

# ANNEX 6

Environmental & Social Management System Manual

Final Version

# 2023

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**BLUE GREEN BANK**  
A GREEN CLIMATE FUND INITIATIVE



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## LIST OF ACRONYMS

BGB	Blue Green Bank
EHS	Environmental Health and Safety
EIA	Environmental Impact Assessment
ESAP	Environmental and Social Action Plan
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FI	Financial Institution
GBV	Gender Based Violence
GCF	Green Climate Fund
GHG	Green House Gas
HOPE	Home Ownership Providing Energy
HR	Human Resources
IFC	International Finance Corporation
ILO	International Labour Organization
IP	Investment Process

KPI	Key Performance Indicator
NDC	Nationally Determined Contribution
NFI	Non-Financial Institution
OHS	Occupational Health and Safety
SEA	Sexual Exploitation and Abuse
SEAH	Sexual Exploitation and Abuse and Harassment
SH	Sexual Harassment
USD	United States Dollars

# Definitions

The following definitions shall apply in this Manual:

“**BGB**”, means Blue Green Bank.

“**Due diligence**”, in the context of the environmental and social management system, means the process of investigating potential investments to confirm all facts, such as reviewing environmental and social safeguards, audits, assessments, and compliance before consideration of funding or entering into an agreement with another.

“**Environmental and social impacts**” refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on the surrounding community and workers, resulting from the activities to be supported.

“**Environmental and social management system (ESMS)**” refers to a set of management processes and procedures that allow an organization to identify, analyse, control, and reduce the environmental and social impacts of its activities, in a consistent way and to improve performance in this regard over time. For the purposes of this document, “ESMS” refers to the environmental and social management system of BGB.

“**Environmental and social risk**” is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence.

“**Intermediaries**” refers to subnational, national, regional or international public and private entities (financial or non-financial) with accredited capacities for intermediation.

“**SEAH**” means Sexual Exploitation, Sexual Abuse and Sexual Harassment.

“**Stakeholders**” refers to individuals or groups, communities, governments who: (a) are affected or likely to be affected by the activities; and (b) may have an interest in the activities (other interested parties). The stakeholders of an activity will vary depending on the details of the activity and may include local communities, national and local authorities, including from neighbouring governments, neighbouring projects, and nongovernmental organizations.

# 1 BGB's E&S manual and policy

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## 1.1 BACKGROUND TO THE BLUE-GREEN BANK

**The people of Barbados are being severely impacted by climate change, constraining the sustainable development ambitions of the country and threatening the lives and livelihoods of vulnerable communities.** These climate impacts are driven largely by the increased frequency and intensity of tropical storms and hurricanes — along with the associated impacts of sea level rise and storm surge — as well as decreasing rainfall with longer dry spells, lower soil moisture and increased aridity. **Urgent adaptation action is, therefore, needed to reduce the wide-reaching impacts on key economic sectors and secure a sustainable future for all Bajans.** In addition to these core adaptation needs; the country recognises the vital importance of global mitigation efforts to reduce the threat of future climate change exacerbating these impacts. To this end, despite contributing significantly less than 0.01% of global GHG emissions, Barbados' resilience strategy includes highly ambitious mitigation targets, including a transition to 100% renewable energy by 2030. These ambitious targets are intended to demonstrate the country's commitment to climate action, as well as to serve as an example to the rest of the world of the feasibility of the transition when innovative approaches are adopted.

**Unfortunately, despite these commitments, progress has been slow — especially in adopting renewable energies and water conservation initiatives by middle- to low-income households.** This relates primarily to the structure of ownership of capital in the Barbados economy and the financial ecosystem (see Barriers below for more detail). Given the existing fiscal constraints, Barbados' resilience strategy — encompassed in the Roofs to Reefs Programme (R2RP) — recognises the need to partner with the private sector to mobilise finance for innovative climate investments that are, or can be made, bankable. Such an approach will enable the government to direct the limited concessional finance available towards public-good resilience measures that do not have direct financial returns.

**There is a discernible gap in the market in Barbados and the Caribbean for a financial institution that can provide opportunities for existing financial institutions and capital markets to mobilise funds,** whether through conventional bank lending or alternative securitisation of revenue streams deriving from climate change mitigation and adaptation activities, thereby creating stronger and more diversified capital markets.

**To address the urgent need for innovative finance in Barbados, the proposed project will establish a sustainable climate finance vehicle — the Blue Green Bank (BGB) — to stimulate innovation in the financial sector with the goal of mobilizing the securities and loan markets in order to unlock additional funding for climate-responsive initiatives.** The BGB will be a joint public-private sector effort to create an improved financing infrastructure that works closely with other financing players — such as commercial banks, credit unions, pension funds, and insurance companies — to crowd in private capital alongside public capital, rather than crowding out the significant investment opportunities offered by these key financial institutions. For such institutions to become involved in climate change mitigation and adaptation activities, the leadership should be provided by a third party putting the deal together, for which it must establish the appropriate capacities in technical and HR terms, as well as appropriate management and institutional arrangements.

**The BGB is designed to become a significant institution for practical and strategic financing of climate change adaptation and mitigation policies and measures, supporting the Governments of Barbados to achieve national resilience and emissions reduction targets.** As a partnership which brings together public (Government of Barbados), private and multilateral institutions at the level of equity, the BGB can present a holistic view of the market and the potential for green financing by ensuring that new projects align with Barbados' NDC targets. Because the BGB's goal is national climate adaptation and mitigation, it will seek not to replace other financial institutions but to act as a partner and support system for them in this underdeveloped market segment. To this end, the bank will be wholesale in operation, providing support in the form of funds, guarantees or other mechanisms to existing lenders, whether banks, credit unions, insurance companies etc to facilitate the funding of blue/green programs contemplated by government policy. The BGB will also serve as a conduit between local

financial institutions and the Government of Barbados, allowing the BGB to identify market opportunities and provide feedback and data to inform policy decisions more effectively.

Once established, the BGB will engage with investors, including private investment firms, development banks, philanthropic organisations, and other sources of finance to continue to capitalise the bank over the long term. The bank will maintain a debt-finance to-equity ratio of 7:1, aiming to mobilise at least USD 620 million over the next 15 years.

**Overall, the BGB will promote a paradigm shift towards investment in resilient livelihoods and low-carbon technologies, with emphasis on low-income, vulnerable households and the energy, housing, agriculture and transport sectors.** The project will also build the wider community's awareness of climate investment opportunities in support of a more resilient and sustainable Caribbean. Finally, by focusing on climate resilience and adaptation for middle to low-income households — including a specific focus on women and other highly vulnerable groups — the BGB would aim to attract more concessional or philanthropic providers of capital, expanding the goals of climate action in Barbados without the need for further injections of money by the Government and GCF. This will create long-term sustainability and scalability in the banking sector, with the potential to scale beyond Barbados into the broader Caribbean region over time.

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## 1.2 INFORMATION ON SUBPROJECTS TO BE FINANCED BY BGB

BGB will finance subprojects through Financial Intermediaries (FI) and Non-Financial Intermediaries (NFI). Examples of subprojects that BGB will target are subprojects under the HOPE program and the SHIFT program in Barbados. BGB will finance individual subprojects rather than providing finance to the entire program.

HOPE aims to construct and sell 2- and 3-bedroom concrete and hurricane-resilient houses for low-income markets. Additionally, all properties will be sold with PV panels on the roof and possibilities for water reclamation. This water will then be treated and sold for irrigation to agricultural projects, thereby enhancing Barbados' food security. The SHIFT program aims to install PV panels on 50,000 climate-resilient roofs for low-income households. Additionally, several investment areas have been preliminary identified for the second phase of BGB's subproject pipeline. These include subprojects that would reduce the reliance on food imports, climate resilience agriculture and vehicle-to-grid electric vehicle charging programs. The financial services that are most suitable for financing such projects will be determined by BGB's management team.

