the project.

- d. In addition to compensation for lost assets, economically displaced persons whose livelihoods or income levels are adversely affected shall also be provided with targeted assistance and transitional support to at least restore their livelihoods. The transitional support can consist of cash, job opportunities, training, legal assistance or other forms of support. It shall be determined in consultation with the PAPs;
- e. In cases of commercial structures, the compensation of the affected business-owner shall also consider the cost of re-establishing commercial activities elsewhere, and the cost of transferring and reinstalling any equipment, as applicable. Affected employees shall receive assistance for temporary loss of wages and, if necessary, assistance in identifying alternative employment opportunities¹³.
- 31 As required, the promoter shall also provide resettlement assistance suited to the needs of each group of displaced persons, paying particular attention to vulnerable PAPs and/or groups. Resettlement assistance can consist of legal assistance, moving allowances, psychological and social counselling, or other forms of support. It shall be determined in consultation with the PAPs.
- 32 Replacement land/housing/business shall be provided prior to any displacement or access restrictions on land or natural resources.
- 33 In the case of cash compensation, the promoter shall make the payment before the actual resettlement takes place in order to allow PAPs to find a suitable replacement¹⁴. The promoter shall pay due attention to the local context and personal considerations in order to select, in accordance with the affected person, the most appropriate payment method (i.e. cheque, bank transfer, cash, etc.).
- 34 Where feasible, in-kind or cash compensation shall be issued in the name of both the head of the household and his/her partner.
- 35 In some cases, the use or restriction of access to land might occur only for a temporary period of time. In such cases, priority shall be given to vacant land and to voluntary land transactions from PAPs (such as renting or leasing). If temporary economic or physical resettlement is unavoidable, the promoter shall compensate PAPs either in-kind or in cash so that they can maintain their living standards and/or livelihoods during the period of land use restriction.
- 36 In cases where only part of the land or asset is acquired and the residual land is not residentially or economically viable, the promoter shall offer the option to acquire the full plot. If there is a dispute in relation to the residential or economic viability of the remaining plot of land, the promoter should engage an independent third-party valuator to assess it.
- 37 Any community facilities, utilities or public amenities impacted shall be replaced to provide a similar or better level of service. The replacement should be carried out based on consultation with the project-affected community and relevant government stakeholders.
- 38 When possible, the promoter, in cooperation with the relevant authority, shall also improve social and public infrastructure with the aim of contributing to the sustainable and inclusive socioeconomic development of the affected and host communities.
- 39 The promoter shall implement compensation and livelihood restoration measures without discriminating against persons and/or groups that are vulnerable, marginalised, discriminated against or excluded on the basis of their socioeconomic characteristics.¹⁵

¹³This will also consider state assistance that employees can benefit from, such as employment subsidies or other forms of support.

¹⁴ Where repeated efforts to contact absentee owners have failed, where project-affected persons have rejected fair compensation offers, or where competing claims to ownership of lands or assets are subject to lengthy legal proceedings, the promoter may, with prior agreement of the Bank, deposit the relevant compensation funds in an interest-bearing escrow account or similar and proceed with the project activities. The promoter will immediately make compensation available to the eligible persons upon resolution of these issues.

¹⁵ Such characteristics include, but are not limited to, sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, property, nationality, language, marital or family status, medical condition, or migrant or economic status.

Relocation sites

- 40 In cases where relocation sites shall be provided, the promoter shall consult the PAPs, both women and men, on the choice of sites and, as far as possible, offer choices among sites.
- 41 As a minimum, relocation sites need to fulfil the following conditions:
 - a. They are not situated on polluted land or in immediate proximity to pollution sources that threaten the mental and physical health of the inhabitants;
 - b. They are not located in zones prone to or identified as potentially subject to natural disasters;
 - c. They ensure security of tenure with no threat of eviction;
 - d. They are not on land used by communities which have been displaced as a result of violence or conflict;
 - e. They are considered culturally appropriate by both the affected and the host communities;
 - f. They are available and have the capacity to absorb the influx of resettled persons at acceptable density levels, namely in terms of:
 - Availability of services, facilities and infrastructure (such as health and education);
 - Opportunities for local employment, availability of natural resources, and food and water security.
 - g. They include measures to mitigate the impact on the host communities, including adequate upgrades to public facilities if warranted, and consultations with host communities and local governments.
- 42 Relocation sites are considered an integral part of a project and their development therefore needs to be carried out in compliance with all EIB Environmental and Social Standards, as relevant.

Stakeholder engagement and disclosure

- 43 The promoter shall identify and meaningfully engage in a transparent manner with all PAPs, both men and women, host communities and other relevant stakeholders regularly throughout resettlement planning, implementation, monitoring and evaluation. In that respect, the promoter shall comply with the requirements for stakeholder engagement and disclosure of information outlined in Standard 2, and document the process.
- 44 The promoter shall inform PAPs about their options and rights pertaining to resettlement. The promoter shall disclose all relevant information (including planning documents referred to in paragraph 56) in a timely and context-specific manner, in an accessible place, in a form and language(s) understandable to all PAPs. Special attention should be taken in cases of illiteracy or where education differs according to age, gender or economic status. Compensation and resettlement understandings reached by the Promoter with affected parties should be reflected in written agreements.
- 45 In accordance with Standard 7, the promoter shall pay special attention to vulnerable groups that might be disproportionately affected by the resettlement process and apply special provisions to consultations that involve Indigenous Peoples. In the cases required by Standard 7, the promoter shall obtain Free, Prior and Informed Consent (FPIC).

Grievance mechanism

- 46 The promoter shall establish a grievance mechanism consistent with the requirements set out in Standard 2 as early as possible. The mechanism shall be socially appropriate and readily accessible, regardless of gender or any other socioeconomic characteristics.

- 47 The mechanism shall promptly address concerns and grievances related to the involuntary resettlement process (such as entitlements, access to information, compensation or relocation) raised by PAPs, host communities or others. Additionally, the mechanism shall include a recourse procedure to resolve any disputes in an impartial manner. The mechanism should not impede access to the country's judicial or administrative remedies.

Evictions

- 48 Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, lands and/or common property resources (either legally owned or informally occupied) without the provision of, and access to, appropriate forms of legal and other protection, or adherence to the basic requirements defined in this Standard.
- 49 Forced evictions constitute a gross violation of human rights¹⁶ and are not tolerated by the EIB.
- 50 Eviction can be carried out in exceptional circumstances when in full compliance with: (i) the provisions of international human rights instruments¹⁷; and (ii) national law. In such cases, the promoter shall ensure that:
- The rights to information and to meaningful consultation and participation are respected at all stages of the process;
 - Legal and other remedies are available at all times;
 - Evictions do not result in homelessness;
 - Adequate compensation is provided before the eviction takes place.
- 51 The promoter shall inform the EIB before any eviction takes place. This shall be accompanied by a documented statement that the above conditions have been and are being met.

Vulnerable groups and gender dimensions

- 52 During the resettlement consultation, planning and implementation process, the promoter shall give special consideration to individuals and groups that are vulnerable, marginalised, systematically discriminated against or excluded on the basis of their socioeconomic characteristics. The vulnerability assessment shall be context-specific and performed in line with Standard 7.
- 53 The promoter shall pay attention to the specific gender dimensions of involuntary resettlement, especially regarding stakeholder engagement, the census, valuations, payment of compensation and livelihood restoration. The promoter shall put in place specific measures as necessary so that women's perspectives and interests are considered in all aspects of resettlement planning and implementation. The promoter shall consider feasible measures for women to gain security of tenure and receive cash or in-kind compensation on equal terms as men.
- 54 Where Indigenous Peoples may potentially be physically or economically displaced, avoidance and minimisation of impacts shall be given priority and the promoter shall demonstrate best efforts have been applied to exploring alternative project designs to avoid or minimise impacts to Indigenous Peoples. If avoidance is impossible, the resettlement planning documents shall be devised in coordination with, or as part of the Indigenous Peoples plan as defined in Standard 7.

Planning requirements

- 55 When a project leads to involuntary resettlement, planning documents shall be prepared that are commensurate with the extent and degree of the impacts, the scope of the physical and

¹⁶ The EIB is guided by the UN Commission on Human Rights, Forced evictions, 10 March 1993, E/CN.4/RES/1993/77, available at: <https://www.refworld.org/docid/3b00f0c514.html> [accessed 4 March 2021]

¹⁷ Including the procedural protections against forced evictions as outlined in the UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 7: The right to adequate housing (Art.11.1): forced evictions, 20 May 1997, E/1998/22, available at: <https://www.refworld.org/docid/47a70799d.html> [accessed 4 March 2021]; and the UN Basic Principles and Guidelines for Development-based Evictions and Displacement. Available at: <https://www.ohchr.org/EN/Issues/Housing/Pages/ForcedEvictions.aspx> [accessed 4 March 2021].

economic displacement and the vulnerability of the affected persons. These documents aim to develop and implement measures to address and mitigate impacts on displaced persons in accordance with the present Standard. In order to do so, the planning documents shall compare the local legislation and the present Standard and detail how to bridge any gaps between the two.

- 56 The promoter is responsible for ensuring the preparation, implementation and monitoring of the relevant resettlement planning documents in compliance with this Standard. For this, appropriate funds and resources (including relevant resettlement expertise as needed) shall be allocated throughout the resettlement process.
- 57 To the extent possible, resettlement planning including measures for mitigating impacts shall be integrated in the overall ESIA process as per Standard 1.
- 58 Annexes 1a and 1b to the present Standard define the minimum requirements of the main planning resettlement documents, namely:
 - a. A resettlement framework, usually called a Resettlement Policy Framework (RPF), is required for projects whose exact design, footprint and associated impacts (locations and number of PAPs) have not been determined, or for programmes and plans where individual project components are still to be developed. Once the project design is specified and the necessary information about the project impacts is available, the framework document shall be further developed.
 - b. A resettlement plan, usually called a Resettlement Action Plan (RAP), is required for projects leading to significant physical displacement. The promoter shall develop an RAP covering, at a minimum, the applicable requirements of this Standard.
 - c. A Livelihood Restoration Plan (LRP) is required for projects leading to economic displacement (affecting livelihoods or income generation). The promoter shall develop an LRP in order to improve, or at least restore, livelihoods of affected persons. The LRP can be devised as a stand-alone document, or incorporated in the RAP in cases where the project leads to both physical and economic displacement.
- 59 Before the implementation of resettlement activities, the EIB, the promoter and any responsible entity involved in the resettlement activities shall formally agree on the content of the resettlement planning documents. The promoter shall make the agreed resettlement planning documents available to the public.
- 60 If the resettlement activities are already underway or finalised when the promoter applies to the EIB for finance, the EIB may ask the promoter to develop and implement a supplementary/corrective action plan if the resettlement planning documents and/or resettlement activities do not comply with the requirements of this Standard.

Entities responsible for the resettlement

- 61 The promoter might not be directly responsible for the preparation and implementation of the resettlement. Even if that is the case, the project shall comply with all requirements listed in this Standard and the promoter must ensure that those responsible for the involuntary resettlement related to the project follow this Standard.
- 62 Therefore, when land acquisition and/or resettlement involves the responsibility of third-party entities, the promoter shall:
 - a. Engage with the responsible entity as early as possible in order to inform it about any potential gaps between national law/practices and this Standard;
 - b. When allowed by the responsible entity, participate in and support the resettlement planning, implementation and monitoring;

- c. When national practices do not comply with this Standard, the promoter shall take responsibility for bridging these gaps in a manner that is acceptable to the responsible entity and to the EIB; and
- d. If possible, sign an agreement clearly defining each entity's roles and responsibilities in line with this Standard.

Monitoring and evaluation

- 63 The promoter shall set up a monitoring system (i.e. resources, staff, and procedures) commensurate to the scale of the resettlement and the risks involved. The promoter shall submit to the EIB monitoring reports as part of its reporting requirements, including information about grievances and how they are redressed. In the case of significant involuntary resettlement impacts, the promoter shall be required to engage an external party to conduct monitoring or a mid-term resettlement review/audit. Monitoring shall assess, amongst others, adequacy of entitlements and assistance to offset all losses and impacts.
- 64 The promoter shall present to the EIB an audit report upon completion of all resettlement activities as detailed in their respective plans. The report shall assess whether livelihoods and living standards have been improved or at least restored and, as necessary, shall propose corrective actions to meet objectives not yet achieved. Where resettlement impacts are significant, an external party shall carry out the evaluation.
- 65 The promoter shall put in place the supplementary actions identified and/or deemed necessary during resettlement monitoring and/or the final audit, in line with the provisions listed in this Standard.
- 66 The resettlement shall be considered complete when the adverse impacts of resettlement have been addressed in a manner consistent with this Standard.

ANNEX 1a: Resettlement Framework

A Resettlement Policy Framework (RPF) is a document providing guidelines for developing appropriate mitigation and compensation measures for resettlement-related impacts caused by projects whose exact design, footprint and impacts (locations and number of PAPs) have not been determined, or for programmes and plans where individual project components are still to be developed.

At a minimum, the Resettlement Framework shall:

- Provide a brief description of the project and components for which land acquisition and resettlement are required, and an explanation why a framework is being chosen over a defined resettlement plan;
- List the principles and objectives governing the resettlement preparation and implementation;
- Provide a description and schedule of the process for preparing and approving the resettlement plan (also in relation to sub-projects);
- If sub-projects are not yet defined, list the screening criteria to determine which sub-projects will need a resettlement plan, and the type of plans needed;
- Estimate, to the extent possible, the displacement impacts, including socio-cultural impacts, and the estimated number of PAPs by eligibility category;
- Provide eligibility criteria for defining various categories of displaced persons and the valuation methodology for compensation;
- Determine the organisational procedures for delivery of compensation and other types of resettlement assistance;
- Provide a description of the legal framework and propose how to fill the gaps between national law and EIB requirements should such gaps be identified;
- Identify the responsible entities for resettlement activities;
- Describe the implementation process and arrangements, highlighting the interaction between the resettlement implementation and the project's civil works and providing details on roles and responsibilities, particularly where third parties are involved;
- Describe the arrangements for funding the resettlement and estimate the costs;
- Describe the mechanisms for consultation with, and securing the participation of, displaced persons in the planning, implementation and monitoring phases;
- Describe the grievance redress mechanism; and
- Describe the arrangements for monitoring by the implementing agency and, if applicable, by third-party monitors.

ANNEX 1b: Resettlement Plan & Livelihood Restoration Plan

A Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP) are documents in which the promoter of a project or other responsible competent entity describes the impacts of involuntary resettlement, specifies the procedures that shall be followed to identify, evaluate and compensate the impacts and defines the actions to be undertaken during all phases of the resettlement and/or livelihood restoration process.

