

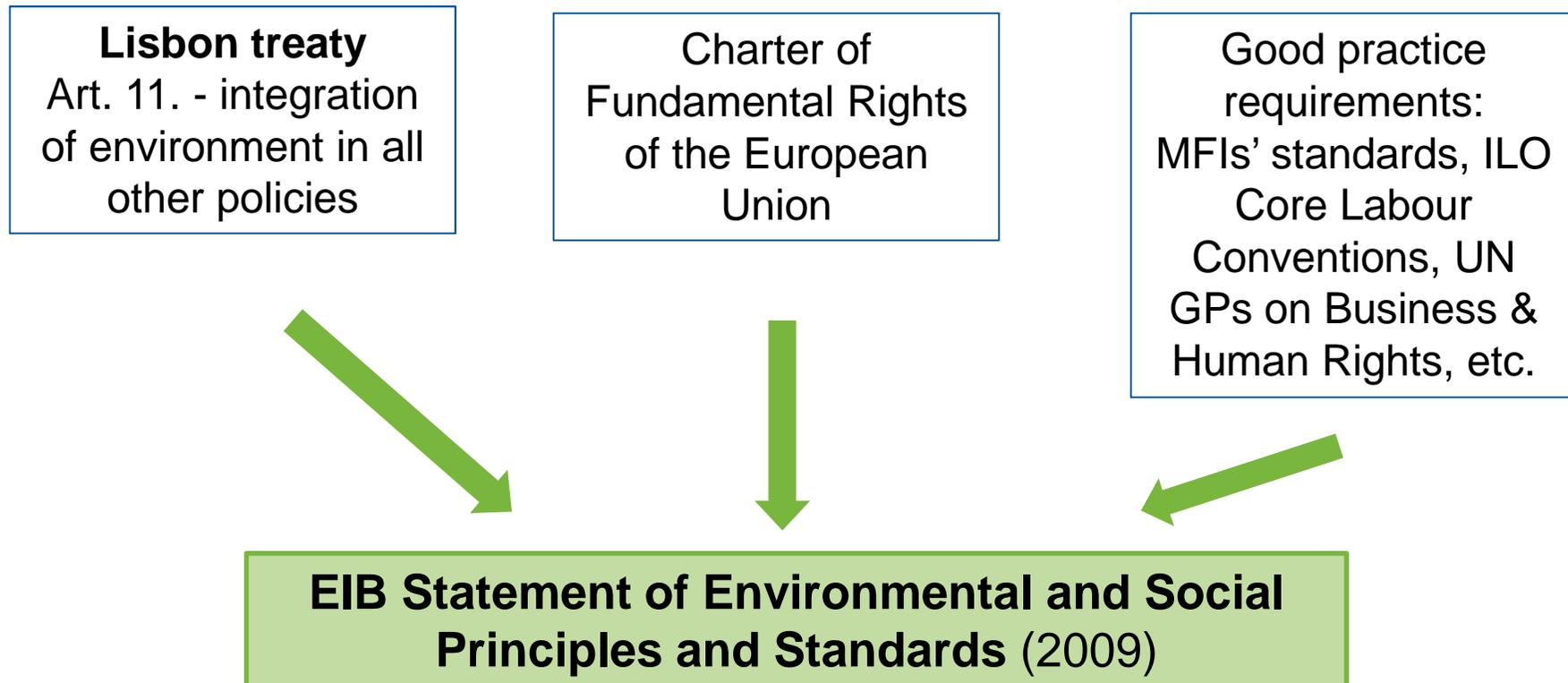


# Environmental, Climate and Social Standards

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Milano



# Foundation of EIB's Environmental & Social Framework



- Highest-level policy of the Bank articulating EIB's commitments to environmental and social sustainability
- Applicable to all regions, all types of financing, to the whole project, throughout the project cycle



- Requirements to be met throughout the life of an EIB-supported operation
- Help promoters manage E&S impacts and risks
- Help promoters improve their E&S performance through implementation of sound environmental and social practices, transparency and accountability.