At the time of writing this ESMS Manual, concrete information about BGB's pipeline was not available (e.g., details on the exact location of subprojects). However, Eligibility Criteria were developed that BGB will use to select appropriate subprojects (refer to Annex 2.2 BGB Eligibility Criteria). These criteria are intended to help BGB and its intermediaries to appraise the subprojects against a comprehensive set of criteria supporting prioritization and selection of the most suitable subprojects. The Eligibility Criteria tool comprises the initial due diligence framework (step 1), the sector level due diligence (step 2), and a deep dive assessment (step 3). These steps include an assessment of the financial feasibility and environmental and social (E&S) aspects of the project, amongst others. One of the E&S criteria that will be assessed is the E&S Risk Category of the subproject, which the Eligibility Criteria limit to Category B and C subprojects (i.e., BGB will not finance Category A subprojects), as further explained in this ESMS Manual.

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## 1.3 ENVIRONMENTAL AND SOCIAL RISKS IN BARBADOS

This section provides an overview of the current environmental and social risks in Barbados.

### 1.3.1 Environmental impact assessments (EIA): current state of play in Barbados

Barbados has a planning and development (Environmental Impact Assessment) regulation of 2021 which provides guidelines for conducting EIA in Barbados<sup>1</sup>. The regulations require a board of the EIA committee to be appointed to advise the minister with respect to EIA assessment studies. The process allows for public participation and public scrutiny through commenting on proposed development projects<sup>2</sup>. According to local regulations, the following activities are required to conduct an EIA:

1. Major transportation infrastructure, including highways, airports, seaports, wharves, marinas, piers or jetties.
2. A fossil-fuelled electricity generating plant or alternative energy generation plant having a capacity greater than one megawatt, including but not limited to hydro-electric plants, geothermal energy plants, wind-power plants, solar-voltaic arrays, and waste-to-energy plants.
3. A crude oil storage or refinery facility or a petroleum and natural gas storage and pipeline installation.
4. A waste incinerator, sanitary landfill operation, solid waste disposal site, sludge disposal site, toxic waste disposal site or other waste management facility, other than a facility for sorting and processing of source-separated dry recyclable wastes.
5. A sewage or wastewater treatment plant, a desalination plant or a water purification plant.
6. An industrial plant for the manufacture, storage or use of cement, chemical products, paints or hazardous materials.
7. An industrial estate development project.
8. Mining operations, including quarries and sand mines (including the excavation, removal or deposit of beach materials and similar materials on the foreshore or seabed).
9. An operation involving land reclamation, dredging and filling of ponds.
10. A hotel or resort complex within excess of 50 rooms or a golf course.
11. Crematoria and funeral parlours.
12. Development within Heritage Conservation Areas or Protected Areas.

### 1.3.2 Labour and working conditions in Barbados

Barbados's constitution was published in 1966 and has been amended eight times with 2021 being the year of the latest amendment. The constitution encompasses human rights provisions including rights to life, personal liberty, law, inhuman treatment, slavery, and forced labour, arbitrary search and entry; freedom of movement, conscience, expression, assembly, and association; privacy, work, racial discrimination and deprivation of property.

Barbados has also ratified all eight of the International Labour Organization (ILO)'s Fundamental Conventions<sup>3</sup>:

- C029 – Forced Labour Convention;
- C087 – Freedom of Association and Protection of the Right to Organise Convention;
- C098 – Right to Organise and Collective Bargaining Convention;
- C100 – Equal Remuneration Convention;
- C105 – Abolition of Forced Labour Convention;
- C111 – Discrimination (Employment and Occupation) Convention;
- C138 – Minimum Age Convention; and

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<sup>1</sup> <https://www.barbadosparliament.com/uploads/sittings/attachments/e8b8ed6cd2c94db7cef68bf030b6ef68.pdf>

<sup>2</sup> <https://www.barbadosparliament.com/uploads/sittings/attachments/e8b8ed6cd2c94db7cef68bf030b6ef68.pdf>

<sup>3</sup> [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:103218](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103218)



- C182 – Worst Forms of Child Labour Convention.

In terms of ILO's Governance (Priority) Conventions, Barbados has ratified three out of four, i.e., C081 Labour Inspection Convention, C122 Employment Policy Convention and C144 Tripartite Consultation (International Labour Standards) Convention. Only C129 Labour Inspection (Agriculture) Convention. ILO's Governance (Priority) Convention has not been ratified by Barbados.

Barbados has ratified ten of 178 Technical Conventions in relation to labour working conditions, which are:

- C011 – Right of Association (Agriculture) Convention;
- C012 – Workmen's Compensation (Agriculture) Convention;
- C017 – Workmen's Compensation (Accidents) Convention;
- C019 Equality of Treatment (Accident Compensation) Convention;
- C026 – Minimum Wage–Fixing Machinery Convention;
- C042 – Workmen's Compensation (Occupational Diseases) Convention;
- C063 – Convention concerning Statistics of Wages and Hours of Work;
- C090 – Night Work of Young Persons (Industry) Convention;
- C094 – Labour Clauses (Public Contracts) Convention;
- C095 – Protection of Wages Convention;
- C097 – Migration for Employment Convention;
- C101 – Holidays with Pay (Agriculture) Convention;
- C102 – Social Security (Minimum Standards) Convention;
- C108 – Seafarers' Identity Documents Convention;
- C115 – Radiation Protection Convention;
- C118 – Equality of Treatment (Social Security) Convention;
- C128 – Invalidity, Old–Age and Survivors' Benefits Convention;
- C135 – Workers' Representatives Convention;
- C172 – Working Conditions (Hotels and Restaurants) Convention; and
- MLC, 2006 Maritime Labour Convention.

The Ministry of Labour under the Labour Department has a section in charge of Occupational safety and health who are responsible for the administration of statutory provisions and the promotion of 'best practice' towards achieving acceptable working conditions<sup>4</sup>. The Department pursues this goal by working with employers and workers through a range of safety programs which includes: routine factory inspections, accident investigations, investigation of complaints, consultancy services, and public awareness and training. Barbados has a Safety and Health at Work Act Cap356 that aims to secure the provisions of safety, health and welfare for persons in the workplace as well as those external to the workplace who may be impacted by the activities that occur there. The law provides for the right of workers to refuse dangerous work without jeopardy to their employment, and authorities generally protected employees in this situation. Occupational accidents have significant

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<sup>4</sup> <https://gisbarbados.gov.bb/blog/changes-to-safety-health-at-work-act-cap-356/>

human, social and economic costs. Despite the regulations being in place Barbados' latest statistics stand at 388 non-fatal occupational injuries per 100 000 workers while occupational fatalities stand at 0.8 per 1000 000 workers<sup>5</sup>.

Barbados has a government-mandated minimum wage, supported under the Minimum Wage Act of 2017 and no worker in Barbados can be paid less than this mandatory minimum rate of pay<sup>6</sup>. Barbados has occupational minimum wages for categories such as shop assistants, domestic workers, and agricultural workers; although average wages tend to be higher than the minimum wage. Under the Minimum Wage Act, all businesses must pay their employees not less than the national or sectorial minimum wage that applies, whether they are employed on a full- or part-time basis, or as a temporary or permanent employee. Despite this, the country has reported several industrial actions over the years<sup>7</sup>. Reports show that the Minimum Wage Council has not met for a while, but is expected to do so soon. The Minimum Wage (National and Sectoral Minimum Wage) Order 2021, which came into effect on 1 April 2021, was established to:

- Increase the national minimum wage in Barbados;
- Increase the sectoral wage for security guards; and
- Revoke the Wages Councils (Wages Regulation) (Shop Assistants) Order 2012.