At a minimum, the Resettlement Plan shall:

- State the guiding principles and objectives of the resettlement;
- Describe the project alternatives considered in order to avoid resettlement;
- Describe the nature and magnitude of project impacts and identify all people to be displaced, paying special attention to vulnerable groups and gender perspectives and addressing socio-cultural impacts, particularly, but not only, where Indigenous Peoples are potentially affected;
- Carry out a census and socioeconomic survey to establish the number and socioeconomic characteristics of the people to be displaced, the livelihoods affected, the property to be compensated and the cut-off date for eligibility claims;
- Describe the legal framework expected to guide this plan's land acquisition (when applicable) and its compensation, conflict resolution and appeals procedures, including an analysis of applicable national legislation and any gaps with EIB requirements; propose how to fill the gaps between national law and EIB requirements should such gaps be identified;
- Establish the eligibility criteria and describe the entitlements for all categories of displaced people and the types of impacts suffered;
- Identify the project's stakeholders and describe how affected populations, including women, minorities and other vulnerable groups, have been and shall continue to be effectively consulted and how their views are taken into account;
- Include the methodology and description of the valuation of and compensation for lost assets and loss of livelihood and demonstrate that these rates are adequate, i.e. they are at least equal to the replacement cost of lost assets/income or meet minimum average wage thresholds;
- In cases where relocation sites are provided, explain the site selection, preparation and relocation process and how integration with host communities shall be ensured;
- Provide details, if applicable, on how to provide and/or maintain civic infrastructure and social services after displacement;
- Provide details of sustainable arrangements for improving or, at a minimum, restoring livelihoods through livelihood restoration programmes and further opportunities for economic development;
- Outline measures, including transitional support, to assist displaced persons, particularly vulnerable groups, throughout the resettlement process;
- Outline a grievance mechanism for the settlement of disputes arising from resettlement-related issues, while ensuring unrestricted access to this grievance mechanism and taking into account the availability of judicial recourse for all affected persons;
- Describe the implementation process and arrangements, highlighting the interaction between the resettlement implementation and the project's civil works and providing details on roles and responsibilities, particularly where third parties are involved;
- Present the implementation schedule and budgets (including the budget for non-physical support such as legal assistance); and
- Describe the monitoring and evaluation system.

Standard 7 – Vulnerable Groups, Indigenous Peoples and Gender

Introduction

- 1 Within the context of EIB projects, vulnerable or marginalised persons and groups are those that: (a) are usually exposed to several risks and adverse impacts at once; (b) are more sensitive to those risks and impacts, often having been subject to pre-existing discrimination; and (c) have a weaker adaptive capacity for coping with those risks and recovering from those impacts, due to limited access or rights to required assets and/or resources.¹ As a result, they can be disproportionately affected by project-related risks and impacts.
- 2 This Standard recognises that in some cases, certain individuals or groups are vulnerable, marginalised, systematically discriminated against or excluded on the basis of their socioeconomic characteristics. Such characteristics include, but are not limited to, sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, property, nationality, language, marital or family status, health status, or migrant or economic status.
- 3 These persons and groups are not inherently more vulnerable than others but due to discriminatory practices and norms, and therefore a less enabling environment, they often face additional barriers that limit their opportunity or ability to equally participate in decision-making related to the project and enjoy project benefits. Indigenous Peoples² and ethnic minorities in particular have identities and aspirations that are distinct from dominant groups in national societies and are often disadvantaged by traditional models of development. Moreover, gender-based discrimination affects all societies and cuts across all other types of discrimination, often exacerbating vulnerability, exclusion, and/or marginalisation.
- 4 Importantly, discrimination, entrenched social and gender roles and attitudes, gender-based violence and lack of access to decision-making can weaken the resilience of the aforementioned individuals and groups and render them disproportionately vulnerable to adverse project impacts.

Objectives

- 5 This Standard outlines the responsibilities of promoters in terms of assessing, managing and monitoring project impacts, risks, and opportunities related to Indigenous Peoples as well as persons or groups that are vulnerable, marginalised or discriminated against due to their socioeconomic characteristics mentioned in paragraph 2 of this Standard. It also calls for consideration of gender-differentiated impacts and risks of EIB projects.
- 6 The overall objective of this Standard is to address inequalities, including those that are gender-based, and other factors contributing to vulnerability, marginalisation and/or discrimination within the context of an EIB project, and to facilitate equitable access to effective mitigation and/or compensation measures as well as project benefits for project-affected individuals and groups.
- 7 In addition, the Standard aims to:
 - Ensure that projects respect the rights and interests of vulnerable, marginalised or discriminated-against persons and groups, and Indigenous Peoples, including the right to non-

¹ Including social, physical, financial, natural, human and cultural assets, technological resources, knowledge and governance.

² There is no universally accepted definition of Indigenous People. For the purposes of this Standard, the term is used in a generic sense to refer exclusively to a distinct and/or vulnerable sociocultural group possessing the characteristics defined in paragraph 10.

discrimination and the right to equal treatment between women, men, non-binary or gender non-conforming persons;

- Foster their effective participation in the design of project activities and mitigation and/or compensation measures that could potentially affect them by establishing and maintaining an ongoing constructive relationship between them and promoters throughout the EIB project cycle in line with Standard 2;
- Promote sustainable development gains and opportunities in a manner that is accessible, culturally appropriate and inclusive of vulnerable, marginalised or discriminated-against persons and groups, and Indigenous Peoples, and that enables them to benefit from the EIB-financed projects;
- Promote gender equality as a basic human right crucial for sustainable development, by ensuring that the gender specific impacts, vulnerabilities and barriers are considered and addressed in the EIB financed projects, and by promoting the equal ability to access and utilise the benefits and opportunities generated by EIB projects, regardless of sex or gender.

8 The additional objectives specific to projects affecting **Indigenous Peoples** only are to:

- Ensure that the projects foster full respect for their rights, identity, culture, and livelihoods;³
- Ensure that promoters carry out good faith negotiation with project-affected Indigenous Peoples and obtain their Free, Prior and Informed Consent (FPIC)⁴ when required by this Standard⁵; and
- Respect the rights of indigenous communities in voluntary isolation and adhere to the principle of no contact unless the contact is at the initiative of the peoples in isolation.

Scope

9 This Standard applies to a specific project when its relevance is determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1), and specifically:

- (a) whenever vulnerable, marginalised or discriminated-against persons and/or groups are affected by the project and /or
- (b) whenever Indigenous Peoples are present in, or have collective attachment to: (i) a proposed project area; or (ii) an area that will be negatively impacted by the project, regardless of whether Indigenous Peoples are positively or negatively affected by the project.

10 In this Standard, the term Indigenous Peoples is used in a generic sense to refer exclusively to a distinct⁶ and/or vulnerable⁷ sociocultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct ethnic or cultural group and recognition of this identity by others; and
- Collective attachment⁸ to geographically distinct habitats, ancestral lands, or areas of seasonal use or occupation, as well as to the natural resources in these areas and use thereof; and

³ In line with the International Labour Organisation's [Convention C169 - Indigenous and Tribal Peoples Convention, 1989 \(No. 169\) \(ilo.org\)](#) and [United Nations Declaration on the Rights of Indigenous Peoples | United Nations For Indigenous Peoples](#).

⁴ See the subsequent section on FPIC for a definition and specific requirements.

⁵ As per requirements laid out in paragraph 44.

⁶ 'Distinct' can indicate historical situations wherein there was a supplanting and subordination of one distinct group by another. In such cases, the groups will have little shared historical, linguistic and cultural roots, having developed in unrelated geographic areas.

⁷ Vulnerability for Indigenous Peoples is expressed as being subject to discrimination or marginalisation either historically or presently simply for being members of their group. In extreme cases, vulnerability may also be expressed as being at risk for imposed cultural assimilation or ethnocide (i.e. the terminal undermining of the group's way of life).

⁸ "Collective attachment" means that for generations there has been a physical presence and economic ties to land and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites.

- Customary cultural, economic, social or political institutions, laws or regulations that are distinct or separate from those of the dominant society or culture; and
 - A language or dialect, often different from the official language or languages of the country or region in which they reside.
- 11 In different countries, Indigenous Peoples may be referred to as, for example, “ethnic minorities,” “aboriginals,” “hill tribes,” “minority nationalities,” “scheduled tribes,” “tribal groups,” “and “historically underserved communities”, “traditional local communities.” Given this, an alternative terminology for the Indigenous Peoples may need to be used as appropriate to the national context of the project. Regardless of which terminology is used, the requirements of this Standard shall apply to all groups meeting the definition of Indigenous Peoples in paragraph 10.
- 12 This Standard shall also apply to communities or groups of Indigenous Peoples who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programmes, dispossession of their land, natural disasters, or incorporation of such territories into an urban area⁹. It shall also apply to Indigenous Peoples recognised nationally who do not necessarily possess the characteristics listed in paragraph 10. The requirements for projects affecting Indigenous Peoples are set out in paragraphs 30-59 of this Standard.

General Requirements

- 13 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the relevant national and EU legislation. All projects located in the rest of the world shall comply with the relevant national legislation and this Standard, which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant, as defined in the remaining sections of this Standard.¹⁰
- 14 Once the applicability of this Standard is determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1), the promoter shall take steps to ensure compliance with this Standard as early as possible in the project cycle and, in any case, no later than during the environmental and social impact assessment process.
- 15 The promoter shall take the necessary measures to identify and avoid potential project risks and impacts that would affect the lives and livelihoods of vulnerable, marginalised or discriminated-against persons and groups, and Indigenous Peoples; or when avoidance is not feasible, to reduce, minimise, mitigate or effectively compensate/remedy such impacts. To this end, the promoter shall, as relevant, seek to strengthen their adaptive capacity and give them equal opportunity to voice their opinions about proposed project activities and mitigation measures that might affect them¹¹, in line with the requirements set out in Standard 2 as well as this Standard.
- 16 The promoter shall adopt a gender-responsive approach to the identification, management, and monitoring of environmental and social impacts and risks that takes into account the rights and interests of women and girls, men and boys, and non-binary and gender non-conforming persons, including specific attention to the differential burdens, barriers and impacts that they might experience, including gender-based violence and harassment.¹²

⁹ In urban areas, the Standard does not apply to individuals or small groups migrating to urban areas in search of economic opportunity. It may apply, however where Indigenous Peoples have established distinct communities in or near urban areas but still possess the characteristics stated in paragraph 10.

¹⁰ In particular, in line with the spirit and principles of the [EU Charter of Fundamental Rights | European Commission \(europa.eu\)](#)

¹¹ Including any concerns about potential climate change impacts and how these might be exacerbated by the project.

¹² In line with the spirit and principles of [CETS 210 - Council of Europe Convention on preventing and combating violence against women and domestic violence \(coe.int\)](#) and [CEDAW 29th Session 30 June to 25 July 2003](#)

Specific Requirements

Requirements relating to vulnerable groups for projects located in EU, EFTA, Candidate and potential Candidate countries

- 17 As part of the EIA process, the promoter shall assess if there are any vulnerable groups of people who could be disproportionately affected by the project, or if the project is likely to affect human or community health or welfare.¹³ The aspects to consider may include but are not limited to minority rights, cultural identity and associations, social institutions, or community cohesion and identity. Any such impacts shall be managed and mitigated through appropriate mitigation and/or compensation measures, in line with the objectives of this Standard.
- 18 If the promoter or the EIB identifies the likelihood of disproportionate adverse impacts and risks¹⁴ affecting vulnerable, marginalised, and/or discriminated-against groups and individuals that may not be covered by the EIA process, the promoter shall supplement its assessment with any action identified and/or deemed necessary by the EIB, in line with the provisions listed in the remaining sections of this Standard.

Requirements relating to vulnerable groups for projects in the rest of the world

- 19 For projects in all other countries, the promoter shall need to comply with the requirements set out in paragraphs 19 to 29 of this Standard, as deemed appropriate by the EIB.
- 20 The promoter shall pay particular attention to critical situations where discrimination is systemic and entrenched, governance is poor and/or protection of the rights of vulnerable, marginalised or discriminated-against groups is weak, as may be the case in conflict-affected and fragile areas, and shall adopt appropriate measures to manage risks and adverse impacts on vulnerable, marginalised and/or discriminated-against groups.

Screening

- 21 The promoter shall identify as part of the environmental and social impact assessment process the likelihood of the project disproportionately impacting individuals and groups who might be vulnerable, marginalised, discriminated against or at risk of being excluded from the intended benefits of the project due to their socioeconomic characteristics mentioned in paragraph 2 of this Standard, including gender related. In particular, the promoter shall ascertain, with the support of qualified specialists as needed, potential project impacts on any groups with rights that require special protection.¹⁵
- 22 If as part of the screening the promoter determines that: (a) there are potential adverse impacts on vulnerable, marginalised and/or discriminated-against persons or groups; or (b) specific gender risks or discriminatory social norms are present; and (c) additional information is required on either of these, the promoter shall undertake a more in-depth social analysis.

Assessment and management of impacts and risks

- 23 Further assessment can be part of the ESIA report (in the case of identified persons and/or groups) if appropriate or be part of a separate social study (in the case of identified groups), such as a Social Impact Assessment or a Gender Assessment.
- 24 In cooperation with relevant stakeholders, including affected communities, the promoter shall¹⁶:
 - Assess the profile of the affected persons or groups with socioeconomic characteristics which contribute to vulnerability as per paragraph 2 of this Standard (hereafter these groups);

¹³ In line with [EIA_guidance_Scoping_final.pdf \(europa.eu\)](#)

¹⁴ Such as adverse impacts on ethnic minority groups, lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, children, women and girls or other individuals or groups in certain instances.

¹⁵ Such as ethnic minority groups, LGBTI persons, children, women and girls or other individuals or groups in certain instances.

¹⁶ Through a careful analysis of the legal framework and comprehensive collection of available baseline data, disaggregated by factors such as sex, ethnicity, age, etc.

- In the case of identified groups, assess the specific context, including legal and institutional parameters and cultural, social and gender norms, and nature of the marginalisation, discrimination, and/or exclusion suffered by the identified population;
- Identify and assess the type, scope, nature and significance of both positive and negative project impacts on these persons and/or groups, and how they may be disproportionately affected by them;
- Identify appropriate measures needed and present the evidence of efforts already made, if any, by the time of the assessment to avoid, minimise, mitigate or remedy negative impacts and, as appropriate, to reinforce positive effects, including identifying opportunities and actions to promote benefit-sharing arrangements for the affected communities, including these groups; and
- As required by the Bank, include new and/or additional differentiated measures targeting these persons and/or groups in the ESMP or other appropriate environmental and/or social management plans, so that risks and impacts do not fall disproportionately on them and they are able to take advantage of opportunities to benefit from the project.

Stakeholder engagement

- 25 Stakeholder engagement is essential, and shall be integrated by the promoter at each stage of project preparation and implementation in accordance with the requirements specified in Standard 2.
- 26 In terms of the engagement process, affected persons or groups identified as vulnerable, marginalised and/or discriminated against shall be given equal opportunity, through tailored and targeted approaches, to voice their opinions and concerns, which shall then be taken into account in project preparation and implementation, and the mitigation and/or compensation measures that could affect them. To this end, the promoter shall consider special efforts to overcome the barriers that prevent them from participating or accessing the project-level grievance mechanism, such as mobility, access to communication technology, literacy, language, etc., and ensure any engagement plan and/or activities take these constraints into account and mitigate them to the extent possible.
- 27 To ensure full and effective participation of affected vulnerable, marginalised, and/or discriminated-against individuals and groups in engagement processes, the promoter shall include the following elements in the meaningful consultation process:
- Representative bodies and organisations, such as civil society or community-based organisations, councils of elders or village councils, or chieftains, of the project-affected vulnerable, marginalised and/or discriminated-against persons or groups, and where appropriate other community members;
 - Gender-responsive consultation mechanisms ensuring that the concerns of women, men, non-binary or gender non-conforming persons are equally heard and responded to; and/or
 - Consultations in a “safe space” or through secure channels and communication modalities to offer protection against intimidation or retaliation.

Monitoring

- 28 The promoter shall ensure that the project’s monitoring system is gender-responsive and adjusted to effectively respond to the rights and interests of vulnerable, marginalised and/or discriminated-against persons and groups, and to safeguard them from instances of discrimination and unequal treatment. The monitoring system shall include relevant indicators disaggregated by sex, age, and/or other relevant socioeconomic characteristics as appropriate, to capture the specific characteristics of any such persons and/or groups in the project. The monitoring system shall track and document the implementation of the engagement processes with vulnerable, marginalised

and/or discriminated-against persons and groups, and the implementation of mitigation and remedial measures affecting them.