**Standard 1:** Assessment and Management of Environmental and Social Impacts and Risks

**Standard 2:** Pollution Prevention and Abatement

**Standard 3:** Biodiversity and Ecosystems

**Standard 4:** Climate-Related Standards

**Standard 5:** Cultural Heritage

**Standard 6:** Involuntary Resettlement

**Standard 7:** Rights and Interests of Vulnerable Population Groups

**Standard 8:** Labour Standards

**Standard 9:** Occupational and Public Health, Safety and Security

**Standard 10:** Stakeholder Engagement



- ✓ Identifies and assesses environmental and social impacts and associated risks, as well as opportunities
- ✓ Assesses the capacity of the Promoter to manage environmental and social matters
- ✓ Helps the Bank decide if an activity should be financed
- ✓ Helps identify ways in which operations can be structured to avoid and/or mitigate risks, as well as provide benefits
- ✓ Frames the monitoring



## Standard 1 – Assessment and Management of Environmental and Social Impacts and Risks

### Objective

- To anticipate, avoid, minimize, and compensate for impacts and risks;
- To mitigate or minimise negative impacts to affected communities and the environment;
- To promote effective use of environmental and social management systems
- To promote adequate engagement and communication with project-affected communities

### Key clarifications

- Standard 1 establishes the importance of (i) integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects; (ii) effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them; and (iii) management of environmental and social performance throughout the life of the project .



## Standard 2 – Pollution Prevention and Abatement

### Objective

- ❖ To promote an integrated approach to prevention and control of emissions, waste management, energy efficiency and to accident prevention for the protection of the environment as a whole;
- ❖ To promote more sustainable use of resources, including energy and water

### Key Clarifications

- ❖ Requires determination of accountability with regards to historical pollution;
- ❖ Clarifies and strengthens the requirements for the application of the best available techniques;
- ❖ Clarifies that the release of pollutants should not exceed certain associated emission limit values;
- ❖ Clarifies that the release of pollutants should be controlled under normal operating conditions, as well as all other non-routine circumstances and strengthens the monitoring requirements;
- ❖ Introduces concept of “duty of care” for hazardous waste disposal. Provides guidance on how to put in place effective systems for ensuring prevention, preparedness and response to major accidents for limitation of the consequences of such accidents.



## Standard 3 – Biodiversity and Ecosystems



### Objectives

- To protect and conserve biodiversity and ecosystems;
- To maintain the benefits from ecosystem services where there is an impact on local livelihoods;
- Considers risks to communities associated with use and/or alteration of natural resources and climate change through an ecosystems approach.

### Key clarifications

- Provides guidance on the biodiversity assessment thought process (i.e. adequacy of baseline, scoping);
- Strengthen the requirement for biodiversity-inclusive impact assessment for all regions (assessment not limited to impacts on protected areas) and for adaptive management;
- Strengthens the requirement for the application of the mitigation hierarchy – mitigation hierarchy is the way to navigate through trade-offs;
- Clarifies definitions of and requirements for various types of habitats;
- Underlines that critical habitats can be found in any of the 3 different types of habitats and therefore the characterisation of the biodiversity value should be carried out(criticality).

## Standard 4 – Climate-related Standard



- Ex ante calculation of **carbon footprint** for all projects emitting more than 100kt CO<sub>2</sub>eq/yr or leading to an emission variation of more than 20kt CO<sub>2</sub>eq/yr compared to the baseline. Publicly available methodology

- Economic price of carbon in EIB appraisal (EUR/t CO<sub>2</sub>e)

Scenario	Annual adders	
	2010	2011 to 2030
High	40	2
Central	25	1
Low	10	0.5

- Adaptation:
  - Support for specific adaptation projects
  - Screening of all projects for climate risks and vulnerability
  - Incorporation of hard or soft measures to improve projects' resilience (technical standards, warning systems, insurance)



## Standard 5 – Cultural Heritage



### Objective

- To protect and preserve tangible and intangible cultural heritage

### Key Changes

- Clarifies definitions of and requirements for various types of cultural heritage (e.g. tangible heritage and intangible heritage);
- Strengthens the requirements for cultural heritage inclusive impact assessment for all regions and defines the key issues to be taken into account as part of the assessment;
- Strengthens the requirements for chance find procedure;
- Strengthens the requirements of consultation and involvement of affected communities in the cultural heritage assessments and management procedures – introduces participatory management where appropriate.