Migration is governed by several pieces of legislation: The Constitution of Barbados, the Barbados Citizenship Act (Cap. 186), the Barbados Immigration Act (Cap. 190) and the Caribbean Community (Movement of Skilled Nationals) Act. The Minister with responsibility for Immigration holds discretionary powers to make decisions on matters such as citizenship, work permits and extensions of stay. The Immigration Act, Chapter 190, states that no person shall engage or employ any person who is not a citizen of Barbados, permanent resident in Barbados or immigrant, unless there is a work permit in force covering that engagement or employment. Individuals desirous of working in Barbados must hold a permit<sup>8</sup>. The website of the Barbados Immigration Department indicates that, *"All non-nationals desirous of working in Barbados are required to register with immigration prior to commencing employment"*. The website further distinguishes between short-term and long-term work permits; the former is valid for up to 11 months and the latter for up to three years. In both instances, employers make applications on behalf of the prospective employee. Employers must conduct a labour market needs test and provide proof that no local employee can or is willing to do the position being filled.

The Employment Act 2020 was enacted on 28 July 2020. Its key objective is to protect employees from discrimination. The law prohibits discrimination on grounds of age, skin colour, creed, disability, domestic partnership status, marital status, medical condition, physical features, political opinion, pregnancy, race, trade, gender, sexual orientation, social status, or union affiliation. The Employment Act contains a number of prohibitions in favour of employees, including a prohibition against an employer from requiring an employee to answer questions in relation to, or undergo a test for, a medical condition as a precondition to entering into a contract of employment or as a condition for the continuance of employment.

In Barbados, 83.3% of legal frameworks that promote, enforce and monitor gender equality under the SDG indicator, with a focus on violence against women, are in place. In 2012, 69.9% of women of reproductive age (15-49 years) had their need for family planning satisfied with modern methods<sup>9</sup>. To address these challenges, the Barbadian government has established and signed a number of initiatives aimed at promoting gender equality and women's empowerment. These include the Beijing Platform for Action, which outlines goals and objectives for achieving gender equality and women's rights in Barbados<sup>10</sup>. As a result of signing this document, Barbados has made significant positive progress towards freedom and equality for women such as eliminating the direct discrimination and violence against women in public spheres and activities. Barbados is also in compliance with the Inter-American Convention on the Prevention, Punishment, and Eradication of Violence against

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<sup>5</sup> <https://ilostat.ilo.org/topics/safety-and-health-at-work/>

<sup>6</sup> [https://uploads-ssl.webflow.com/624a33e623e2fe4579bb88f5/63c7bd3d83089404b77bfa0d\\_Minimum%20Wage%20Act%2C%202017.pdf](https://uploads-ssl.webflow.com/624a33e623e2fe4579bb88f5/63c7bd3d83089404b77bfa0d_Minimum%20Wage%20Act%2C%202017.pdf)

<sup>7</sup> <https://barbadostoday.bb/2023/02/18/industrial-action-could-be-avoided-minister/>

<sup>8</sup> <https://immigration.gov.bb/pages/WorkPermit.aspx>

<sup>9</sup> <https://data.unwomen.org/country/barbados>

<sup>10</sup> <https://www.un.org/womenwatch/daw/Review/responses/BARBADOS-English.pdf>

Women, the only binding and legal document against gender-based violence and upholds women's physical, sexual and psychological integrity<sup>11</sup>. The gender pay gap in the Caribbean remains alarmingly disparate, as the 2019 Human Development Report placed annual gross income for women at US \$13,686 while men earn US \$18,292, especially because women outnumber men as graduates of institutions of higher learning<sup>12</sup>.

The right to freedom of association is enshrined in the Constitution. Barbados ratified Convention No. 87 on Freedom of Association (The right to form and join the trade union of one's choosing as well as the right of unions to operate freely and carry out their activities without undue interference) and Protection of the Right to Organise (1948) in 1967 and Convention No. 98 on the Right to Organise and Collective Bargaining (1949) in 1967. In terms of collective bargaining, the government of Barbados neither supports nor guarantees it. Given the absence of any legal requirements, collective bargaining is only practised where there is goodwill between the parties or a tradition of such negotiations. According to reports on human rights 2022, employers recognized unions or collective bargaining where more the 50 per cent of employees made a request. The law prohibits anti-union discrimination and protects workers engaged in union activity<sup>13</sup>.

Employment Sexual Harassment Act 2017 was passed by the Barbados Parliament on the 21st day of October 2017. It protects both men and women from being subject to sexual harassment in the workplace. Section 4 requires all Employers to draft a clear Sexual Harassment Policy Statement which should be issued by the Employer to each Employee at the commencement of their employment<sup>14</sup>. The Sexual Harassment Act provides a framework for the reporting and lodging of complaints; and provides for the investigation, hearing and determination of sexual harassment complaints. The Act also provides for strict confidentiality, except to the extent necessary for the purposes of the Act. However, the Act does not cover instances of sexual harassment that may occur outside an employee's place of work, such as at a fete or in public or other places not associated with the Employees work or duties. Harassment of women and girls in Barbados is a widespread and pervasive issue as it has been normalized as part of the culture as reported in one article published in 2021 by one journalist<sup>15</sup>.

### 1.3.3 Resource scarcity and efficiency

The country is ranked among the top 10 most water-stressed countries in the world (OCHA, 2022) and, according to the United Nations Commission on Water, Barbados is a "water scarce" country. Barbados is almost entirely reliant on groundwater from aquifer sources and the drought of 1994-1995, which put the country on a scarcity level near many Middle Eastern desert nations, triggered the need for saltwater desalination to supplement groundwater sources. The desalination facilities produce 30,000 cubic meters of water per day, which supplies water for up to 20% of the population (USAID, 2021). In 2021, the country began importing water from CARICOM states to meet the local water supply (OCHA, 2022).

Water availability in Barbados is directly affected by the periods and intensities of the wet and dry seasons and by extreme weather systems (Government of Barbados, 2018). Changing precipitation patterns and rising sea levels will lead to an increase in saline intrusion into aquifers, which will impact the quality and quantity of suitable water (OCHA, 2022), which is likely to negatively impact water security.

In terms of energy, Barbados imports around 94% of its energy in the form of fossil fuels, which makes the country highly reliant on external providers, and impacted by cost fluctuations and the ability to supply and deliver. However, Barbados' resilience strategy includes highly ambitious mitigation targets, including a transition to 100% renewable energy by 2030.

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<sup>11</sup> <https://caribbean.unwomen.org/en/caribbean-gender-portal/caribbean-gbv-law-portal/gbv-and-state-accountability>

<sup>12</sup> <https://hdr.undp.org/system/files/documents/hdr2019pdf.pdf>

<sup>13</sup> <https://www.state.gov/reports/2022-country-reports-on-human-rights-practices/barbados/>

<sup>14</sup> <https://www.bamlbb.org/post/copy-of-literacy-program-for-syrian-girls-refugees>

<sup>15</sup> <https://globalvoices.org/2021/07/29/journalist-working-remotely-in-barbados-shares-her-experience-of-street-harassment/#>

According to the 2021 NDC, the fishing and agricultural industries are impacted heavily by drought, flooding and storm damage, saline intrusion, pest and invasive species outbreaks and spread, and ecosystem destruction (Barbados, 2021), which impact livelihoods and food availability.