- 29 As part of its monitoring activities, the promoter is advised to engage with the vulnerable, marginalised and/or discriminated-against persons and groups, as well as relevant non-governmental organisations, civil society or community-based organisations, or other relevant locally based organisations and associations that represent, have particular knowledge about and/or work with these persons/groups.

Requirements for projects affecting Indigenous Peoples

- 30 For all projects, whether in the European Union or outside the European Union, where Indigenous Peoples are present in, or have a collective attachment to: (i) a proposed project area; or (ii) an area that will be negatively impacted by the project, regardless of whether Indigenous Peoples are positively or negatively affected by the project, the promoter shall support recognition of the rights of Indigenous Peoples by ensuring compliance with the relevant national legislation, and the requirements laid out in paragraphs 30 to 59 of this Standard.

Screening

- 31 The promoter shall report to the EIB from the very outset: (i) the confirmed or potential presence of Indigenous Peoples in the EIB project area, who meet the definition of Indigenous Peoples in paragraph 10; (ii) which groups of Indigenous Peoples are present; and (iii) the likelihood of the project's impacting the Indigenous Peoples' land and/or their access to natural resources, and/or their livelihoods. The promoter shall also record and report the presence of Indigenous Peoples that use land and natural resources by virtue of customary/informal rights.
- 32 The EIB reserves the right to determine on its own if the project may have a potential impact on Indigenous Peoples, their traditional ways of life, may threaten the natural resources they rely upon, or may lead to their displacement and to a substantial loss of distinct cultural heritage, both tangible and intangible.
- 33 The promoter shall seek inputs from appropriate specialists to meet the screening, assessment, consultation, planning or other requirements of this Standard. In determining whether a group or communities should be considered indigenous, the promoter shall seek the most reliable information and consult the pertinent Indigenous Peoples as to whether they meet the applicable criteria laid out in paragraph 10.
- 34 The nature and extent of identifiable vulnerabilities of affected Indigenous Peoples shall be a key variable in designing plans to mitigate adverse impacts and promote equitable access to benefits.

Assessment

- 35 Once the presence of Indigenous Peoples has been confirmed by the promoter and verified by the EIB, the promoter shall carry out an assessment of potential positive and negative impacts and risks relating to them.
- 36 Where a project is still in an initial design stage when the EIB financing is requested, the promoter shall undertake or commission a study by appropriate specialists to identify Indigenous Peoples, assess the potential project impacts on these groups and gather their views regarding the project. The scope of the assessment shall include cultural and physical impacts as well as impacts on biodiversity and the ecosystem services upon which the identified Indigenous Peoples depend (see Standard 4), land tenure and land use including in relation to collective customary tenure rights, their link to resources and territories and any project-related benefit-sharing arrangements. This assessment shall consider the specific vulnerabilities of project-affected Indigenous Peoples to changes in their environment and way of life. This independent study can be a standalone study, or if appropriate and if it can be adequately covered, be part of the ESIA report as defined in Standard 1, as acceptable to the EIB.

- 37 The promoter shall seek to avoid impacts on Indigenous Peoples' lands or natural resources, and present the options considered to avoid impacts in the assessment described in paragraph 36. Where the impacts cannot be avoided, the promoter shall implement the FPIC process as per paragraphs 43-49 of this Standard, and subject to the consent of the affected indigenous communities, and through close collaboration with them, prepare an Indigenous Peoples Development Plan (IPDP) as described in paragraphs 50 to 52. In some cases, such as when Indigenous Peoples live in mixed communities with non-indigenous people or when indigenous communities are not the only ones affected by the project¹⁷, preparing a broader integrated Community Development Plan (CDP) may be more appropriate, addressing all affected communities and integrating required information relating specifically to the affected Indigenous Peoples. In cases where the design or location of the project or subprojects cannot be known during project preparation, the preparation of an Indigenous Peoples Planning Framework (IPPF) may be appropriate.¹⁸
- 38 When there is a potential for projects to affect groups in voluntary isolation, the promoter shall undertake appropriate measures to recognise, respect and protect their land and territories, environment, health and culture, as well as measures to avoid all undesired contact with them as a consequence of the project. The aspects of the project that would result in such undesired contact shall no longer be further considered as part of the project financed by the EIB.
- 39 Where the project-related activities have already started, the promoter shall provide the EIB with all relevant information and documents, to demonstrate that it has sought and acted upon the opinions of project-affected Indigenous Peoples. If the requirements of this Standard have not been met, the promoter shall carry out or commission an independent assessment as outlined above. In addition, this assessment shall: (i) review the effects to date on the lands, natural resources, livelihoods and/or ways of life of Indigenous Peoples, or access to these; (ii) identify any gaps with the requirements of this Standard; and (iii) identify any remedial actions that may be required to ensure that the intended outcomes of this Standard are achieved. The Remedial Action Plan shall be provided to the EIB in a timely manner in order for the Bank to make a decision on whether the project can be financed.
- 40 The promoter shall engage with the affected Indigenous Peoples regarding the development of an IPDP, CDP, or IPPF, as early as possible in the process in order to allow for a meaningful consultation with them. The promoter shall publicly disclose the final draft of the plan to the project-affected Indigenous Peoples' communities in an appropriate form, manner and language. Once adopted and agreed upon by the affected Indigenous Peoples, the promoter shall make these documents available to them in the same manner as the earlier final draft documents. The promoter shall report on the timely disclosure and progress of the implementation of the IPDP or other appropriate plans to the Bank.

Meaningful consultation

- 41 To build trust with Indigenous Peoples and to allow for their views to be effectively integrated in the project, the promoter shall engage with them as early as possible and throughout the project cycle in compliance with preceding paragraphs and in line with the requirements specified in Standard 2.
- 42 In addition to the general requirements for meaningful consultation, this process with Indigenous Peoples shall include the following specific elements:

¹⁷ Also in cases where there is more than one group of Indigenous Peoples, or where the scope of a regional or national project affects other population groups.

¹⁸ This Framework should specify the timing for completion of any specific plans and include a clear statement of roles and responsibilities, budget, and commitment for funding.

- The involvement of legitimate Indigenous Peoples' traditional authorities, representative bodies, Indigenous Peoples' organisations as well as members of the affected communities of Indigenous Peoples;
- Due consideration of and respect for any relevant customary laws;
- Sufficient time for Indigenous Peoples' collective decision-making processes;¹⁹
- Obtaining the FPIC of Indigenous Peoples regarding the proposed activities, in accordance with the requirements of this Standard.

Free, Prior and Informed Consent (FPIC)

43 For the purpose of this Standard, FPIC refers to the iterative process whereby the affected community of Indigenous Peoples arrives at an agreement reached within sufficient time and in accordance with their cultural traditions and practices. Specifically:

- *Free* should imply no coercion, intimidation or manipulation;
- *Prior* should imply consent has been sought sufficiently in advance of any authorisation or commencement of activities and that the time requirements of indigenous consultation processes have been respected;
- *Informed* should imply that information is provided that covers (at least) the following aspects: (a) the nature, size, pace, reversibility and scope of any proposed project or activity; (b) the reason/s or purpose of the project and/or activity; (c) the duration of the project or activity; (d) the locality of areas that will be affected; (e) a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risk- and benefit-sharing in a context that respects the precautionary principle; (f) the personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees and others); and (g) procedures that the project may entail; and
- *Consent* shall be understood as the collective support of the community of Indigenous Peoples for the project activities that affect them.

44 The FPIC process is required where a project:

- Affects the lands, territories or resources²⁰ that Indigenous Peoples customarily own, occupy or otherwise use; or
- Relocates them from land and natural resources subject to traditional ownership or under customary use or occupation; or
- Affects or exploits their cultural resources²¹, whether tangible or intangible, or their ways of life.

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

46 When FPIC is required, the promoter will engage qualified specialists²² to assist in conducting and documenting the good-faith negotiations and FPIC process. The FPIC process shall be the result of

¹⁹ Acknowledging that Indigenous Peoples are not homogenous and that community members may have differing views on the project. The consultation process should therefore accommodate such dynamics and allow sufficient time for Indigenous Peoples to reach conclusions that are considered legitimate by most of their members concerned.

²⁰ Including but not limited to marine and terrestrial resources.

²¹ Cultural resources include cultural heritage, traditional knowledge and traditional cultural expressions, intellectual, religious and spiritual property, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts.

²² Indigenous Peoples Organisations (IPOs) can frequently serve as an objective FPIC facilitator trusted by all parties.

a meaningful consultation processes as defined in paragraphs 41-42 of this Standard, and shall be established through good faith negotiations between the promoter and the affected Indigenous Peoples. The promoter shall help build the capacity of Indigenous Peoples as appropriate to allow for their active and effective participation in the FPIC-required activities.

- 47 FPIC is expected to be fully documented as a mutually accepted process between the parties, carrying evidence of agreement between them as the outcome of the negotiations and clearly outlining benefit- and risk-sharing provisions. The EIB is not prescriptive on what constitutes consent and does not require that FPIC achieve unanimity. Instead, it requires that satisfactorily documented evidence of the participation of the whole body of an affected indigenous community in the FPIC process be provided.
- 48 Specifically, the promoter shall:
- Fully document the mutually agreed-upon process between the promoter and the project-affected Indigenous Peoples as to how the FPIC process will be carried out²³; and
 - Provide suitably documented evidence of agreement between the promoter and the affected indigenous community as to the outcome of the negotiations, accompanied by an appropriate IPDP including all accompanying mitigating measures and benefit-sharing agreements.
- 49 In the application of FPIC, the promoter shall pay particular attention to the representativeness and legitimacy underpinning the process with the objective of reaching a collective decision. The promoter shall also consider the following factors:
- The capacity of the communities concerned to negotiate on an equal basis; the need to assist the affected Indigenous Peoples in gaining access to technical assistance and/or legal advice as regards their rights under national and international law;
 - The verification of freedom from coercion or intimidation and the cultural appropriateness of the engagement over an adequate period of time that allows for such engagement to be meaningful; and
 - Whether the information is provided to the communities in a culturally appropriate format and in a timely manner.

Compensation and benefit-sharing

- 50 In agreement with the affected indigenous community, the promoter shall compensate the Indigenous Peoples for any loss of livelihood incurred as a result of project-related activities. When calculating compensation, the promoter shall meet the requirements of Standard 6 and take into consideration the adverse effects of the project on traditional ways of life and livelihoods, including nomadic/transhumant practices, as well as the family life of Indigenous Peoples with specific consideration of women's wages and non-wage subsistence activities.
- 51 The promoter shall further provide affected communities with opportunities for culturally appropriate development benefits. Such opportunities should be commensurate with the degree of project impacts, with the aim of improving their standard of living and livelihoods in an appropriate manner and of fostering the long-term sustainability of the natural resources on which they may depend.
- 52 The promoter shall detail the actions referred to above in a time-bound plan, such as an IPDP or equivalent (see paragraph 37). This plan shall be developed in close consultation with and with the participation of affected Indigenous Peoples. The plan shall assess differentiated impacts with respect to gender and different generations, as well as different groups of Indigenous Peoples if applicable, and shall include actions to address these impacts on the different groups of the community.

²³ FPIC does not require unanimity and may be achieved even when individuals or groups within or among project-affected Indigenous peoples explicitly disagree.

Cooperation with public authorities

- 53 In those cases where the FPIC process is required and the competent authority has issued a decision approving the project or granted a land concession for the project, the promoter shall verify and the EIB shall determine whether the authority has followed an FPIC process in compliance with this Standard. Specifically, the promoter shall report on the nature of the FPIC process implemented and the level of consent given to the project activities by the Indigenous Peoples concerned, based on which the EIB will assess the adequacy and compliance of the proposed mitigation measures and benefit-sharing arrangements with the requirements of this Standard. If the relevant authority has not undertaken due FPIC process, the promoter shall engage with the community in order to seek their views and informed consent, with the support of qualified specialists.
- 54 Where the government has a defined role in the management of risks and impacts on Indigenous Peoples in relation to the project, the promoter shall collaborate with the responsible government agency, to the extent that is feasible and permitted by the agency, to achieve outcomes that are consistent with the objectives of this Standard.

Grievance mechanism

- 55 The promoter shall establish a culturally appropriate and accessible grievance mechanism for the entire project, as described in Standard 2.
- 56 In the case of projects affecting Indigenous Peoples, such grievance mechanism shall take into account the availability and acceptability of judicial recourse and customary dispute settlement mechanisms for the affected indigenous community.
- 57 During project implementation, the promoter shall immediately notify the EIB should there be any conflicts between Indigenous Peoples and the promoter that remain unresolved despite having gone through the project grievance mechanism.

Monitoring

- 58 The promoter shall ensure that the project's monitoring system is adjusted to effectively respond to the rights and interests of Indigenous Peoples, and to safeguard them from instances of discrimination and unequal treatment. The system shall track and document the implementation of the engagement processes with them, and the implementation of IPDP or any other project activities and/or mitigation and remedial measures affecting them.
- 59 As part of its monitoring activities, the promoter is advised to engage with the affected Indigenous Peoples, as well as relevant non-governmental organisations, civil society or community-based organisations, or other relevant locally based organisations and associations that represent, have particular knowledge about and/or work with the Indigenous Peoples.

Standard 8 – Labour Rights

Introduction

- 1 The workforce is a fundamental asset for any operation. Sound management of human resources and labour relations is key for sustainable business practices, employment creation and inclusive economic growth. The development of fair, safe and healthy working conditions based on respect for workers' rights fosters efficiency and productivity. In contrast, failure to create and maintain a sound employment relationship can undermine workforce commitment and effective project implementation.

Objectives

- 2 This Standard outlines the promoter's responsibilities with regard to the assessment, management and monitoring of labour-related impacts and risks associated with projects. It recognises workers and employers as both rights-holders and duty-bearers.
- 3 The Standard specifies the requirements in alignment with the rights and principles of the Fundamental Conventions of the International Labour Organisation (ILO)¹ and the European Pillar of Social Rights². The objective of this Standard is to set out minimum requirements that the project's policies and procedures shall address, including:
 - Ensuring the fair treatment, non-discrimination and equal treatment and opportunity of workers, especially vulnerable workers facing particular risks due to context-specific socioeconomic characteristics³;
 - Zero tolerance for the use of forced labour⁴ and child labour⁵;
 - Respecting the principles of freedom of association and collective bargaining;
 - Protecting and promoting safety and health at work;
 - Promoting a sound worker-management relationship⁶;
 - Ensuring that accessible and effective means to raise and address workplace concerns are available to workers.

Scope

- 4 This Standard applies to all projects and the specific requirements that need to be addressed, including to achieve consistency with the "Minimum Safeguards" (MS) principles⁷, are determined during the environmental impact assessment/ environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1)⁸. The scope of application depends on the type of contractual relationship between the promoter and workers. The promoter and third parties

¹ More information in <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm>.

² https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en.

³ Including, but not limited to, sex, sexual orientation, gender, gender identity, ethnicity, caste, indigenous or social origin, age, disability, religion or belief, political or any other opinion, activism, affiliation to a union or any other form of workers' organisation, nationality, language, marital or family status, medical condition, or migrant, minority or economic status. The vulnerability of workers is related, among other issues, to their level of legal protection, bargaining position and their isolation.

⁴ Forced or compulsory labour refers to work that is performed under the menace or threat of penalty and for which the person has not offered himself or herself voluntarily. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.

<https://www.ilo.org/global/topics/forced-labour/definition/lang-en/index.htm>.