## Standard 6 – Involuntary Resettlement



### Objectives

- To avoid or minimise displacement of communities and avoid forced evictions;
- To reduce adverse impacts from land acquisition and restore the livelihoods of displaced persons.

### Key changes and clarifications

- Highlights the alignment with the international human rights law - specifically rights to property, adequate housing and standard of living and food;
- Clarifies the adequate housing criteria, criteria for relocation sites, and specific technical requirements for census, baseline and cut-off date;
- Reaffirms the core principle that no work activities can start before the promoter has addressed the involuntary resettlement consistent with this Standard;
- Reaffirms the principle that all affected persons, regardless of if they have the land title or use rights, will be paid fair compensation in good time for expropriated assets;
- Clarifies the different roles and responsibilities of private and public sector promoters in the resettlement process;
- Highlights the requirement for external monitoring of the resettlement process.



## Standard 7 – Rights and Interests of Vulnerable Groups

### Objectives

- To ensure respect for the human rights and livelihoods of vulnerable groups;
- To link the concepts of vulnerability, impact and the requirements for equal treatment (application of the principle of non-discrimination);
- To promote sustainable development benefits and opportunities for vulnerable groups.

### Key changes and clarifications

- Provides clear definitions for “vulnerability” and “vulnerable groups”, including therein “poverty”;
- Introduces a distinction between references to “women” and “gender” considerations;
- Encourages an approach to non-discrimination;
- Ensures Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples.



## Standard 8 – Labour Standards

### Objectives

- ✦ To promote fair treatment, non-discrimination, equal opportunity and safe conditions for workers and employees;
- ✦ To ensure compliance with national employment and labour laws;
- ✦ To protect workers and avoid the use of forced or child labour;
- ✦ To promote the right to freedom of association.

### Key Changes

- ✓ Requires comparable terms and conditions for all workers;
- ✓ Introduces requirements for workers' accommodation;
- ✓ Ensures worker access to a grievance mechanism;
- ✓ Defines first-tier supplier and contractor, requiring application of due diligence at that level, too;
- ✓ Introduces the notion of labour audit.



## Standard 9 - Occupational and Public Health and Safety and Security

### Objectives

- To anticipate and avoid health, safety and security impacts on workers and the public;
- To safeguard people and property in accordance with relevant human rights principles.

### Key changes and clarifications

- Differentiates applicability of the Standard by geographic location, making reference to the existing framework contained in relevant EU directives;
- Enumerates and describes the different risks related to HSS that the promoter needs to address;
- Introduces the application of the Standard to 1<sup>st</sup>-tier suppliers and primary contractors. Promoters are recommended to seek to apply the Standard through the supply chain with the use of a human rights due diligence assessment.



## Standard 10 – Stakeholder Engagement



### Objectives

- To emphasize a shift towards engagement;
- To involve all stakeholders;
- To promote meaningful consultation and participation;
- To integrate a grievance & recourse mechanism addressing the entire operation.

### Key Changes and clarifications

- Enlarges and clearly defines the scope of stakeholder engagement as one embracing (a) access to information, (b) access to meaningful consultation and participation and (c) access to grievance and remedy;
- Clearly defines “Broad Community Support”, “Free Prior Informed Consent”;
- Elaborates on the definition and process of “Free Prior Informed Consent”, clearly stipulating the triggers favouring its application;
- Strengthens how promoters shall address and deliver stakeholder engagement by way of specific procedures, these being the “Stakeholder Identification and Analysis”; “Engagement Planning”; “Information Disclosure”; “Public Consultation” and “Grievance Mechanism”;
- Provides suggested contents for a Stakeholder Engagement Plan.



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