### **1.3.4 Pollution in Barbados**

Climate-related weather events can lead to pollution of the natural environment. Key examples include groundwater contamination from flooding, contaminated soils and saltwater intrusion, and disruption to key infrastructure and services, such as sanitation and solid waste collection, which impact groundwater, the marine environment and soil quality. Unsustainable land use practices result in runoff during extreme rainfall events, also polluting and degrading marine ecosystems.

A more recent concern, with a multitude of impacts, is the increase in drifting sargassum seaweed. This disrupts fisheries and has devastating impacts on tourism, damages critical nearshore ecosystems and coastal livelihoods, as well as causes significant health challenges for populations exposed to rotting sargassum (Juman, 2021). Health risks are related to the release of gases during decomposition, such as hydrogen sulphide and ammonia. Impacts can range from headaches and nausea to neurological and cardiovascular changes (Milkowska-Shibata, 2022).

Barbados has an approximate population density of around 660 persons per km<sup>2</sup>, making it one of the most densely populated islands in the Caribbean and it is within the top 20 most densely populated countries in the world, with roughly 25% of the island's population living within 2 km of the coast (Government of Barbados, 2018). Approximately 50% of the homes are concrete based while the remaining are typically timber structures, which are more vulnerable to extreme weather events.

Barbados is already being significantly and directly impacted by the increase in climate-related extreme events, including hurricane frequency and intensity, droughts, and sargassum seaweed influxes which are aggravated by the specific location of Barbados' beaches, coastline characteristics and social and economic factors (Barbados, 2021).

The projections of higher sea levels and increased tropical storm activity are expected to increase storm surge frequency and intensity, with the main impact of storm surges being flooding and, because of Barbados' generally low-lying topography, it has been estimated that storm surge flooding events could extend over 150–300m inland (Government of Barbados, 2018). Such events will lead to an increase in damage to coastal infrastructure and settlements, deterioration of coastal conditions and resources and knock-on effects on sectors of the economy, such as tourism, agriculture and fisheries (Government of Barbados, 2018). In addition, damage to utility infrastructure impacting centralised energy supplies, as well as water, gas and telecommunications infrastructure, has significant negative impacts on the well-being of the population and their health, with typical health impacts related to water and vector-borne diseases.

### **1.3.5 Health and safety risks for communities in Barbados**

#### **1.3.5.1 Overview of health and safety risks in Barbados**

The overall health profile of the country is of an ageing population which faces more health risks from non-communicable than communicable diseases. Barbados has one of the oldest populations in the Caribbean and the pace of ageing is inspected to increase.

The disease burden is increasingly dominated by non-communicable diseases. In 2019, cardiovascular diseases, diabetes, and cancers were the top three causes of death and disability. In 2016, the prevalence of overweight and obesity in the adult population was 52.4%, related to this 85.8% of the population reported insufficient physical activity. The NDC noted that obesity, heart disease, strokes and other non-communicable diseases (NCDs) are causing vulnerability in the population and that COVID-19 exacerbated this.

The 2010 census counted between 12,000 and 14,000 disabled people in the country, however, updated figures are missing.

On infant and maternal health, the maternal mortality ratio for 2017 was estimated at 27 deaths per 100 000 live births, which was a reduction of 46% from the estimated value for 2000. The infant mortality rate in Barbados also decreased from 12.8 to 10.1 deaths per 1 000 live births, a decrease of 21.1% from 2000 to 2020.

In 2020, there were new 2.1 cases of tuberculosis per 100,000 people and the overall tuberculosis mortality rate (age-adjusted and per 100 000 population) was 0.3 (0.2 in women and 0.3 in men). In 2019, the estimated human immunodeficiency virus (HIV) infection incidence rate (new diagnoses) was 34.8 per 100,000 and the age-adjusted mortality rate for HIV was 8.4 per 100,000, which was a decrease of 85.4% since 2000.

New and re-emerging communicable diseases such as chikungunya, dengue and Zika virus are current concerns in the country. Dengue fever is endemic and from 2010–2015, there were 2,955 confirmed cases, and 12 deaths. Chikungunya virus was introduced in Barbados in 2014 resulting in 139 laboratory-confirmed cases and the Zika virus in 2015 resulting in one confirmed case of congenital syndrome. Leptospirosis and typhoid are also recognized as risks in the country.

Air quality in Barbados is moderately unsafe as the annual mean concentration of PM<sub>2.5</sub> was 23 µg/m<sup>3</sup> in 2017 which exceeds the recommended maximum of 10 µg/m<sup>3</sup> from the WHO guidelines. Home heating with wood, vehicle emissions, waste burning, and electricity generation contribute to this poor air quality. The NDC also cites the issue of volcanic ash, following the eruption of La Soufriere in neighbouring St. Vincent in early 2021, which severely affected Barbados' agricultural sector, and more temporarily business and health.

### **1.3.5.2 Environmental and social factors compounding health and safety issues**

The NDC highlighted increased heat stress and greater prevalence of water and vector-borne diseases as the key health concerns related to climate change. Given the ageing population and that elderly people are particularly susceptible to heat stress, this is a critical concern.

The WHO also highlights that climate change can affect air quality, supplies of safe drinking water, sufficient food and secure shelter which can have a negative impact on health in the country and as a result illness and death from malnutrition and diarrhoea will increase globally.

Damages to health facilities from extreme events can also hinder health services.

### **1.3.5.3 Existing health and safety infrastructure**

Barbados' Ministry of Health and Wellness mission is *"to promote and manage health and ensure environmental concerns are considered in all aspects of national development, through the provision of comprehensive, coordinated and integrated care, supported by appropriately trained staff, national leadership and standards of excellence"* (Barbados Integrated Government website). Comprehensive health care is provided through a network of polyclinics, a secondary care institution, a mental hospital, and long-term facilities for the elderly and persons with disabilities. Health care services are provided free at the point of service in the public sector.

In 2019, public expenditure on health accounted for 2.8% of gross domestic product (GDP) and 10.6% of total public expenditure.

One indication of accessibility for people with disabilities, is the information available online about wheelchair-accessible shelters in case of hurricanes. However, there is a need for more data about people living with disabilities and there are concerns about issues of discrimination.

## **4. Further Recommendations for mitigating risk**

There are some synergies between addressing climate change issues and health, for example reducing emissions of greenhouse gases through better transport, food and energy use can result in improved health, particularly through reduced

air pollution. Initiatives which focus on water, sanitation and solid waste for mitigation and adaptation also have health co-benefits.

However, vulnerabilities as a result of health issues need to be included in community climate risk profiles and vulnerability assessments to ensure that adaptation measures address differentiated risk-related health concerns.

### 1.3.6 Eminent domain land acquisition in Barbados

There is a local law, the Land Acquisition Act cap 228 which allows the government to compulsorily acquire land in Barbados. The acquisition process requires parliament to approve according to section 5 of the Land Acquisition Act Cap 228. Additionally, compensation with respect to compulsory is payable according to the act<sup>16</sup>.

Barbados' compulsory acquisition legislation allows the taking of properties for public purposes or uses that benefit Barbadians in general rather than individuals. No land is taken without adequate compensation and there are safeguards where Government would pay the cost of an independent valuation if the price offered is not accepted. Government also pays the reasonable attorney's fees in dealing with the compensation. Where the offer from Government as determined by the Barbados Revenue Authority is so far from the quantum assessed by the Valuer working for the property owner, either party can have the quantum of compensation determined by the Courts. Where persons are to be relocated as a result of an acquisition, persons obtain replacement houses and if they owned the land, a replacement lot (instead of compensation, where the concept of equivalent reinstatement is utilized).