⁵ Child labour refers to the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition, any labour that is performed by a person who has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies a higher age for compulsory school attendance or a higher minimum age for working; in such cases, the higher age will be applied for defining harmful child labour.

⁶ See as reference ILO Recommendation 198 and the accompanying guides. https://www.ilo.org/global/publications/books/WCMS_209280/lang-en/index.htm.

⁷ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

⁸ During the EIA/ESIA process and depending on the significance of the potential issues in the project relating to labour rights, the views of representative workers' and employers organizations may be sought.

shall refrain from entering into employment relationships having the effect of circumventing national labour law requirements.

- 5 This Standard applies to project workers including full-time, part-time, temporary, seasonal and migrant workers. Throughout this Standard, the term “project worker” is used to refer to:
 - People employed or engaged directly by the promoter (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers);
 - People employed or engaged through third parties to perform work related to core functions of the project⁹, regardless of location (third-party workers)¹⁰.
- 6 This Standard also sets out specific requirements vis-à-vis people employed or engaged by the promoter’s primary suppliers (supply chain workers). Supply chain-related labour requirements are addressed in paragraphs 56 to 59 of this Standard.¹¹

General requirements

- 7 All projects located in EU and EFTA countries shall comply with applicable national and EU legislation¹² and the principles enriched in the Treaties and related EU labour and employment policies¹³, as well as with any obligations deriving from the applicable international conventions and multilateral agreements signed and ratified by the host country¹⁴.
- 8 All projects located in Candidate and potential Candidate countries and in the rest of the world shall comply with applicable national labour and employment legislation and this standard which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant regarding labour rights. In addition, projects shall as well comply with any obligations deriving from the relevant international conventions and multilateral agreements signed and ratified by the host country or otherwise applicable in the host country¹⁵.

Specific requirements

Projects located in EU and EFTA countries

- 9 The promoter shall pay special attention to identifying the likelihood of risks of child labour, forced labour, discrimination and unequal treatment towards migrant or non-national workers, discrimination and/or restrictions to freedom of association or other risks of violations of fundamental labour rights, due to the country context, sector, contractor or supply chain.
- 10 Regarding supply chain workers, the promoter shall apply the requirements of paragraphs 56 to 59 of this Standard.
- 11 When requested, the promoter shall provide the Bank with the relevant human resources policies and management systems or procedures, as well as relevant labour reports by the national labour inspectorate or, if available, by the European Labour Authority, to assess compliance with the

⁹ ‘Core functions’ of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

¹⁰ Third parties may include contractors, subcontractors, brokers, agents or intermediaries. They do not include suppliers.

¹¹ Primary suppliers are those suppliers who provide directly to the project goods or materials essential for the core functions of the project.

¹² In particular [EU Directives 2000/78/EC of 27 November 2000](#) establishing a general framework for equal treatment in employment and occupation (OJ 2000 L 303, p. 16) and [Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation](#) (OJ L 204, 26.7.2006, p. 23).

¹³ Particularly the relevant provisions of the Charter of Fundamental Rights of the European Union <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012P/TXT> and the European Pillar of Social Rights https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights_en.

¹⁴ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ILO Conventions, including, but not limited to: ILO Conventions 29 and 105 (Forced and bonded labour), 87 (Freedom of association), 98 (Right to collective bargaining), 100 and 111 (Discrimination), 138 (Minimum age) 158 (Termination of Employment) 182 (Worst forms of child labour) C190 (Violence and harassment & accompanying recommendation R206); UN Convention on the Rights of Persons with Disabilities <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html>. International Convention on the Elimination of all Forms of Racial Discrimination <https://www.ohchr.org/en/professionalinterest/pages/cerd.aspx>. Convention on the Elimination of All Forms of Discrimination against Women <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CMW.aspx>.

¹⁵ See footnote 12 above.

relevant legislation. The promoter may be required to supplement its assessment and policies and procedures, in line with EU legislation and the provisions listed in this Standard.

Projects located in Candidate and potential Candidate countries and the rest of the world

- 12 In addition to the requirements specified in paragraph 8 above, the promoter shall comply with the requirements of paragraphs 13 to 61.

Management of working relationships

- 13 The promoter shall develop and/or maintain written labour management policies and procedures that are commensurate to its size and workforce and applicable to the project. These shall be communicated in a culturally appropriate manner to the project workers.
- 14 These labour management policies and procedures cover such aspects as working time, working conditions (including health and safety, as well as privacy standards for company-provided facilities), hiring and promotion practices, terms of employment including benefits, entitlement to and payment of wages¹⁶, maternity protection, protection against violence and harassment, capacity building and skills development, non-discrimination and equal opportunity practices, grievance resolution, disciplinary procedures and dismissals.
- 15 The labour management policies and procedures shall also describe how the promoter plans to comply with the requirements deriving from national labour and employment law, applicable collective agreements and the requirements of this Standard.
- 16 Project workers shall not be employed informally and they shall all have valid written employment contracts. The employment contracts shall set out working conditions and terms of employment including entitlement to wages, working hours, overtime arrangements and overtime compensation, and any benefits (such as leave for illness, maternity/paternity or holiday). Any material changes to the terms and conditions of employment shall be communicated to the project workers in a culturally appropriate manner.
- 17 Where civil servants are working in connection with the project, whether full-time or part-time, they remain subject to the terms and conditions of their existing public sector employment agreements, unless there has been an effective legal transfer of their employment or engagement to the project.
- 18 The promoter shall keep updated employment records whilst ensuring project workers' rights to privacy and data protection.

Terms and conditions of employment

- 19 The employment conditions of project workers (including wages, benefits, and working hours) shall not be less favourable than for the equivalent type of work in the relevant country/region of the operation and industry. The promoter shall ensure that wages paid are fair and in accordance with minimum thresholds under national legislation.
- 20 The promoter shall comply with collective bargaining agreements undertaken with workers' organisations and will promote fair working conditions.
- 21 The promoter shall ensure that project workers are paid on a regular basis as required by national law and labour management procedures.
- 22 Working hours, including breaks and rest periods, shall comply with national legislation and any collective agreements.

¹⁶ This should include overtime arrangements and compensation.

- 23 Where accommodation services¹⁷ are provided to project workers, these shall be consistent with provisions set out in Standard 9.

Child labour

- 24 In line with the ILO Minimum Age Convention No.138 and the Worst Forms of Child Labour Convention No.182¹⁸, the promoter shall not employ, use or benefit from child labour. The promoter shall comply with the minimum age requirements defined under the aforementioned ILO unless the national standards are more stringent.
- 25 Children over the minimum age and under the age of 18 may be employed or engaged in connection with the project subject to an appropriate risk assessment prior to the work commencing and the regular monitoring of health, working conditions and working hours. Children shall not be employed informally, even when this is socially or culturally acceptable practice in the sector, country or region.
- 26 If the practice of child labour is identified among the project workers (including all kinds of third-party workers), the promoter shall take immediate steps to correct and remedy them. The promoter shall also report to the EIB about such practices and the remedial measures taken.
- 27 The promoter shall require its contractors to apply the same standards and practices with respect to child labour.

Forced labour

- 28 The promoter shall not employ forced or compulsory labour and shall ensure such labour does not take place in relation to the project, by its contractors and suppliers^{19 20}. Forced labour covers any kind of involuntary or compulsory labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements as well as human trafficking²¹. The promoter shall provide special attention to identifying which project workers might be at greater risk of trafficking due to certain socioeconomic characteristics such as age, disability, ethnicity and/or gender.
- 29 Taking into account security considerations and the nature of the work, the promoter shall avoid any unnecessary restriction of the freedom of movement of its labour force during the course of their employment. Furthermore, the promoter shall not engage in or tolerate any form of corporal punishment, mental or physical coercion, or abuse of personnel.
- 30 If the practice of forced labour is identified among the project workers (including all kinds of third-party workers), the promoter shall take immediate steps to terminate the practice, offer conditions of work that are not coercive and refer the case to the competent law enforcement authorities. The promoter shall also report to the EIB about such practices and the remedial measures taken.

Migrant workers

- 31 The promoter shall identify the employment of migrant project workers and shall ensure their treatment is not less favourable than that of non-migrant project workers undertaking similar

¹⁷ These services can be provided either by the promoter directly, or by third parties.

¹⁸ Useful indications for the promoter may be found here http://www.ilo.org/public/libdoc/ilo/2008/108B09_260_engl.pdf, pp.27-30.

¹⁹ Article 2 of the ILO [Protocol P029 - Protocol of 2014 to the Forced Labour Convention, 1930 \(ilo.org\)](https://www.ilo.org/public/libdoc/ilo/2014/108B09_260_engl.pdf) includes measures to prevent forced or compulsory labour.

²⁰ Specific requirements applicable to third party workers and supply chain workers are in paragraphs 52 to 59.

²¹ The "Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime defines Trafficking in Persons as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation will include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs (article 3, paragraph (a)). <https://www.ohchr.org/en/professionalinterest/pages/protocoltraffickinginpersons.aspx>.

functions²². This includes equal remuneration and the enjoyment of the same rights, equal opportunities and equal treatment.

- 32 The promoter shall not tolerate any physical or psychological coercion of migrant workers, including unnecessary restrictions on their movement or the retention of workers' identity documents, such as passports, or personal belongings. The promoter shall make best efforts to ensure that the project's primary suppliers uphold the same principles.

Non-discrimination and equality of opportunity and treatment

- 33 The labour management policies and procedures shall be non-discriminatory and shall observe equal opportunities. Employment-related decisions shall be based on professional skills and competencies. The treatment of project workers must be fair and equal in all its aspects, including equal pay for equal value, recruitment, promotion, termination of employment and disciplinary practices.
- 34 Decisions relating to the employment or treatment of project workers shall not be made on the basis of personal or socioeconomic characteristics²³, which are unrelated to inherent job requirements. The promoter shall ensure that sex, sexual orientation, gender or gender identity, caste, racial, ethnic, social or indigenous origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, nationality, marital or family status, health status, or migrant, minority or economic status, do not impair equality of opportunity or treatment in employment or occupation, including access to vocational training. The promoter shall take the necessary measures to create an enabling environment and ensure equal access to opportunities.
- 35 The labour management policies and procedures shall set out measures to prevent and address gender discrimination. The promoter shall ensure that human resources and career progression decisions are not affected by gender and/or the reproductive role of women²⁴.
- 36 The promoter shall put in place measures, including workplace policies and an appropriate mechanism, to effectively prevent and address any form of violence and harassment, bullying, intimidation, and exploitation, including any form of gender-based violence and harassment at project level²⁵.

Workers' organisations

- 37 In line with the ILO Convention 87 on Freedom of Association and Protection of the Right to Organise and the ILO Convention 98 on Right to Organise and Collective Bargaining, the promoter shall inform the project workers that they have the right to form or join the workers' organisations of their choosing, elect workers' representatives, , or engage in collective bargaining.
- 38 The promoter shall engage with project workers in good faith, individually and/or through their associations, and provide them with the timely and adequate information needed for meaningful negotiation. The promoter shall improve working conditions through the establishment of consultative forms of worker participation with management on matters of mutual concern, without prejudice to bargaining of working conditions.
- 39 In countries where national law recognises workers' rights to form and to join workers' organisations of their choosing without interference and to bargain collectively, the promoter

²² Consistent with the 1990 UN Convention on the Protection of the Rights of all Migrant Workers and Members of their Families <https://www.ohchr.org/en/professionalinterest/pages/cmw.aspx>.

²³ As defined in Standard 7.

²⁴ Discrimination on grounds of maternity include dismissals for pregnancy and nursing, failure to grant time for nursing, withholding of pre- and postnatal benefits, denial of promotion, and refusal to allow workers to return to posts occupied before maternity leave.

²⁵ In line with the principles of the ILO [Convention C190 - Violence and Harassment Convention, 2019 \(No. 190\)](#) and accompanying recommendation R206.

shall comply with national law. Where national law substantially restricts workers' organizations, the promoter shall not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment; nor shall it discriminate or retaliate against project workers who seek to do so. The promoter shall not seek to control such mechanisms or adversely influence their establishment and function through financial or other means.

Collective dismissals

- 40 When considering any potential collective dismissal²⁶ in connection with the project, the promoter shall carry out an analysis of alternatives to the planned workforce reduction. In the event where a collective dismissal is the only viable option, the promoter shall develop and implement a collective dismissal plan to assess, reduce and mitigate the adverse impacts on the workers. This plan shall be developed in compliance with national law requirements and any pre-existing collective agreements, if any. The promoter shall send the collective dismissal plan to the EIB for review, before it is approved.
- 41 Consultation with project workers, including both men and women, their organisations, the government and any relevant public authority, where required, shall be carried out to mitigate the effects of such decisions. The outcome of the consultations is reflected in the final plan.
- 42 Based on the principles of non-discrimination and equal opportunity and treatment, the promoter shall set criteria for dismissals that are fair and objective and applied in a consistent manner. When available, the promoter shall apply the criteria specified in national legislation or set in the collective agreements or codes of good practice. In any case, the promoter shall use transparent, fair, objective and measurable criteria, such as length of service, qualifications, performance records and disciplinary records.
- 43 The dismissal of a project worker shall generally be preceded by an adequate notice period and timely payments of all due sums in accordance with national law.

Grievance mechanism

- 44 The promoter shall set up an effective, culturally appropriate and gender-responsive grievance mechanism for project workers (and their organisations, where they exist) to raise reasonable workplace concerns. The promoter shall inform project workers of the grievance mechanism at the time of hire and make it easily accessible to them. The mechanism shall address complaints in a timely and effective manner using a transparent process that allows project workers to raise concerns without fear of retribution. The mechanism shall include provisions for anonymous and confidential complaints, as well as special protection measures that may be required by project workers, such as in the case of sexual and/or psychological harassment, exploitation and abuse and any other form of gender-based violence or discrimination. The mechanism shall ensure workers' rights to be present and to participate directly in the proceedings and to be represented by a trade union or person of their choosing²⁷.
- 45 The grievance mechanism shall be proportionate to the nature and scale and the potential labour risks and impacts of the project.
- 46 Access to the grievance mechanism shall not replace or impede subsequent access to other redress mechanisms, such as arbitration procedures, or judicial, administrative or extrajudicial means of redress.

²⁶ The term collective dismissals, also known as collective redundancies or retrenchment, refers to the dismissal of workers for one or more reasons that do not essentially relate to the conduct, performance or capability of the workers. It therefore does not refer to the natural end of a contract (e.g. the term of a fixed-term contract). It can be caused by many factors such as efficiency gains, economic viability, privatisation, or closure of a workplace. Requirements vis-à-vis retrenchment are enshrined in EU Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies and ILO Convention No. 158 on the Termination of Employment.

²⁷ Please refer to Standard 2 includes additional information on the characteristics of a good grievance mechanism.

Assessment Requirements

- 47 For all projects financed by the EIB, the promoter shall establish the scope of application of this Standard as part of the EIA/ESIA process, as outlined in Standard 1. The promoter shall provide the EIB with satisfactory evidence²⁸ and information on its labour practices (and, when relevant, those of its contractors), both at the project appraisal stage and through regular monitoring, as per contractual obligations, and if and when requested.
- 48 Where labour-associated risks to the project have been identified and are significant, the promoter shall commission an independent Labour Assessment²⁹ or Labour Audit³⁰. The Bank may require that this Labour Assessment or Labour Audit be undertaken by a qualified labour specialist. The results of the Labour Assessment or Labour Audit shall be communicated to the EIB.
- 49 Based on the result of this Labour Assessment or Labour Audit, a corrective action plan with appropriate mitigation and remediation measures as well as monitoring requirements shall be put in place and implemented by the promoter and/or contractors, as relevant. The action plan shall be agreed with the EIB.
- 50 The promoter shall communicate the audit findings and action plan, where required, to the contractors and the workers.
- 51 The promoter shall follow up on the correct, timely and effective implementation of the corrective action plan and report to the Bank in a timely manner, as per contractual obligations.