Barbados' policy on informal settlements is such that if the informal settlement does not offend the planning authorities it is allowed to remain. However, if it offends, persons are notified, warned and enforcement action is taken. The enforcement action gives opportunities to bring the settlement in line with planning standards by seeking retention from the planning authorities. If the informal activities cannot be allowed to continue, the settlement becomes subject to removal. However, if the persons are below the poverty line or there are children or persons with disabilities involved, the social services and housing agencies are contacted to collaborate on rehousing. Barbados has been innovative in dealing with persons having tenures other than freehold. Tenants of house-spots must be given a minimum of six months' notice to vacate rented land; this is reduced to three (3) months if the person is being evicted for rent arrears. However, said Notice to Quit is discharged by the payment of the outstanding rent. More than five (5) persons living on an area of land subdivided for the placement of chattel houses constitute a tenantry, whereby the rental passing cannot be increased by more than 20% of what it was on 1 June 1974. Those same tenants from 1980 obtained a right to purchase their land with tenants paying only 10 cents per square foot for lots in listed plantation tenancies and \$2.50 per square foot in private tenancies. Agricultural tenants are also protected from eviction and in some cases are entitled to up to a year's notice. Agricultural tenants on listed plantations who were tenants in 1983 are entitled to of right to purchase their lots at a price to be agreed upon.

The policy of the government is that housing is a very important component of social life in the country. In this regard, the policy of the government is to build 20,000 housing units/ solutions in the next five years. These will cater to all segments of society and drive down prices in the market. The government has also enunciated that renting is 'dead money' and is encouraging all persons to acquire the freehold of the properties that provides them with residential accommodation.

There are several reports as to the number of vacant and derelict properties across the country; some reports suggest that there are more than 20,000 such lots. The Government intends to bring these properties back into productive use since they would already be provided with utility services. Different strategies will be used to get the vacant and derelict lots back into use from negotiations with owners, beneficiaries and families, forgiveness of outstanding taxes, grants to allow for improvements and acquisitions for public purposes including environment improvement, urban gardens and housing.

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<sup>16</sup> <https://www.barbadoslawcourts.gov.bb/assets/content/pdfs/statutes/LandAcquisitionCAP228.pdf>



### 1.3.7 Biodiversity and land degradation in Barbados

Barbados is recognized as the most easterly island in the Eastern Caribbean Island chain measuring 34km long and 23km wide, with a total land area of approximately 432 km<sup>2</sup>. 78% of land in the country is farmland and is cultivated by 10% of farmers whereas the rest is dominated by estates of over 50 hectares. Indigenous mammals are restricted to 6 species of bats but introduced mammals include rats, green monkeys and mongooses<sup>17</sup>. According to BirdLife International, Barbados has 7 Important Bird and Biodiversity Areas (IBA) totalling to 185ha and 1 Endemic Bird Area (EBA)<sup>18</sup>. The country has one UNESCO World Heritage site categorized as a cultural site. Nationally Barbados has a total of 8 protected Areas. The country has a total of 1 National Park, 2 marine Reserves, 1 Nature Reserve, 1 Private Forest Reserve, 2 wildlife Refuges, and 1 Historic Site. Internationally, the country has one Ramsar site wetland of international importance<sup>19</sup>.

The National Conservation Commission under the Ministry of the Environment, and National Beautification oversees the management and conservation of both terrestrial and marine protected areas. Since 2020, biodiversity considerations have been incorporated into broad-level national strategies as well as the administration of local governments. Participants ranging from government ministries, educational institutions, non-governmental organizations and stakeholders of the Barbados Marine Reserve have been active in the conservation and managing marine protected areas.

However, Barbados continues to experience biodiversity threats through habitat loss and fragmentation caused by mainly tourism developments, unsustainable land use practices, land clearance and golf course developments. Other threats to biodiversity include the introduction of invasive species and sewage pollution.

### 1.3.8 Vulnerable groups and indigenous peoples in Barbados

Historically, the earliest inhabitants of Barbados were Indigenous groups who began arriving from South America (Venezuela's Orinoco Valley) around 350 CE. Among these were the Taino (Arawak) who set up several settlements on the island after 800 CE. They were later joined by Kalinago (Carib) migrants in the 13th century. Between 1536 and 1550, Spanish raiders regularly seized large numbers of indigenous Taino-Kalinago from Barbados to be used as slave labour on regional plantations. This prompted the Kalinago to flee the island for other Caribbean destinations (e.g., Dominica and St Vincent)<sup>20</sup>.

Eventually, the Arawaks of Barbados were either killed by the Caribs, who were cannibals and formed a threat to the Arawaks, or fled to neighbouring islands. The Caribs inhabited Barbados until the Spanish invaded in 1492. The Spanish captured the Caribs and transported them back to Spain to work as slaves<sup>21</sup>.

The Spanish control of Barbados did not last long. Soon after occupying the island, the Spanish abandoned it to colonize other and larger islands in the region. After the Spanish left Barbados, the island remained uninhabited until the British arrived<sup>22</sup>.

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<sup>17</sup> <https://www.cbd.int/countries/profile/?country=bb>

<sup>18</sup> <http://datazone.birdlife.org/country/barbados/species>

<sup>19</sup> <https://www.protectedplanet.net/country/BRB>

<sup>20</sup> <https://www.refworld.org/docid/4954ce3023.html>

<sup>21</sup> Handler, Jerome S. "The Amerindian Slave Population of Barbados in the Seventeenth and Early Eighteenth Centuries." *Caribbean Studies*, vol. 8, no. 4, 1969, pp. 38–64. JSTOR, <http://www.jstor.org/stable/25612085>%20.%20Accessed%206%20Mar.%202023, accessed 6 March 2023

<sup>22</sup> Ramsey, A. O. "Barbados Breaks Free: The Caribbean island's decision to sever ties with the British monarchy is one facet of a broader push to reckon with the brutal legacy of colonialism, enslavement, and empire", *NACLA Report on the Americas*, vol. 54, issue 2, 2022, p. 137-141, Taylor & Francis Online, <https://www.tandfonline.com/doi/full/10.1080/10714839.2022.2084974?scroll=top&needAccess=true&role=tab>, accessed 23 March 2023

By the time the British occupied Barbados and settled there in 1627, there were no Taino or Kalinago peoples left in Barbados: “When first settled by English colonists in 1627, no indigenous peoples remained on the island, and settlers were confronted with a heavy forest” (Armstrong in DeCorse, 2019, p. 137)<sup>23</sup>.

As of today, according to various unofficial sources, close to 90 per cent of the population of Barbados is of African descent<sup>24</sup>. The remaining portion includes persons of mixed descent, Europeans, South Asians (Hindus and Muslims) and an influential group mainly of Syrian and Lebanese origin<sup>25</sup>.

### 1.3.9 Cultural Heritage Sites in Barbados

Barbados’ notable cultural heritage sites are listed with UNESCO in the World Heritage Convention. Barbados has one site that has been designated a World Heritage Site and a further cultural site that has been listed on the UNESCO World Heritage tentative list<sup>26</sup>. Historic Bridgetown and its Garrison is a 187-ha area in the heart of Barbados’ capital that has been protected as a UNESCO World Heritage Site since 2011. It is considered to be of outstanding universal value due to its representation of the English expansion into the British Americas from the 17th century. After Historic Bridgetown and its Garrison were listed as a UNESCO World Heritage Site, the Barbadian government developed a management plan to protect the site. The management plan lists potential risks and responses to these risks. The main current and future environmental risks are the sea level rise and the increase in meteorological and other coastal hazards (storms, hurricanes, flooding, and storm surges) presented by climate change. Given that Bridgetown is a Coastal City, that Barbados is relatively small in geographic size, and that many sites are located close to sea level, the risks posed by climate change are significant.