Third-party workers

- 52 For project workers engaged through contractors or intermediaries, the promoter shall use reasonable efforts prior to contracting to: (i) ascertain that these contractors or intermediaries are lawfully operating enterprises; (ii) assess the capacity of the project contractors or intermediaries to assume their legal responsibilities with regard to employment and the implementation of the requirements of this Standard ; and (iii) through contractual clauses, require the project contractors or intermediaries³¹ to apply the requirements stated in paragraphs 7 to 51 and the requirements set out in Standard 9.
- 53 The promoter shall establish policies and procedures for managing and monitoring the performance of third parties in relation to contracted workers and the requirements of this Standard. These policies and procedures shall be commensurate to the size of the third-party workforce.
- 54 The promoter shall ensure that third-party workers also have access to an effective grievance mechanism that meets the requirements of this Standard. In cases where the contractor or the intermediaries do not provide a workers' grievance mechanism, the promoter shall make the grievance mechanism available to the third-party workers.
- 55 The promoter shall require contractors to regularly report about compliance with these standards. Appropriate monitoring procedures shall be put in place as specified in paragraph 60.

²⁸ This includes human resources policies and management systems as well any other document, including reports, collective dismissal plans or other factual evidence, that will allow the Bank to assess compliance.

²⁹ "Labour Assessment" refers to the review of, at a minimum, the promoter's human resources policies and management capacity to implement and monitor these, including for primary contractors and first-tier suppliers, as well as the relevant management systems and procedures. The assessment may be conducted where significant labour-associated risks are identified, and as part of the EIB's due diligence process.

³⁰ "Labour Audit" refers to a tool used to ensure and support the application of the labour standards and includes a thorough formal examination of the labour practices of a particular workplace or company, based on corroborated evidence. An audit is conducted as part of the monitoring process – during or after the project implementation – and aims to check these practices against a defined standard and may well extend to supply chains.

³¹ For projects outside the European Union, promoters are required to include an Environmental & Social covenant, as per the EIB Guide to Procurement, Paragraph 3.8.

Supply chain workers

- 56 The promoter shall make reasonable efforts to assess if there are labour risks associated with the primary suppliers of goods and materials essential to the core functions of the project. Where the promoter can influence its primary suppliers, the promoter shall aim to ensure that they apply the requirements of this Standard³². If the risk assessment identifies the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse at the primary supplier, or when risks are known or have been reported in lower tiers of the supply chain, the promoter shall resort to a primary supplier that can prove it is compliant with this Standard.
- 57 If the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse is identified in relation to an existing primary supplier or when risks are known or have been reported in lower tiers of the supply chain, the promoter shall engage with the relevant primary supplier to take the appropriate steps to remediate and eliminate such practices in a satisfactory and reasonably swift manner. In this process, the ability of the promoter to have the primary supplier address these risks depends on the promoter's level of influence and control over its primary suppliers.
- 58 On a regular basis as agreed with the EIB, the promoter shall report to the EIB on the progress made by the primary supplier in remediating or mitigating the above-mentioned risks. Where there are changes in the supply chain of the primary supplier, the promoter shall continue to monitor the primary supplier to identify any potential for new significant risks of child labour, forced labour and/or sexual exploitation or abuse.
- 59 Should the promoter not receive evidence of remediation, or when remedy proves to be impossible, the promoter shall resort, within a reasonably short timeframe agreed with the EIB in consideration of the existing contractual relations, to different primary suppliers that can prove they are compliant with the requirements set out in this Standard.

Monitoring requirements

- 60 The promoter shall conduct regular monitoring and reviews of the project's workforce, including contractors and subcontractors as well as primary suppliers, to be able to identify any labour risks or violation of labour standards with which the project may be involved and implement effective measures to address such risks and violations, setting priorities for taking action and evaluating the results.
- 61 The promoter shall report to the EIB about the results of the monitoring activity as part of its regular reporting requirements.

³² For projects outside the European Union, promoters are required to include an Environmental & Social covenant, as per the EIB Guide to Procurement, Paragraph 3.8.

Standard 9 – Health, Safety and Security

Introduction

- 1 The EIB recognises the need to safeguard the safety and health of workers, and to address rapid changes in the economy (notably the pathway towards green growth), demography and work patterns¹.
- 2 This Standard recognises that project activities, equipment and infrastructure can expose workers and community to hazards, risks and impacts in terms of occupational and public health², safety and security.
- 3 The Standard requires promoters to use reasonable efforts to identify³ these hazards, risks and impacts and to design and use of appropriate measures to avoid or mitigate adverse health and safety impacts associated with project activities on the rights-holders (project workers³, supply chain workers⁴, and affected people and communities).
- 4 This Standard recognises: (i) the right of workers to fair and just working conditions⁵ and (ii) the right of workers and affected people and communities to life⁶ and to integrity⁷. It also recognises the responsibilities of both workers and employers to securing a safe and healthy working environment.

Objectives

- 5 This Standard, whilst acknowledging the role of relevant authorities in protecting and promoting the health and safety of workers and the public, outlines the promoter's responsibilities in assessing, managing and monitoring occupational and public health, safety and security risks associated with projects supported by the EIB, and specifically the following:
 - Promote, protect and monitor the health, safety and security of project workers (including third party workers⁸) throughout the project life-cycle, by ensuring a safe, healthy, and secure working environment (including gender-based violence risks⁹) and, where applicable, accommodation conditions, and effectively implementing a management system, or equivalent, commensurate to the risks and impacts associated with the project.
 - Identify, assess and manage risks to the health and safety of project-affected people and communities, (including to project-related gender-based violence risks including sexual harassment, exploitation and abuse) during the life-cycle of the project.

¹ For instance, as endorsed the EU strategic framework on health and safety at work 2021-2027 "Occupational safety and health in a changing world of work" (Commission Communication COM (2021)323 of 28 June 2021) and the European Pillar of Social Rights Action Plan,

² The term "health", in relation to work, indicates not merely the absence of disease or infirmity; it also includes the physical and mental elements affecting health which are directly related to safety and hygiene at work.

³ The term "project worker" is used to refer to: (i) people employed or engaged directly by the promoter (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); and (ii) people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (third party workers).

⁴ The term "supply chain worker" indicates people employed or engaged by the promoter's primary suppliers. Primary suppliers are those suppliers who provide directly to the project goods or materials essential for the core functions of the project. The term "core functions" shall be understood as those production and/or service processes essential for a specific project activity without which the project cannot continue.

⁵ Fair and just working conditions as required under Art 31 of the Charter of Fundamental Rights of the European Union and Art 7b of the International Covenant on Economic, Social and Cultural Rights.

⁶ As recognised by Art.2 of the Charter of Fundamental Rights of the European Union, Art 3 of the Universal Declaration of Human Rights and Art 6 of the International Covenant on International Covenant on Civil and Political Rights.

⁷ As recognised by Art 3 of the Charter of Fundamental Rights of the European Union granting everyone the right to respect for his or her physical and mental integrity. Art. 12 of the International Covenant on Economic, Social and Cultural Rights further recognizes the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.

⁸ Third parties may include contractors, subcontractors, brokers, agents or intermediaries.

⁹ As recognised in ILO C190 Violence and Harassment Convention & accompanying Recommendation R206.

- Require that the provision of private or public security to protect project workers, assets, communities and suppliers is consistent with international human rights standards and principles¹⁰.
- Provide that project workers and members of the public can effectively access the workers grievance mechanism and the project grievance mechanism, respectively, in cases of health, safety or security concerns, risks or violations commensurate to the risks and impacts associated with the project.

Scope

- 6 This Standard applies to all projects that are likely to affect, directly or indirectly, occupational and/or public health, safety and security and the specific requirements that need to be addressed, including to achieve consistency with the “Minimum Safeguards” (MS) principles¹¹, are determined during the environmental impact assessment/environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1).
- 7 This Standard also sets out specific requirements vis-à-vis people employed or engaged by the promoter’s primary suppliers (supply chain workers). Supply chain related health and safety requirements are addressed in paragraph 68 to 69 of this Standard.
- 8 The implementation of the actions necessary to meet the requirements of this Standard are managed as an integral part of the Promoter’s overall environmental and social management system (ESMS) and/or project specific environmental social management plan (ESMP), health and safety management plan (HSMP) or equivalent.

General Requirements

- 9 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU legislation¹² related to occupational and public health, safety and security as well as any obligations deriving from the relevant international conventions¹³ and multilateral agreements. Projects shall also consider relevant supporting guidelines¹⁴ and European standards¹⁵.
- 10 For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframes for reaching compliance with specific EU legislation as agreed with EU through bilateral agreements and/or action programmes.
- 11 Projects located in the rest of the world shall comply with the applicable national legislation and this standard which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant regarding health, safety and security. In addition, projects shall, comply with any obligations deriving from the relevant international conventions¹⁶ and multilateral agreements and the project shall be designed and operated in alignment with international good practices.

¹⁰ International human rights standards and principles include (i) the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, (ii) the UN Code of Conduct for Law Enforcement Officials, (iii) the Voluntary Principles on Security and Human Rights and (iv) the International Code of Conduct on Private Security Providers.

¹¹ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 – <https://eur-lex.europa.eu/eli/reg/2020/852/oj>.

¹² The European Agency for Health and Safety at Work provides a list of the directives, supporting guidelines, standards and relevant national legislation related to Occupational Health and Safety (OHS) applicable in EU member states. <https://osha.europa.eu/en/safety-and-health-legislation>.

¹³ In particular, ILO C155 Occupational Safety and Health Convention & accompanying Recommendation R164; ILO C190 Violence and Harassment Convention & accompanying Recommendation R206; ILO C121 Employment Injury Benefits Convention & accompanying Recommendation R121, the UNECE Convention on the Transboundary Effects of Industrial Accidents and the UN Convention on the Rights of Persons with Disabilities. A list of instruments of the ILO relevant to occupational safety and health is considered in the Annex of the Promotional Framework for Occupational Safety and Health Recommendation R197.

¹⁴ <https://osha.europa.eu/en/safety-and-health-legislation/european-guidelines>.

¹⁵ European Standards should be understood as the standards adopted by one of the European standardisation organisations – European Committee for Standardization (CEN), European Committee for Electrotechnical Standardization (CENELEC) and European Telecommunications Standards Institute (ETSI) – following a request from the European Commission.

¹⁶ See footnote 13.

Specific Requirements

Projects located in the EU and EFTA

- 12 The promoter shall design and operate the project in compliance with the Health and Safety Management requirements specified in paragraphs 15 to 23.
- 13 Regarding supply chain workers, the promoter shall apply the requirements of paragraphs 68 to 69 of this Standard.
- 14 When requested, the promoter provides the Bank with the relevant health, safety and security management plans and procedures, as well as, if available, any relevant labour report issued by the national labour inspectorate. The EIB may require the promoter to complement its assessment and its management plans and procedures, in line with EU legislation and the requirement listed in this Standard¹⁷.

Projects located in Candidate and potential Candidate countries and the rest of the world

- 15 The project shall be designed and operated in compliance with the requirements of paragraphs 15 to 67.
- 16 The promoter shall provide the EIB with satisfactory evidence¹⁸ and information on its practices (and, when relevant, those of its contractors and suppliers), both at the project appraisal stage and through regular monitoring, as per contractual obligations, and if and when requested¹⁹.

Health and Safety Management

- 17 The promoter shall put in place a well-defined Health and Safety Management System (HSMS) commensurate with the project risks for managing occupational and public health, safety and security including an HSMP, or equivalent which shall take into account the hazards, risks and impacts of the project, as well as international best practice, such as ILO Guidelines on occupational safety and health management systems (ILO-OSH 2001)²⁰.
- 18 The HSMS shall have appropriate resources and expertise. Depending on the nature of work and size of the workforce, the promoter and/or the contractor shall assign a dedicated unit or team with the appropriate level of seniority for the above tasks.
- 19 Already at the preliminary design stage, the promoter shall identify and assess occupational and public health and safety (including sexual harassment, abuse and exploitation)²¹ risks and impacts arising directly or indirectly from the project at any time during the life cycle of the project, including the use and storage of hazardous materials²². The promoter shall ensure that appropriate attention is given to persons and groups that may be particularly exposed to or vulnerable to such risks based on their socio-economic characteristics.
- 20 Based on this assessment, the promoter shall develop and implement the necessary ESMPs, HSMS or equivalent, targeting both occupational and public health and safety considerations. Promoters shall select the controls that are the most feasible, effective and permanent, and select controls

¹⁷ This requirement would notably apply to projects in countries where OHS inspections are limited as compared to inspectorate standards of ILO Conventions n° 81 and 129.

¹⁸ This includes management systems and management plans as well any other document, including reports (such as Corporate occupational safety and health management performance reports and Corporate occupational safety and health management in supply chains reports), or other factual evidence, that will allow the Bank to assess compliance.

¹⁹ In countries where OHS inspections are limited as compared to inspectorate standards of ILO Conventions n° 81 and 129, the EIB may require enhanced monitoring and reporting.

²⁰ https://www.ilo.org/safework/info/standards-and-instruments/WCMS_107727/lang--en/index.html.

²¹ Also, refer to Standard 8, which includes provisions related to harassment, in relation to non-discrimination and equal treatment requirements.

²² Please refer to Standard 3 for additional requirements around hazardous substances.

based on the hierarchy of risk control: elimination, substitution, engineering controls, administrative controls and finally Personal Protective Equipment (PPE).

- 21 These ESMPs shall, where applicable, duly integrate the climate-related risks, including the possibility of extreme weather events, based on good international practices and tailored to the location and sector/industry of the project²³.
- 22 The promoter shall adopt a precautionary approach²⁴ and apply adaptive management practices in which the implementation of mitigation and management measures are responsive to changing conditions and the results of project monitoring throughout the project lifecycle (for which risks assessments may be required). The adopted measures shall be commensurate with the nature and magnitude of the identified risks and impacts and shall be applied without discrimination²⁵, taking into account differences in risk exposure and the need to protect particularly sensitive risk groups against the dangers, which specifically affect them.
- 23 The promoter shall provide to project workers as well as to the project-affected people and communities relevant information, instructions and training in an accessible format. When providing such information, instructions and trainings, the promoter shall include individuals or groups within the workforce or communities that are traditionally excluded or discriminated against due to their socio-economic characteristics²⁶.
- 24 The promoter shall produce relevant statistics about the project's health and safety performance, including incidents, and make it accessible to the Bank on a regular basis as part of the reporting and monitoring obligations set out by the Bank. Such information shall be disaggregated in order to enable the promoter to take the necessary action.
- 25 The promoter shall put in place mechanisms to timely recognise and compensate any person (project worker or member of the public) suffering from an injury or disease that is caused by any project activity, in accordance with national legislation.

Workplace

- 26 When providing project workers with a safe and healthy workplace, the promoter shall take into account the needs of women and men, any inherent risks in its particular sector and location, as well as hazards that may be present. The promoter shall pay attention to workplace mental health and wellbeing and work-related psychosocial risks. The working environment shall respect human dignity, comply with general hygiene norms, and take into account and ensure the physical and mental integrity of project workers. The promoter shall address gender specific risks and requirements, including gender based and sexual violence²⁷.
- 27 The promoter shall carry out an assessment commensurate to the level of risk and, where required, develop a project specific health and safety plan, which shall be integrated into the project HSMS. Such assessment shall make due consideration of gender differences. The promoter shall regularly review the plan to evaluate its effectiveness in addressing the risks.
- 28 The promoter shall ensure that project workers get medical benefits and employment injury benefits (including for occupational diseases)²⁸.

²³ Please refer to Standard 5 on Climate Change.

²⁴ When an activity raises serious irreversible threats of harm to the environment or human health, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically.

²⁵ Project workers as well as communities affected by the project must not be subject to unlawful discrimination. Cross-referencing with EIB's Standard 7 is imperative in this respect.

²⁶ Including but not limited to, sex, sexual orientation, gender, gender identity, ethnicity, caste, indigenous or social origin, age, disability religion or belief, political or any other opinion, activism, affiliation to a union or any other form of workers' organisation, nationality, language, marital or family status, medical condition, migrant, minority or economic status.

²⁷ The ILO Convention 190 on Violence and Harassment defines the term "violence and harassment" in the world of work refers to a range of unacceptable behaviours and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment. The term "gender-based violence and harassment" means violence and harassment directed at persons because of their sex or gender, or affecting persons of a particular sex or gender disproportionately, and includes sexual harassment.

²⁸ To this end, the promoter may consider to provide workers with private or public health and accident insurance.

- 29 The promoter shall require all project workers and all persons accessing the project site (including suppliers, supervisors, visitors), to abide and comply with the applicable health and safety plans.
- 30 The promoter shall monitor the health and wellbeing of the project workers, and consult and encourage them to participate in matters related to health and safety in the workplace. As appropriate to the size of the workforce, the promoter shall consider the establishment of Health and Safety Committees, which should include project workers and their representatives. This shall include, although not be limited to, accident reporting and investigation, risk assessment and selection of work equipment.
- 31 Where there are specific risks associated with certain work activities that could result in adverse effects on the health and safety of project workers, the promoter shall carry out a risk assessment and make adjustments to prevent injury and ill health, in agreement with the affected workers. The promoter shall put in place systems and processes in order to instruct workers to stop working and to report situations of imminent danger as well as to report any unsafe acts and conditions in the workplace. The promoter shall not require project workers to return to work until those risks have been appropriately mitigated or where possible eliminated. No form of retaliation or reprisal towards those workers shall be tolerated.

Personal Protective Equipment

- 32 Based on the assessment referred to in paragraph 19, and considering the hierarchy of controls, project workers shall be provided with appropriate PPE, free of charge. Such equipment shall be certified and suitable for the tasks to be carried out. Consideration shall be given to the specific physical characteristics of project workers²⁹.

Health and Safety Training for Project Workers

- 33 The promoter shall take all necessary actions to ensure that project workers are made aware of all risks associated with their work and how to implement protective measures with regard to their health and safety.
- 34 The promoter shall provide project workers with adequate, timely and regularly updated training and information material on health and safety issues and procedures. The promoter shall ensure that project workers carrying out any activity in the project site are both trained and qualified.

Community health and safety

- 35 The promoter shall identify and assess project-related risks and adverse impacts to the health and safety of the potentially affected people and communities including those who, because of their particular circumstances, may be more vulnerable³⁰. The promoter shall develop protection, prevention and mitigation measures proportionate to the impacts and risks, and appropriate to the stage, size and nature of the project.³¹ The promoter shall cooperate and consult with the relevant authorities, the project-affected community and other stakeholders, as appropriate, on mitigation measures and plans.
- 36 Measures to avoid or mitigate community health and safety impacts of the project may be the responsibility of the relevant public authorities. Under these circumstances, the promoter shall clarify its role and its responsibility to the EIB, including in which occasions it is necessary to notify and cooperate with the relevant authorities in accordance with national legislation.

²⁹ Including sex, disability and age.

³⁰ This includes, children and youngsters, pregnant women, persons with disabilities, persons with underlying health status, persons that do not speak the local languages, etc. To be considered in relation to the vulnerability assessment mentioned in Standard 7.

³¹ For the prevention of major industrial accidents, please refer to the Standard 3 and to the ILO Convention on the Prevention of Major Industrial Accidents C 174 (C174 - Prevention of Major Industrial Accidents Convention, 1993 (No. 174) (ilo.org)) and the relevant ILO Code of Practice (Prevention of major industrial accidents (ilo.org)).

Risks Associated with the Influx of Workers

- 37 To the extent possible, the promoter shall take the necessary measures to avoid, mitigate and manage the risks and potential adverse impacts on public health and safety arising from the influx of workers. Such risks and impacts may be associated with changes in population composition, intangible cultural heritage, health implications and exposure to communicable diseases and the increased vulnerability of communities in the area of influence of the project due to increased pressure on already scarce natural resources. In conflict and post-conflict areas, the promoter shall consider the risks related to the exacerbation of tensions that the influx of workers can cause.
- 38 The promoter shall protect affected people, especially women and children, from sexual harassment, exploitation and abuse in the context of the project. Where appropriate, the promoter shall adopt specific measures to prevent and address gender based violence risks, including the organisation of training and awareness programmes for the project workers and the provision of confidential channels for reporting incidents and providing support. Participation of project workers and their representatives in the development of such measures is recommended.
- 39 The promoter shall further find alternative means for remedying significant stress on natural resources caused by the increased population numbers. When relevant, the promoter shall develop an influx management plan³².

Traffic and Road Safety

- 40 For all types of projects, traffic and road safety shall be considered at project planning and design to prevent and mitigate risks and impacts throughout the project life cycle. The promoter shall identify, evaluate and monitor the potential traffic and road safety risks to workers, communities and all road users throughout the project life-cycle. To this end, the promoter shall take into consideration road and traffic safety management standards and where appropriate develop measures and plans to address these risks (including relevant EU standards³³ and ISO 39001³⁴). The promoter shall routinely monitor incident and accident reports to identify and resolve problems or negative safety trends and amend relevant plans and systems as appropriately.
- 41 The promoter shall undertake a road safety impact assessment (RSIA) and/or road safety audit (RSA) (as relevant for the type of project) for each phase of the project, where applicable and routinely monitor incident and accident reports to identify and resolve problems or negative safety trends.
- 42 For projects that operate machinery, plant or equipment on public roads, the promoter shall take the necessary measures to avoid and minimise hazards, risks and impacts to both project workers and members of the public.

Natural hazards and Natural Hazards Triggering Technological Disasters

- 43 The promoter shall identify and assess and minimize the potential health and safety risks caused by natural hazards or extreme weather events, such as, but not limited to, floods, droughts, heat waves, landslides, hurricanes, typhoons or earthquakes as relevant to the project. This may require the promoter to carry out an assessment of the vulnerability of the project to risks caused by these events and identify appropriate adaptation and resilience measures to be integrated into the project preparation, implementation and operation, as per Standard 5.

³² An Influx Management Plan is developed when project-induced migration risks are judged to be significant. The Plan should identify and assess the potential environmental and social impacts, as well as health risks within the project and its broader area of influence; propose appropriate interventions; and provide recommendations for project design and management. It should identify the stakeholders involved (defining their capacities and responsibilities); establish the monitoring, evaluation and reporting requirements; define the stakeholder engagement and public consultation and communication actions to be undertaken; and present a budget.

³³ European standards in the area of traffic and road safety include those relevant to technical conditions of vehicles, safety of road infrastructure including Directive 2019/1936 amending Directive 2008/96/EC on road infrastructure safety management.

³⁴ ISO 39001:2012 Road traffic safety (RTS) management systems.

44 The promoter shall consider the interaction between natural disasters and industrial accidents (NaTech³⁵) and the prevention of, preparedness for and response to industrial accidents including those capable of causing transboundary effects. Preventative measures include land use planning and siting, modification of hazardous activities, disaster risk reduction³⁶, emergency preparedness through contingency planning, and the resilience of project-affected communities to natural and technological disasters.

Exposure to Diseases

45 During the environmental and social impact assessment process, the promoter shall identify the risk of exposure to occupational and communicable diseases by both project workers and the people affected by the project and communities. To this end, the promoter shall take into account the differentiated exposure to and/or higher sensitivity of workers and certain groups depending on their age, gender, health status and other factors that may lead to higher vulnerability to hazards. Where the nature of the project entails significant and/or cumulative public health risks, the promoter may be required, in accordance with Standard 1, to carry out a specific health impact assessment.

46 To the extent possible, and with the support of OHS professionals, the promoter shall take measures to contribute to avoid or contain the spread of pandemics, epidemics, and any transmission of communicable diseases associated with the influx of workers, such as SARs-CoV-2, malaria, tuberculosis, sexually transmitted diseases (including HIV/AIDS) etc³⁷. To this end, the promoter shall organise training and awareness programmes, and ensure that codes of conduct (for workers and people living in labour camps if any) are implemented. Furthermore, the promoter shall endeavour to work with public authorities and other stakeholders (such as NGOs) and build upon existing measures to implement public programmes and policies that shall raise public's awareness and understanding of communicable and preventable diseases effectively countering their spread.

47 Where specific diseases are endemic in the project location, the promoter is encouraged to identify opportunities throughout the EIB's project cycle to help reduce their incidence, both among project workers and project-affected people and communities, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups. Coordination with the relevant national health authorities may be required.

Essential Sanitary Facilities

48 The promoter shall ensure that all project workers have access to adequate, safe and hygienic basic welfare facilities³⁸. The promoter shall provide basic occupational health services including drinking water, sanitation and washing facilities³⁹.

49 The promoter shall provide qualified first-aid at all times. In certain cases when the scale or the nature of the activity being carried out so requires, availability of medical care shall be provided, based on the principles of non-discrimination and equal opportunity⁴⁰.

³⁵ Natech accidents are Natural Hazard Triggering Technological Disasters. It refers to the impacts of natural hazard events on chemical installations, pipelines, offshore platforms and other infrastructure that process, store or transport dangerous substances can cause fires, explosions and toxic or radioactive releases.

³⁶ Sendai Framework for Disaster Risk Reduction 2015-2030.

³⁷ The promoter can make use of management systems specifically put in place to address safe working during specific pandemics or epidemics, such as the ISO/PAS 45005:2020 Occupational health and safety management — General guidelines for safe working during the COVID-19 pandemic (ISO - ISO/PAS 45005:2020 - Occupational health and safety management — General guidelines for safe working during the COVID-19 pandemic).

³⁸ In alignment with the ILO Welfare Facilities Recommendation, 1956 (No. 102).

³⁹ For more reference see the ILO Occupational Health Services Convention, 1985 (No. 161).

⁴⁰ Article 21 of the Charter of Fundamental Rights if the European Union recognises the rights to non-discrimination. Cross-referencing with EIB's Standard 7 is imperative in this respect.

50 In providing the above, the promoter shall take into account any gender specific requirements alongside those of persons with disabilities.

Worker Accommodation

51 Where a promoter provides accommodation for project workers⁴¹, the promoter shall put in place and implement policies governing the quality and management of the accommodation and provision of basic services⁴² which must be adequate, safe and hygienic. The accommodation services shall be provided in accordance with good industry practice, such as ILO Workers' Housing Recommendation 1961 (No. 115), and in a manner consistent with the principles of non-discrimination and equal opportunity⁴³. The promoter shall take into account the specific requirements of women and persons with disabilities.

52 The promoter shall ensure that above-mentioned provisions include safeguards against sexual harassment and exploitation and other forms of gender-based violence.

53 Workers' freedom of movement to and from the promoter-provided accommodation shall not be unreasonably restricted.

Security

54 All project-related security management arrangements introduced and delivered either by public law and order and security forces or private service providers shall respect human rights and fundamental freedoms. The promoter shall be guided by best international practice (e.g. the UN Voluntary Principles on Security and Human Rights⁴⁴, the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials⁴⁵, the UN Code of Conduct for Law Enforcement Officials⁴⁶ and the International Code of Conduct on Private Security Providers)⁴⁷.

55 The promoter shall identify and assess the security risks and threats to the project assets, the workforce and the wider community, in connection with the project. The assessment should be part of the environmental and social impact assessment referred to in Standard 1. Where risks have been identified, legitimate and proportionate security arrangements shall be put in place. Such security arrangements shall be defined in the HSMP and implemented in accordance with good international practice;

56 The promoter shall ensure that the security arrangements, whether privately outsourced or publicly provided, do not create security risks and impacts upon workers, suppliers, or local communities. Particular attention shall be given to persons or communities that are traditionally discriminated against based on their socio-economic characteristics, in and surrounding the project area.

57 The promoter is expected to comply with applicable law and to be guided by the principle of proportionality⁴⁸ and legitimate use of force, and good international practice when hiring, training, equipping and monitoring security personnel as well as when setting the rules for their conduct. Specifically, best international practice stated in paragraph 54 shall be the basis for the development and observance of relevant codes of conduct for security forces and all other security management arrangements on site. As such, the promoter shall ensure that security personnel is fully informed of the rules of conduct applicable to them and should seek public disclosure of security arrangements, subject to overriding security concerns.

⁴¹ These services can be provided either by the promoter directly, or by third parties.

⁴² Including minimum space for each worker, supply of water, adequate sewage and garbage disposal system, appropriate protection against heat, cold, damp, noise, fire and other hazards, adequate sanitary and washing facilities, ventilation, cooking and storage facilities and natural and artificial lighting, provision of first care and basic medical services.

⁴³ Article 21 of the Charter of Fundamental Rights if the European Union recognises the rights to non-discrimination. Cross-referencing with EIB's Standard 7 is imperative in this respect.

⁴⁴ <https://www.voluntaryprinciples.org/>.

⁴⁵ <https://www.ohchr.org/en/professionalinterest/pages/useofforceandfirearms.aspx>.

⁴⁶ <https://www.ohchr.org/EN/ProfessionalInterest/Pages/LawEnforcementOfficials.aspx>.

⁴⁷ https://www.icoca.ch/en/the_icoc.

⁴⁸ The principle of proportionality states that responses should be proportional to the good that can be achieved and the harm that may be caused.

- 58 If security services are the responsibility of the relevant governmental authorities, the promoter shall collaborate, to the extent permitted, with the responsible government authority to achieve the outcomes that are consistent with this Standard. The promoter shall identify and assess potential risks arising from the use of such services, communicate to the relevant public authorities its intent that the security personnel act in a manner consistent with paragraph 57, and encourage the relevant public authorities to disclose the security arrangements for the promoter's facilities to the public, subject to overriding security concerns.
- 59 The promoter should incorporate the requirements stated in paragraph 54 to 58 above in the contracts and other agreements to be signed with the security providers. When privately contracted, the promoter shall make reasonable efforts to determine that no member of the security personnel has been linked to past serious abuses.

Information Dissemination and Consultation

- 60 The promoter shall ensure that both project workers and project-affected people and communities have been properly identified, consulted and informed in an accessible format of their rights in terms of health, safety and security (pursuant to Standard 2 on Stakeholder Engagement). The promoter shall further ensure that they can freely convene and express their views on project risks, impacts and the proposed health and safety management plans. Due attention should be paid to reaching out to individuals or groups within the project-affected communities that are vulnerable, marginalised, systematically discriminated against or excluded on the basis of their socioeconomic characteristics and Indigenous Peoples in the local communities (in accordance with Standard 7) and ensuring that risks to them have been adequately identified and protective and mitigation measure communicated.