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## 1.4 BACKGROUND TO THE MANUAL

Blue-Green Bank (herewith referred to as “BGB”) has developed a comprehensive and holistic approach to environmental and social (E&S) risk management which is made up of the following key policies, and operational procedures:

- BGB E&S Policy clearly defines, articulates, and demonstrates the organisation’s commitments and approach to E&S, and forms the foundation of BGB’s E&S approach. This includes the principles and E&S risk standards and requirements that BGB, partners and subprojects are expected to adhere to (refer to Section 2).
- BGB E&S Management System (herewith referred to as ‘ESMS’) has been developed and adopted as part of BGB’s day-to-day business activities and processes to operationalise, and achieve compliance with, the E&S Policy (i.e., commitments and requirements set) (refer to Section 4 to 5.5 and supporting annexures).

The manual details the BGB E&S Policy as well as the components that make up the ESMS, enabling BGB to ensure sound E&S risk management practices to avoid and/or minimize potential financial and reputational liabilities associated with its financing activities.

**This manual will ringfence the ESMS scope to eligible GCF projects only** (refer to Annex 2.2 BGB Eligibility Criteria) and limit such projects to those that fall into Cat. B and C. (Refer to **Error! Reference source not found.** and **Error! Reference source not found.**). This includes, in particular, operations related to loans and financing that the BGB grants to its clients, whether or not these operations are in the context of Green Climate Fund-related projects. The scope covers the entire loan cycle, from the start of the financial facility procedure (prospecting) until the end of the commitment with the client (e.g.: repayment of the last maturity by the client). In this respect, financial products such as investment loans, operating loans, overdraft

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<sup>23</sup> Armstrong, D.V. “Early-Seventeenth-Century Settlement in Barbados and the Shift to Sugar, Slavery, and Capitalism”, in “Power, Political Economy, and Historical Landscapes of the Modern World”, C.R. DeCorse, 2019, Chapter 6, p. 131-152, State University of New York Press

<sup>24</sup> <https://www.gov.bb/Visit-Barbados/demographics>

<sup>25</sup> <https://minorityrights.org/country/barbados/>

<sup>26</sup> <https://whc.unesco.org/en/list/>



advances, invoice advances, documented loans or commitments by the signature (bonds, guarantees) and the majority or minority equity investments are included in the scope of the ESMS.

E&S Risk Category FI or NFI intermediary	E&S Risk Categorization of subprojects		
	Category A	Category B	Category C
<p>Category FI-1 (FI) or A (NFI)</p> <p>When the proposed portfolio of subprojects is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.</p>	Excluded		
<p>Category FI-2 (FI) or B (NFI)</p> <p>When the proposed portfolio of subprojects is expected to comprise business activities that have potentially limited adverse environmental or social risks or impacts few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.</p>	0%	> 20%	
<p>Category FI-3 (FI) or C (NFI)</p> <p>When the proposed portfolio of subprojects is expected to comprise business activities with minimal or no adverse environmental or social risks or impacts.</p>	0%	< 20%	

This manual will not cover gender as this is a separate component for the GCF except for the elements that are in Appendixes.

The ESMS comes into effect from the date of publication of this Manual. The ESMS does not apply retrospectively to existing commitments (existing portfolio) as of the date of publication of this Manual. For clients with a renewable loan authorization granted before the date of publication of this Manual, the requirements of the ESMS do not apply to loans made under the initial authorization even if the loans occur after the date of publication of this Manual. Loans that would require an amendment to the original authorization (for reasons of amount or conditions) and that would occur after the date of publication of this Manual would fall within the scope of the ESMS.

## 2 BGB environmental and social policy

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### 2.1 PURPOSE AND SCOPE

**BGB's E&S Policy sets out the organisation's commitment to embedding E&S considerations into its day-to-day business activities and transaction processes.** By doing so, this holds BGB accountable for fulfilling its duties as a responsible investor, and its commitment to overcome the existing financing challenges and constraints of climate change adaptation and mitigation in Barbados, whilst avoiding harm and potential financial and reputational liabilities.

**The policy defines the guiding E&S principles, commitments and E&S Risk Standards and Requirements which underpin BGB's E&S management approach.** These have been carefully selected based on their relevance to BGB as an organisation and its investment strategy, considering the types of borrowers, use of proceeds, sectors and operating jurisdictions, as well as set investor and other good practice requirements.

**The BGB E&S Policy applies to all BGB's financing activities.**

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### 2.2 GUIDING E&S PRINCIPLES

**BGB, partners and subprojects will adhere, or seek to adhere to, the following set of guiding E&S principles below.** While some partners and subprojects may not satisfy all the principles at the time of the investment, BGB will encourage all parties to align with these during the course of its financing period.

#### General

- Incorporate environmental and social considerations, including Sexual Exploitation, Abuse, and Harassment (SEAH), in ways that not only include safeguard measures of “do no harm,” but also improve environmental and social outcomes and generate accessible and inclusive co-benefits to the environment and the communities, including women and girls.
- Ensure that in case of potential transboundary impacts of BGB-funded projects all necessary consultations and due diligence processes, including prior notification and accessible, inclusive, gender-sensitive consultations with the relevant stakeholders, including addressing their comments.
- Ensure that environmental and social requirements and processes are commensurate with the level of risk and meet the relevant E&S risks standards and requirements (refer to next section).
- Adhere to the mitigation hierarchy as an overall principle for managing environmental and social risks and impacts, suitable for all instances of BGB-financed activities. The mitigation hierarchy aims to:
  - Anticipate and avoid adverse risks and impacts on people and the environment;
  - Where avoidance is not possible, adverse risks and impacts are minimized through abatement measures;
  - Mitigate any residual risks and impacts; and
  - Where avoidance, minimization or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, design and implement measures that provide remedy and restoration before adequate and equitable compensation of any residual risks and impacts.

- The ESMS will be continuously reviewed and updated in a transparent and participatory manner to sustain its relevance and responsiveness to the prevailing organizational, social, economic and political conditions. The ESMS will also be consistently aligned with international best practices and applicable standards.
- BGB will not support activities that do not comply with applicable laws, including national laws and/or obligations of the country directly applicable to the activities under relevant international treaties and agreements, whichever is the higher standard (see 2.3 E&S Risks Standards and Requirements).

## **Environment**

- Contribute to environmental protection and the reduction of pollution.
- Reduce our consumption of resources and improve the efficient use of those resources.
- Apply the precautionary principle 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 risks and impacts is lacking.
- Adopt climate action where relevant through addressing physical and transition risk management approaches to help reduce our contribution to and impacts from the effects of climate change.
- Understand and manage the physical risks and opportunities of climate change (such as increased temperatures and increased intensity of flood or storm events).
- Understand and manage the transition risks and opportunities from climate change (such as increasing carbon regulation, consumer pressure for low-carbon products etc.).

## **Social**

- Support and respect the protection of nationally and internationally proclaimed human rights.
- Support and respect responsible and fair labour and working conditions and practices.
- Protect the health and safety and wellness of all employees, contractors, surrounding communities, and customers.
- Do not engage in or benefit from any use of forced or compulsory labour and/or child labour.
- Eliminate any form of gender-based violence or discrimination in terms of employment and other business practices including SEAH (Sexual Exploitation, Sexual Abuse and Sexual Harassment) risks or potential adverse impacts on women, men, girls, and boys as early as possible.
- Promote gender equity and empowerment in company remuneration, hiring and procurement practices.
- Encourage implementation awareness raising for host communities and subproject workforces on SEAH to enhance gender equality and to prevent, address and eliminate SEAH.
- Eliminate any form of gender-based violence or discrimination in respect of employment and other business practices.
- Respect local communities and Indigenous people, if applicable.
- Ensure adherence to relevant stakeholder and public participation requirements to ensure that the rights, dignity, culture and way of life of interested and affected parties are respected, observed and maintained.