Grievance Mechanism

- 61 As considered in Standard 8 the promoter shall set up an effective, culturally appropriate and gender-responsive grievance mechanism for project workers (and their organisations, where they exist) to raise reasonable workplace concerns. The promoter shall also grant members of the project-affected communities⁴⁹ free and easy access to an independent, effective and free of reprisals grievance mechanism in line with the requirements defined in Standard 2. Both mechanisms shall address their health and safety concerns in a timely and effective manner and shall not impede access to other redress mechanisms, such as judicial, administrative and labour inspectorates or extrajudicial means of complaint. The promoter shall duly inform workers and project-community members of the existence of these grievance mechanisms.
- 62 The promoter shall ensure that their grievance mechanisms can be used by affected communities and workers to report security concerns as well as allegations of abuses or unlawful acts by the security personnel. The promoter shall investigate such allegations, report to the public authorities when relevant and take appropriate measures to avoid reoccurrence.

Accident and Incident Reporting System

- 63 Before project construction and operation, the promoter shall establish project level procedures and systems for investigating, recording and reporting any type of accident and incident including those causing harm to people⁵⁰. These accidents can happen at the site, as well as within the project influence area, as a direct consequence of the implementation works or project activities. Project related road and traffic accidents shall also be reported to the EIB.⁵¹ The mechanism shall address the health and safety concerns of the workers and member of the public in a timely and

⁴⁹ As per Standard 2.

⁵⁰ In doing this, the promoter shall consider that different authorities may be responsible for accidents happening to project workers and accidents affecting the public.

⁵¹ The investigation should address in depth the circumstances, in order to confirm that immediate and casual causes have been identified, and be provided to the Bank in as part of the reporting and monitoring obligations set out by the Bank.

effective manner and shall not impede access to other redress mechanisms, such as judicial, administrative or extrajudicial means of complaint.

- 64 In case of accidents, near-misses, dangerous occurrences, breach of relevant health and safety legislation, injuries, permanent disabilities, ill-health or fatalities occurring in relation to the project - the promoter shall investigate, document and analyse the findings and take due actions to prevent its reoccurrence and where required by national law, notify and cooperate with the relevant authorities.
- 65 After the occurrence of any major accident, an investigation needs to take place, by the Promoter and/or the competent authority. The Bank may require the promoter that an independent third party investigates the root causes of the accident and defines together with the promoter an action plan to correct any potential weakness, as relevant.

Third Party Workers

- 66 The promoter shall ensure that the requirements of this Standard are applied to all workers, including those employed or engaged by contractors, subcontractors and any other third party or intermediary. To this end the promoter shall:
- Prior to contracting, assess the capacity of these contractors or intermediaries to implement the requirements of this Standard.
 - Formally require these contractors or intermediaries through appropriate contractual clauses to apply the requirements of this standard and to request similar commitment from their subcontractors.⁵²
 - When contractor or intermediaries lack the capacity to implement the requirements of this standard, formally require them to hire competent agencies to ensure compliance.
- 67 The promoter shall put in place appropriate policies and procedures for managing and monitoring the performance of third party employers. These policies and procedures should be commensurate with the size of the project and workforce.

Supply Chain Workers

- 68 The promoter shall make reasonable efforts to assess if there are significant health and safety risks associated with the workers of the primary supplier of the goods and materials central to the core functions of the project. Where there are significant health and safety risks related to supply chain workers, the promoter shall resort to a primary supplier that can prove is compliant with this standard⁵³. The promoter shall require the relevant primary supplier to introduce procedures and mitigation measures to address such risks. The promoter shall periodically monitor and review the effectiveness of such procedures and mitigation measures.
- 69 If the health and safety risks are identified in relation to an existing primary supplier, the promoter shall engage with the relevant primary supplier in order to take the appropriate steps to remediate and eliminate such practices in a satisfactory manner and within a reasonable time frame. In this process, the ability of the promoter to get the primary supplier to address these risks depends on the level of influence and control of the promoter over its primary suppliers. Should the promoter not receive evidence of remediation, or when remedy proves to be impossible, the promoter shall resort, within a reasonable timeframe agreed with the EIB in consideration of the existing contractual relations, to different primary suppliers that can prove to be compliant with the requirements set out in this Standard.

⁵² For projects outside the EU, promoters are required to include an Environmental & Social covenant, as per EIB Guide to Procurement, Paragraph 3.8.

⁵³ For projects outside of the EU, promoters are required to include an Environmental & Social covenant, as per EIB Guide to Procurement, Paragraph 3.8.

Standard 10 – Cultural Heritage

Introduction

- 1 This Standard recognises that protecting and conserving cultural heritage, which is a source of valuable historical and scientific information, an asset for economic and social development and an integral part of people’s cultural rights, identity and practices, is fundamental to environmental and social sustainability.
- 2 The Standard recognises that cultural heritage incorporates all the various aspects of a community’s past and present that are identified as a reflection and expression of its constantly evolving values, beliefs, knowledge and traditions and which the community considers valuable, and desires to sustain and transmit to future generations.

Objective

- 3 This Standard outlines the promoter’s responsibilities with regard to identifying, assessing, managing and monitoring cultural heritage-related impacts and risks associated with the projects for which EIB financing is requested.
- 4 The objective of this Standard is to set out requirements applicable to EIB-financed projects that the promoter shall comply with. These requirements are intended to foster:
 - a. the application of a precautionary approach to the management and sustainable use of cultural heritage;
 - b. the protection of cultural heritage from the potential adverse impacts of project activities;
 - c. the equitable sharing with local communities of financial and/or socioeconomic benefits derived from the commercialisation of cultural heritage; and
 - d. awareness, appreciation and enhancement of cultural heritage.

Scope

- 5 This Standard applies to a specific project, when its relevance is determined during the Environmental Impact Assessment/Environmental Impact and Social Assessment (EIA/ESIA) process (as outlined in Standard 1) and specifically to EIB-financed projects likely to have impact on known cultural heritage regardless of whether or not is legally protected and/or previously disturbed.
- 6 This Standard also applies to projects under implementation that are likely to have a significant impact on cultural heritage but were not previously identified as such and for which chance find procedures shall be applied (see paragraph 22).
- 7 For the purpose of this Standard, cultural heritage includes both tangible and intangible heritage. Tangible cultural heritage¹ refers to monuments², individual buildings, groups of buildings³ and sites⁴. Intangible cultural heritage⁵ refers to practices, representations, expressions, knowledge and skills – as well as the instruments, objects, resources, artefacts and cultural spaces associated therewith – that rights-holders (communities, groups and, in some cases, individuals) recognise as part of their cultural heritage and which are transmitted from generation to generation.

¹ The UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage (<https://whc.unesco.org/archive/convention-en.pdf>).

² Architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combinations of features, which are of value to the local communities or peoples.

³ Groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of value to the local communities or peoples.

⁴ Works of man or the combined works of nature and man, and areas including archaeological sites which are of value to the local communities or peoples.

⁵ The UNESCO 2003 Convention for the Safeguarding of the Intangible Cultural Heritage (<https://ich.unesco.org/en/convention>)

- 8 This Standard applies to natural heritage⁶ recognised by the local communities and peoples as part of their history, values, beliefs, knowledge and/or traditions and which the communities and peoples consider valuable, and desires to sustain and transmit to future generations.
- 9 Where a project is likely to have significant impact on natural heritage, both cultural and biodiversity, ecosystem services aspects shall be considered and the requirements of Standard 4 shall apply in conjunction with the requirements presented in this Standard.

General requirements

- 10 All projects located in EU, EFTA, Candidate and potential Candidate countries shall comply with the applicable national and EU legislation. All projects located in the rest of the world shall comply with the applicable national legislation and this standard which reflect the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant to the assessment and management of environmental, climate and/or social impacts and risks, particularly those contained in the EIA Directive, which are set out in the paragraphs 14 – 31 and the annexes of Standard 1. Projects that are likely to have significant cultural heritage impacts shall be subject to an Environmental and/or Social Impact Assessment (ESIA) process and should include considerations of potential human rights risks. All projects shall also align with the principles and standards set out in the international instruments concerning the protection of cultural heritage, as relevant:
 - The UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage⁷;
 - The UNESCO 2001 Convention on the Protection of the Underwater Cultural Heritage⁸;
 - The UNESCO 2003 Convention for the Safeguarding of the Intangible Cultural Heritage⁹;
 - The Council of Europe 1985 Convention for the Protection of the Architectural Heritage of Europe¹⁰;
 - The Council of Europe 1992 Valetta Convention on the Protection of the Archaeological Heritage¹¹;
 - The Council of Europe 2000 European Landscape Convention¹²;
 - The Council of Europe 2005 Framework Convention on the Value of Cultural Heritage for Society (the Faro Convention)¹³.

Specific requirements¹⁴

- 11 The promoter is responsible for locating and designing a project in such a manner that it will avoid significant adverse impacts on cultural heritage. When the promoter can demonstrate that impacts cannot be avoided for reasons other than cost considerations, the promoter shall adequately assess if any cultural heritage is likely to be significantly affected by the project and/or if there are indications of the likelihood of any chance finds (see paragraph 22). Where the project site may potentially prevent access to previously accessible cultural heritage, the promoter shall allow continued access to these sites or shall provide alternative access, during construction and operation.
- 12 In doing so, the promoter shall engage with relevant national or local regulatory authorities entrusted with the protection of cultural heritage, local communities and other relevant stakeholders as appropriate (see paragraph 20).

⁶ Natural heritage refers to natural features consisting of physical and biological formations or groups of such formations, natural features, geological and physiographical formations, delineated areas that constitute the habitat of threatened species of animals and plants and natural sites of value from the point of view of science, conservation or natural beauty (Art. 2 of the UNESCO 1972 Convention concerning the Protection of the World Cultural and Natural Heritage (<https://whc.unesco.org/archive/convention-en.pdf>).

⁷ <https://whc.unesco.org/archive/convention-en.pdf>.

⁸ <https://unesdoc.unesco.org/ark:/48223/pf0000124687.page=56>.

⁹ <https://ich.unesco.org/en/convention>.

¹⁰ <https://rm.coe.int/168007a087>.

¹¹ <https://rm.coe.int/168007bd25>.

¹² <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/176>.

¹³ <https://www.coe.int/en/web/conventions/full-list/-/conventions/rms/0900001680083746>.

¹⁴ Specific requirements are applicable for all projects regardless of their location, unless specified otherwise.

Projects located in EU, EFTA, Candidate and potential Candidate countries

- 13 The promoter shall assess potential impacts on cultural heritage throughout the whole EIA process, taking into account the views of key relevant stakeholders (see paragraph 19) and, if a cultural heritage impact assessment has been deemed necessary by the competent authorities, shall provide the following information prepared by professionals with appropriate expertise, experience and qualifications in cultural heritage:
- The baseline conditions with a focus on the need for a clear identification of all cultural heritage;
 - A baseline study compiling a comprehensive inventory of cultural heritage assets supported by a full description of their cultural significance within the proposed project area;
 - The prediction and evaluation of the significance of both direct impacts (direct loss, destruction or disturbance of an element of cultural heritage) and indirect impacts which may affect the preservation of cultural heritage;
 - The application of a mitigation hierarchy by identifying measures to avoid, prevent and reduce any significant adverse effects specific to the cultural heritage asset to be protected;
 - A management and monitoring plan to ensure that the proposed mitigation measures are properly implemented and that the cultural heritage asset is preserved in the desired state.
- 14 If the project is not subject to an EIA process, depending on the nature and context of the project and if there is reason to believe that there are existing cultural heritage assets in the proposed project area, the EIB may require the promoter to provide additional information on these assets by providing to the EIB the minimum information outlined in Annex 1. On the basis of this information, the EIB may require the promoter to provide a more detailed assessment.

Projects located in the rest of the world

- 15 The promoter shall ensure that the impact on cultural heritage is duly considered in the ESIA process by taking into account the views of key relevant stakeholders (see paragraph 20) and engaging professionals with appropriate expertise, experience and qualifications in cultural heritage to assist in the preparation of the assessment.
- 16 The cultural heritage assessment as a standalone study or as part of the ESIA Report shall provide information on at least:
- a. The description of the project and the reasonable alternatives studied during the project preparation phases with an indication of whether the impact on cultural heritage was considered in the selection of the chosen option;
 - b. A baseline study compiling a comprehensive inventory of cultural heritage assets supported by a full description of their cultural significance using both desk-based research and field surveys;
 - c. The prediction and evaluation of the significance of both direct impacts (direct loss, destruction or disturbance of an element of cultural heritage) and indirect impacts which may affect the preservation of cultural heritage, including visual impacts;
 - d. The application of a mitigation hierarchy by identifying measures to avoid, prevent and reduce significant adverse impacts on cultural heritage, outlined in a cultural heritage management plan;
 - e. A cultural heritage management plan to ensure that the proposed mitigation measures are properly implemented and that the cultural heritage asset is preserved in the desired state.
- 17 When defining the mitigation measures, the following order should be considered:
- a. Minimise adverse impacts with appropriate technical and/or management measures specific to the cultural heritage asset to be protected;

- b. When minimisation is not possible, restore in situ after the adverse impacts have occurred to ensure full restoration of the functionality and significance of the cultural heritage for the affected communities;
 - c. When the promoter can demonstrate that minimisation and restoration are not feasible for reasons other than cost considerations, remedy/compensate for loss of cultural heritage in ways that are acceptable and have been agreed with the affected communities before any works affecting the cultural heritage have started.
- 18 The proposed cultural heritage management plan (see paragraph 16, point e) shall be part of the promoter's overall Environmental and Social Management Plan (ESMP – as described in Standard 1). The promoter shall ensure that trained and qualified personnel are available to oversee the implementation of the plan, directly or through contractors working on the project, by applying internationally recognised practices for field surveys, documentation and protection of cultural heritage.
- 19 If the project is not subject to an ESIA process and depending on its nature and context, and if there is a reason to believe that there are existing cultural heritage assets in the proposed project area, the EIB may require the promoter to provide additional information on these assets by providing to the EIB the minimum information outlined in Annex 1. On the basis of this information, the EIB may require the promoter to provide a more detailed assessment.

Stakeholder engagement

- 20 The promoter shall carry out meaningful consultation with and provide timely and adequate information to affected communities who use or have used the cultural heritage within living memory for longstanding cultural purposes, with due attention to intangible cultural heritage. Consultation shall be carried out to identify cultural heritage of importance and incorporate the views of the affected communities on such cultural heritage into the project design, while assessing risks and impacts, applying the mitigation hierarchy and identifying opportunities for potential benefit-sharing arrangements with the community. Consultation shall also involve other relevant stakeholders, including national or local regulatory authorities entrusted with the protection of tangible and/or intangible cultural heritage. The engagement process shall be carried out and documented in line with the requirements of Standard 2 and in line with the requirements of Standard 7 in case vulnerable groups or Indigenous People are likely to be affected.

Protected cultural heritage areas

- 21 Legally protected cultural heritage areas are important for the safeguarding and conservation of cultural heritage and therefore, additional measures are needed for any projects that would be permitted in these areas under the applicable national law. In circumstances where a proposed project is located within a legally protected area or a legally defined buffer zone, the promoter shall meet the following additional requirements:
- a. Ensure compliance with defined international, national and/or local cultural heritage regulations or the protected area management plans;
 - b. Conduct meaningful consultation with the protected area sponsors and managers, local communities and other key stakeholders on the proposed project; and
 - c. Take and implement additional programmes, as appropriate, to reduce the project's impacts, including visual impacts, and to promote and enhance the conservation aims of the protected area.