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## 2.3 E&S RISK STANDARDS AND REQUIREMENTS

BGB, partners and subprojects are required to act in accordance with the following E&S and guidelines:

- Applicable national and local E&S laws and regulations in applicable operating jurisdictions, including (but not limited to):
  - The Barbados Sustainable Development Policy (2004);
  - The Planning and Development Act (2019);
  - The Planning Development (Environmental Impact Assessment) Regulations (2021);
  - Employment Rights Act (2012);
  - Safety and Health at Work Act (2005);
  - Land Acquisition Act (1949);
- International Finance Corporation (IFC) Performance Standard 1 to 8 on Environmental and Social Sustainability (2012)<sup>27</sup>. The eight Standards are as follows:
  - Performance standard 1: Assessment and management of environmental and social risks and impacts.
  - Performance standard 2: Labour and working conditions.
  - Performance standard 3: Resource efficiency and pollution prevention.
  - Performance standard 4: Community health, safety, and security.
  - Performance standard 5: Land acquisition and involuntary resettlement.
  - Performance standard 6: Biodiversity conservation and sustainable management of living natural resources.
  - Performance standard 7: Indigenous peoples.
  - Performance standard 8: Cultural heritage.

BGB shall not invest in projects that, in its reasonable opinion, will not meet, over the life of the BGB's transaction, the applicable E&S standards requirements. BGB may invoke other international standards and/or guidelines as deemed appropriate.

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## 2.4 CORE E&S COMMITMENTS

To ensure that E&S forms an integral part of BGB's transactional processes and decision-making, the bank commits to the following undertakings:

- Ensure that E&S considerations are integral to transactional processes and decision-making.

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<sup>27</sup> [https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)

- Develop, implement, and maintain a robust ESMS, based on international best practice standards and in line with its E&S Policy, to ensure the consistent and robust application of E&S across all business activities.
- Allocate sufficient organisational capacity and competencies to support the implementation of BGB's E&S Policy and associated ESMS.
- Review issuance proposals provided by partners to a) identify any risks and impacts associated with the project, b) assign an appropriate E&S risk categorisation and c) confirm compliance with set E&S requirements. Instances whereby areas of non-conformances are identified, ensure mitigation measures are defined and incorporated into legal agreements between partners and the project, in the form of an E&S Action Plan (ESAP) (or similar).
- Do not make investments into transactions that trigger any excluded or prohibited activities as stipulated on the BGB Exclusion List and/or any transactions categorised as High Risk / Cat. A / FI-I (refer to **Error! Reference source not found.**).
- Seek appropriate disclosure on E&S management and performance from partners and associated projects in which BGB invests.
- Seek continued improvement and progress at the subproject level through ongoing monitoring, evaluation and reporting on progress against set E&S objectives.
- Ensure that specific remedial clauses or mechanisms are in place to address breaches in set E&S risk standards and requirements between BGB and partners.
- Generate regular and transparent disclosures on E&S efforts, activities and progress to investors and other relevant stakeholders.
- Periodically review the BGB E&S Policy and associated ESMS to ensure alignment with emerging best practices and continual improvement of performance against set objectives and targets.

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## 2.5 EXCLUDED ACTIVITIES

BGB will ensure that no excluded/prohibited activities and/or subprojects are financed according to the BGB Exclusion List (refer to **Appendix I**). In addition to this, BGB will not provide financing to any transaction categorised as FI-1 or Category A.

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## 2.6 ACCOUNTABILITY, EXECUTION, AND IMPLEMENTATION

**Overall accountability for the execution of BGB's E&S Policy lies with the BGB Senior Leadership Team.** As part of this, BGB Senior Leadership Team is responsible for ensuring that adequate resources are provided, whether the budgetary, allocation of staff time or availability of appropriate expertise, to ensure that the necessary capacity (internal staff or external expertise) is deployed effectively to oversee and implement the requirements of this E&S Policy and associated ESMS.

**All BGB staff members will be responsible for ensuring that transaction processes and business activities are executed in a manner that is socially and environmentally sustainable, responsible, and aligned with the BGB E&S Policy.** As and when required, BGB shall utilise third-party expertise and support from competent and qualified service providers.

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## 2.7 COMMUNICATION

BGB will make this E&S Policy publicly available and disclose any relevant related ESMS documents or information. This will include information on BGB's investment criteria (i.e., Eligibility Criteria), as well as information on the stakeholder engagement process, the grievance mechanism, and the grievance management procedure.

The primary channel for disseminating E&S information will be BGB's website and, if applicable, the website of the program under which the subproject falls that BGB finances. In cases where an online communication channel is inappropriate for providing information, e.g., because the target group has no access to the internet (e.g., Affected Communities), BGB will ensure that alternative channels are utilized. These could include, but are not limited to, information in writing (e.g., letters) or in-person stakeholder consultation sessions.

## 3 BGB E&S management system

### 3.1 BACKGROUND TO THE SYSTEM

The BGB ESMS governs the effective incorporation and management of E&S factors and safeguards throughout its decision-making and transactional processes to ensure that E&S risks and impacts are being effectively managed. The ESMS comprises several components as illustrated in **Figure 1** which are outlined in further detail in the following sections. This provides information needed to support the implementation and operationalization of the ESMS. The BGB ESMS applies to all BGB's activities.



*Figure 3--1: Components of the BGB E&S management system*

This ESMS will be implemented at a BGB level, of which the BGB Senior Leadership Team is responsible for ensuring its establishment and maintenance to assess, oversee and support the management of E&S matters at both a partner (and subproject) and overall investment portfolio level.

Importantly, the ESMS contains E&S requirements that will be passed down to both the financial intermediaries and the subprojects. However, these parties are expected to institute E&S systems, processes and resources to establish and maintain their own E&S performance including managing risk exposures associated with subprojects, in line with BGB's E&S requirements.

BGB will, where feasible, support partners to ensure adherence to these requirements and/or will refrain from providing financing in instances where non-compliance shall unlikely be achieved in the lifespan of their financing period.

BGB implements a holistic and systematic approach to E&S management across its entire transaction lifecycle (from deal origination, through screening and due diligence, into approval and structuring and finally, to post-investment monitoring) – this approach is integrated into conjunction with legal, commercial, financial, to name a few, processes.

## 3.2 E&S RISKS AND IMPACTS

A high-level overview of the typical E&S risks associated with the activities that BGB will look to support through its investments is provided in Table 3-1. Transaction-specific E&S risks will be interrogated, and possible mitigation and management measures/safeguards will be implemented to manage these typical risks and impacts during BGB's comprehensive Investment Process (IP) as outlined in the subsequent sections.