Chance find procedures

- 22 The promoter shall ensure that provisions for managing chance finds, defined as cultural heritage encountered unexpectedly during project implementation, are in place and included in contracts, as appropriate. Such provisions shall include: notification of relevant competent authorities of found objects or sites; delivering training to the project personnel, including contractor and sub-

contractor employees, on the procedures to follow if chance finds are discovered; and securing the area of finds to avoid any further disturbance or destruction. The promoter shall not disturb any chance finds until an assessment by a designated and qualified specialist is made and actions consistent with national legislation and this Standard are identified.

Project's use of cultural heritage

- 23 Where a project proposes to use, for commercial purposes, a local community's cultural resources, knowledge, innovations or practices that embody traditional lifestyles, the promoter shall disclose all relevant information in a timely and context-specific manner, in an accessible place, and in a form and language(s) understandable to the community. The information provided shall include as a minimum: (i) its rights under national law; (ii) the scope and nature of the proposed commercial development; and (iii) the potential consequences of such development.
- 24 The promoter shall proceed with such commercialisation only when it:
 - a. Enters into a good faith negotiation with the affected local communities;
 - b. Documents their informed participation and the successful outcome of the negotiation; and
 - c. Provides for fair and equitable sharing with the affected local communities of benefits derived from commercialisation of such knowledge, innovations or practices, consistent with their customs and traditions.
- 25 Where a project proposes to use the cultural resources, knowledge, innovations or practices of Indigenous Peoples, the requirements of Standard 7 also apply.

Annex 1 – Minimum information to be provided on cultural heritage assessments

- 1 A description and map of the project area, including information on overlaps with or close proximity to any site/feature protected at international, national or local level because of its importance in terms of cultural heritage (e.g. UNESCO World Heritage Site).
- 2 Any landscape features contained in the project area such as:
 - a. Monuments¹⁵,
 - b. Groups of buildings¹⁶ and
 - c. Sites¹⁷.
 - d. Evidence of other human-made alterations to the natural landscape (such as trails, boundary or way-finding markers, mounds, earthworks, cultivation, non-native species, etc.).
 - e. Prominent natural features that could have special value to people (such as waterfalls, rocky outcrops, large specimen trees, caves, etc.);
- 3 Evidence from documentary sources (e.g. local history, a local recognition programme, research studies, previous heritage impact assessment reports, etc.) or local knowledge that associates the project area with historically and/or culturally significant places, events, activities or persons.
- 4 The presence of intangible cultural heritage such as practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups or individuals from the project area recognise as part of their cultural heritage and which are transmitted from generation to generation.
- 5 Potential impacts resulting from the proposed undertaking/project, including:
 - a. The destruction, removal or relocation of any, or part of any, heritage attribute or feature;
 - b. The alteration of any, or part of any, heritage attribute or feature (which means a change in any manner and includes restoration, renovation, repair or disturbance);
 - c. Shadows created that alter the appearance of a heritage attribute or change the exposure or visibility of a natural feature or plantings, such as a garden;
 - d. The isolation of a heritage attribute from its surrounding environment, context or a significant relationship;
 - e. The direct or indirect obstruction of significant views or vistas from, within or to a built or natural heritage feature.
 - f. A change in land use such as rezoning;
 - g. Soil disturbance such as a change in grade, or an alteration of the drainage pattern, or excavation, etc.
- 6 Information provided on the proposed project to the competent authorities for the protection of cultural heritage sites/features.
- 7 Description of prevention and mitigation measures as agreed with the potentially impacted stakeholders, including any rules an indigenous people or community have about disturbance to any aspect of their cultural heritage.
- 8 A description of the specific approval/permit process the project had to undergo in relation to cultural heritage sites/features.
- 9 Description and documentary evidence of consultation of relevant stakeholders (communities, groups or individuals) potentially affected by the project.
- 10 If the project area has been subject to a cultural heritage assessment in the past, provide a copy of the document or reference to the source if applicable.

¹⁵ Architectural works, works of monumental sculpture and painting, elements or structures of an archaeological nature, inscriptions, cave dwellings and combinations of features, which are of value to the local communities or peoples.

¹⁶ Groups of separate or connected buildings which, because of their architecture, their homogeneity or their place in the landscape, are of value to the local communities or peoples.

¹⁷ Works of man or the combined works of nature and man, and areas including archaeological sites which are of value to the local communities or peoples.

Standard 11 – Intermediated Finance

Introduction

- 1 The EIB uses intermediated finance¹ through a wide range of financial intermediaries (FIs)² to support eligible smaller projects undertaken inter alia by SMEs, midcaps and public entities that cannot be financed directly.
- 2 All projects benefiting from EIB support through intermediated finance are designated as sub-projects.

Objective

- 3 This Standard sets out how the environmental, climate and social (ECS) impacts and risks arising from sub-projects shall be identified, assessed for their significance, managed and monitored, in line with applicable requirements³ and commensurate with the sub-project's size, nature, socioeconomic context, location and sector sensitivity to ECS impacts and risks.

Scope of application

- 4 The requirements of this Standard apply to intermediated finance as follows:
 - a. where EIB support is channelled to sub-projects through the FI, the requirements of this Standard apply to sub-projects, where relevant;
 - b. where the FI on-lends EIB funding to another FI, the term sub-project includes the sub-projects financed through each subsequent FI and the requirements of this Standard will apply to sub-projects, where relevant;
 - c. where the EIB provides financing to a FI that is a fund investment vehicle, the requirements of this Standard apply: (i) to the investee companies financed by the EIB through the FI from the time that the EIB becomes an investor; and (ii) on a best-efforts basis, to the investee companies financed through the FI prior to the time that the EIB becomes an investor.
- 5 The requirements of this Standard do not apply to sub-projects financed through FIs that do not benefit from EIB support.

General Requirements for all Financial Intermediaries

- 6 In order to meet the requirements of the EIBG Environmental and Social Policy, the FI shall respect the labour rights of its employees and provide a safe and healthy working environment in accordance with: (i) if located in EU, EFTA, Candidate and potential Candidate countries, the applicable national and EU legislation⁴ to which it is subject; and (ii) if located in the rest of the world, the applicable national legislation and relevant aspects of EIB's Standard 8 on Labour Rights⁵ and Standard 9 on Health, Safety and Security⁶.
- 7 If located in EU and EFTA countries, the FI shall require final beneficiaries to cooperate, in accordance with EU legislation, with the relevant competent authorities in order that rights-holders⁷ have access to meaningful public consultation as well as to review procedures on

¹ Operations with FIs which 'intermediate' i.e. on-lend the EIB funds to final beneficiaries (including framework loans intermediated through a financial institution), or lend funds to final beneficiaries in relation to an EIB guarantee or use EIB funds to invest in a portfolio of investee companies.

² Including, but not limited to, commercial banks, national/regional promotional banks, leasing companies and other financial institutions, funds and microfinance institutions. This includes cases where EIB support is channelled to the FI through a public institution or entity.

³ As defined under General and Specific Requirements below.

⁴ EU Labour and Health & Safety legislation.

⁵ Primarily on management of working relations, terms and conditions of employment, fair treatment, non-discrimination and equal treatment and opportunity of workers and freedom of association and collective bargaining.

⁶ Primarily health and safety management and workplace risks.

⁷ Rights-holders are understood as all individuals and population groups that can make valid claims to fundamental rights from a human rights perspective. In the context of EIB-supported sub-projects, it refers to persons who are, actually or potentially, adversely affected by the sub-project. It includes persons affected by the sub-project, local community members, workers, etc. As described in [the UN Guiding Principles on Business](#)

environmental, climate and social matters in connection with sub-projects benefiting from EIB support.

- 8 If located in the rest of the world⁸, the FI shall require final beneficiaries to ensure that rights-holders have access to meaningful stakeholder engagement and effective means to raise grievances on ECS matters in connection with sub-projects benefiting from EIB support⁹.
- 9 In order to enhance transparency on non-financial, sustainability-related information, the FI shall:
 - a. if located in EU and EFTA countries, comply with sustainability-related disclosure requirements under national and EU legislation which is applicable to their activities; and
 - b. if located in the rest of the world, comply with the applicable national legislation and as a matter of course make available to the public information on its due diligence and monitoring policies and procedures, or equivalent, for assessing, managing and monitoring the ECS impacts and risks of sub-projects.
- 10 With regards to sub-projects benefitting from EIB support, the FI shall take note of relevant EIBG Environmental and Social Policy requirements, as well as comply with specific ECS requirements including reporting (as set out in the documentation concluded between the FI and the EIB) which are adapted to the type of intermediated finance and which are identified as appropriate in the EIB's due diligence process.
- 11 The FI shall have in place a process for identifying, assessing, managing and monitoring ECS impacts and risks. This process may include relevant policies and procedures that shall be commensurate to i) the FI's size and nature of business and ii) to the sub-projects' size, nature, socioeconomic context, location and sector sensitivity to ECS impacts and risks. Such a process can either be distinct from or integrated in any existing systems operating within the FI, such as the FI's regular credit/investment processes.
- 12 Where requested, the FI shall provide the EIB with information related to its process for identifying, assessing, managing and monitoring ECS impacts and risks.
- 13 In particular, this process will enable the FI to perform the following steps:
 - a. screen all sub-projects against the EIB's list of excluded activities¹⁰, as regularly amended, and meet any other ECS undertakings, as set out in the documentation concluded between the FI and the EIB. The eligibility of sub-projects may be further restricted in justified cases;
 - b. identify the sub-projects according to the level of ECS risks, assess and monitor how the significant ECS impacts and risks arising from sub-projects are managed, as applicable, and ensure that agreed ECS undertakings are met;
 - c. require that the sub-projects comply with the applicable legislation as described in paragraphs 14 and 15 below.
- 14 For sub-projects in EU, EFTA, Candidate and potential Candidate countries¹¹, the FI shall require that they be implemented in line with the applicable national and EU legislation.

and Human Rights, organisations or entities, such as States, trade unions or religious institutions, are not human rights-holders, but may act in a representative capacity for individuals who are rights-holders.

⁸ For the purpose of stakeholder engagement and access to grievances, as well as disclosure requirements, Candidate and potential Candidate countries are included in the "rest of the world".

⁹ According to Standard 2, taking into consideration the sub-projects' size, nature, socioeconomic context, location and sector sensitivity to environmental, climate and social impacts and risks.

¹⁰ <https://www.eib.org/en/about/documents/excluded-activities-2013.htm>.

¹¹ For projects located in Candidate and potential Candidate countries, the promoter shall consider any timeframes for reaching compliance with specific EU environmental legislation as arranged with the European Union through bilateral agreements and/or action programmes.

- 15 For sub-projects outside the European Union, the FI shall require that they be implemented in line with the applicable national legislation and the relevant EIB Environmental and Social Standards.
- 16 Where appropriate, and based on the ECS risk management process the FI has in place and its capacity to implement it, sub-projects with high ECS risks¹² shall be referred to the EIB for review and approval. Where applicable, appropriate mitigating measures shall be identified by the EIB in consultation with the FI, and implemented accordingly.
- 17 Where possible and appropriate, the FI may receive the EIB's support for assessing, managing and monitoring, as well as reporting on ECS impacts and risks.

Specific Requirements

Intermediated finance in pursuit of environmentally and/or socially sustainable objectives

- 18 Where intermediated finance is fully or partially dedicated¹³ to promoting environmental and social sustainability objectives, the FI shall be subject to additional requirements, that may include reporting and undertakings, to demonstrate that its processes and systems adequately factor sustainability impacts and risks into investment decisions in line with the EU Taxonomy, as relevant.

Equity funds

- 19 The FI shall put in place an environmental and social management process commensurate to the risk exposure that the Fund Entity is expected to manage.
- 20 The FI shall ensure the implementation of the above environmental and social management process, including environmental and social procedures as well as the monitoring of the environmental and social performance of its investees, where relevant.

Where the FI has made specific commitments regarding environmental and social sustainability objectives, progress on the agreed indicators shall be monitored and reported on.

Microfinance operations

- 21 Microfinance Service Providers (MSPs), which include microfinance institutions and banks (MFIs) or more broadly inclusive finance providers, are characterised by their small-scale operations and specific mission. MSPs shall ensure that their approach to engaging with and managing ECS impacts and risks is commensurate to the capacity and size of the financed microenterprises in order to mitigate such impacts and risks. Since the MSPs typically focus on clients from the poorest socioeconomic groups, who are usually vulnerable to social impacts and risks, they shall operate in alignment with strict client protection principles.

¹² High risk sub-projects: sub-projects that are likely to have significant environmental, climate and/or social impacts and risks and require the preparation of an Environmental Impact Assessment (EIA)/Environmental and Social Impact Assessment (ESIA) report due to: ii) national and/or EU Law requirements; or ii) determination made by the competent authorities in the host country and/or by FIs on a case-by case basis.

¹³ Sub-projects geared to certain objectives, including but not limited to, climate action, environmental sustainability, gender equality, etc.

Glossary

“gender”	refers to the social, behavioural and cultural attributes, expectations, norms and opportunities associated with being male, female, or with an individual’s sex, sexual orientation or sexual or gender identity.
“mitigation hierarchy”	measures taken to avoid and prevent any significant adverse effects on affected people, communities and workers, as well as on the environment. Where avoidance is not possible, implement measures to reduce, remediate such adverse effects on the environment and remedy such adverse effects on affected communities; as a last resort compensation should be implemented for any potential residual effects after full implementation of avoidance, minimisation, remediation and remedy actions. The human rights mitigation hierarchy is premised on the principles of protect, respect and remedy.
“project”	a set of defined works, goods, services and/or business activities for which EIB financing is sought either directly or through an intermediated financing structure for a specific sub-project/underlying investment, as approved by the EIB’s Governing Bodies.
“promoter”	EIB’s counterpart implementing a project, as defined in the finance contract
“rights-holders”	from a human rights perspective, all individuals and population groups that can make valid claims to fundamental rights. In the context of EIB projects, it refers to persons who are, actually or potentially, adversely affected by the project. It includes project affected persons, local community members, workers, etc.
“sexual abuse”	the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. All sexual activity with children (as defined by the UN Convention on the Rights of the Child as any person under the age of 18) is sexually abuse, regardless of the age of maturity or consent locally. Mistaken understanding of the age of a child is not a defence.
“sexual exploitation”	any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including profiting monetarily, socially or politically from the sexual exploitation of another.
“sexual harassment”	any form of unwanted verbal, non-verbal or physical conduct of a sexual nature with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment
“social issues”	issues which pertain to worker and persons or groups affected by the project, in relation to: a) the standards 6 to 10, and b) cross-cutting issues such as: human rights, stakeholder engagement, gender equality, building resilience in particular in conflict-affected and fragile situation, and social inclusion

“stakeholder engagement”	an inclusive and iterative process that involves, in varying degrees, identification and analysis of stakeholders, engagement planning, information disclosure, meaningful consultation, and a mechanism ensuring access to grievance and remedy
“stakeholders”	persons and/or communities who are: i) directly and indirectly affected by the project, including their legitimate representatives; or, ii) having an interest in the project and/or the ability to influence its outcome, either positively or negatively; and, iii) project workforce
“vulnerable groups”	groups or persons who may be more adversely affected by project impacts than others due to the existing discrimination, marginalisation, and/or exclusion on the basis of their socioeconomic characteristics, such as, but not limited to: sex, sexual orientation, gender, gender identity, caste, racial, ethnic, indigenous or social origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers’ organisation, property, nationality, language, marital or family status, health status, migrant, or economic status
“vulnerability	refers to the propensity or predisposition to be disproportionately affected due to context-specific characteristic as a result of the interplay of three factors: i) exposure to risks and adverse impacts; ii) sensitivity to those risks and impacts; and, iii) adaptive capacity.

European Investment Bank

Environmental and Social Standards

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**European
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