**Table 3-1: Generic E&S risks and impacts associated with BGB investments**

Target Result Area	Energy generation and access	Buildings, cities, industries, & appliances	Health, well-being, food, & water security	Infrastructure & built environment
Programmes' focus	Solar	Housing	Water security	Housing
Cross-cutting risks & impacts	Labour and Working Conditions Occupational Health and Safety Waste and Effluent Management (production and disposal)			
Sector-specific risks	Water Management (hydro-power projects) Sustainable resources and materials Habitat and ecosystem destruction (renewable, hydropower, grid and Transmission and Distribution lines) Involuntary resettlement	Supply Chain Sustainable resources and materials Involuntary resettlement	Habitat and ecosystem destruction Use of pesticides and agrochemicals Water Use Management	Involuntary resettlement Emissions, noise, dust, and pollution Habitat and ecosystem destruction Supply chain Sustainable resources and materials



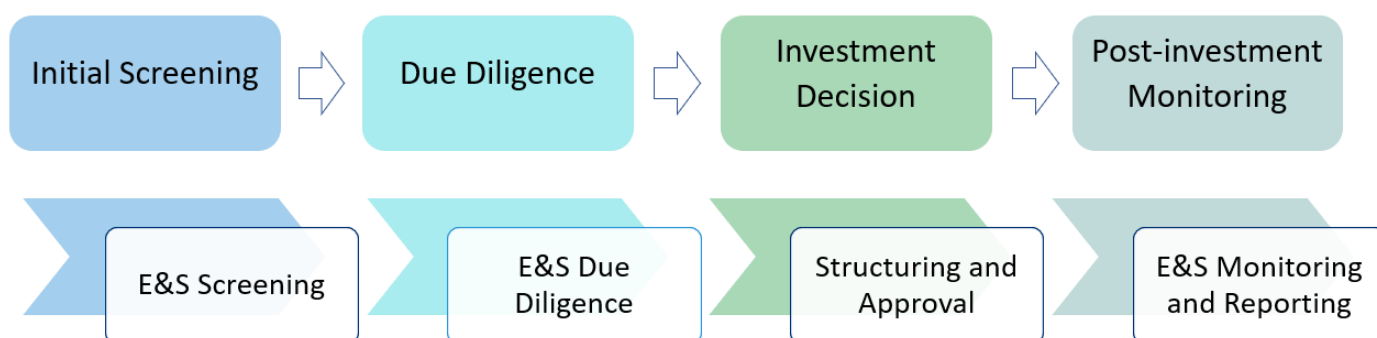
**Table 3-2: Risks and mitigant measures examples**

Sector	Typical risk	Mitigant measure	Positive outcomes
<b>Buildings</b>	<ul style="list-style-type: none"> <li>- Poor air and water management (quality, consumption &amp; extraction)</li> <li>- Poor air and water management (quality, consumption &amp; extraction)</li> <li>- Extreme weather</li> <li>- Habitat and ecosystem destruction</li> <li>- Cultural heritage sites</li> <li>- Land acquisition</li> <li>- Limited occupational health and safety (OHS) guidelines</li> <li>- Noise, dust and pollution</li> </ul>	<ul style="list-style-type: none"> <li>- Labour management framework and procedures</li> <li>- OHS management procedures</li> <li>- Workers' codes of conduct, particularly in relation to GBV/SEA prevention</li> <li>- Emergency Preparedness and Response Plan</li> <li>- Resource efficiency and pollution prevention and management</li> <li>- Establishment of regular control measures for the intensity of noise pollution</li> <li>- Respecting national regulations (building safety and prevention of fire and explosions)</li> <li>- Compliance with national regulations for the protection of historical and cultural property</li> <li>- Stakeholder management plan</li> </ul>	<ul style="list-style-type: none"> <li>- Access to affordable housing</li> <li>- Reduced number of casualties and injuries</li> <li>- improvements to gender equality through reducing women's vulnerability</li> <li>- local job creation</li> <li>- more affordable housing can allow the remaining capital to be invested in entrepreneurial activities</li> <li>- new technical skills, capacity building and technology transfer</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>- Poor air and water management (quality, consumption &amp; extraction)</li> <li>- Exposure to hazardous materials</li> <li>- Poor use of sustainable resources and materials</li> <li>- Labour and working conditions</li> </ul> <p>OHS</p>	<ul style="list-style-type: none"> <li>- Hazardous chemical substances used during construction shall be stored in designated storage areas, when not in use</li> <li>- Labour management framework and procedures</li> <li>- OHS management procedures</li> <li>- ensure safe disposal of solar panels and battery systems by including provisions in contracts</li> <li>- establishing a stakeholder engagement plan for the project</li> <li>- undertaking feasibility assessments prior to undertaking floating solar installation site and technology-specific feasibility assessments to ensure it is not situated in areas that have sensitive marine biodiversity documented and well away from protected areas</li> <li>- workers' codes of conduct, particularly in relation to the GBV/SEA communication programme to inform the population about ongoing works</li> </ul>	<ul style="list-style-type: none"> <li>- Access to clean electricity resilience</li> <li>- Higher electrification rate, which will i) improve the ability to study and therefore improve educational opportunities; ii) reduce the workload of women and girls; iii) increase time available for income-generating activities; iv) improve health outcomes for example by providing electricity to hospitals</li> <li>- Transition to low carbon economy</li> <li>- Local job creation</li> <li>- new technical skills, capacity building and technology transfer</li> </ul>

<b>Water</b>	<ul style="list-style-type: none"> <li>- Extreme weather</li> <li>- Habitat and ecosystem destruction (fauna and flora)</li> <li>- Use of pesticides and agrochemicals</li> <li>- Water management (quality, consumption and extraction)</li> <li>- Poor labour and working conditions</li> <li>- Limited OHS</li> </ul> <p>Risks associated with GBV</p>	<ul style="list-style-type: none"> <li>- Integrate physical climate risks and adaptation into core business processes</li> <li>- Labour management framework and procedures</li> <li>- OHS management procedures</li> <li>- Stakeholder engagement plan</li> <li>- Workers' codes of conduct, particularly in relation to GBV/SEA prevention</li> <li>- Water quality management procedures</li> <li>- Communication programme to inform the population about ongoing works</li> </ul> <p>hazardous material management and emergency response plans</p>	<ul style="list-style-type: none"> <li>- improvement of hygiene conditions and reducing the prevalence of waterborne diseases</li> <li>- enhancement of water supply security</li> <li>- increasing access to clean water, improving communities' health</li> <li>- improving the availability of water for sanitation</li> <li>- improving water supply for agriculture supporting income generation</li> <li>- reducing the workload of men and women involved in water collection activities, thereby increasing the time available for income-generating activities</li> <li>- decreasing spending on the treatment of water-borne diseases</li> <li>- local job creation</li> <li>- potential to improve water supply to tourism facilities, supporting employment opportunities</li> <li>- new technical skills, capacity building and technology transfer</li> </ul> <p>mitigating against the growing insecurity of water supply caused by climate change</p>
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### 3.3 BGB INVESTMENT PROCESS

BGB will provide loans to financial intermediaries (FI) and the target programmes directly (referred to as non-financial institution (NFI) intermediaries in this ESMS Manual). FIs and NFIs will use these loans to finance projects under the programmes that have been outlined in the previous section. When debt is provided to FIs, the E&S assessments will focus on the FI's E&S commitment, its ESMS, its capacity to conduct E&S assessments and the E&S risks of the underlying portfolio of subprojects. When debt is provided to NFIs (e.g., the HOPE programme), the E&S assessments will be conducted on the E&S risks of the underlying portfolio of subprojects and the measures that are required to manage the identified risks. Providing debt to FIs and NFIs requires the application of different tools, which is further explained in this section. The figure below illustrates how the E&S assessments are integrated into BGB's investment process (as outlined in Annex 21 of the Funding Proposal).



#### 3.3.1 Loans to Financial and non-financial intermediaries

##### Step 1: E&S screening (including E&S risk categorization)

For all transaction opportunities, BGB will conduct a screen and review of all the relevant information made available to them by the partner to assess:

- Alignment with BGB's Exclusion List (refer to Appendix 1)
- Alignment with BGB's Eligibility List (refer to Appendix 2)
- Alignment with BGB's E&S Policy (refer to Section 2 of this ESMS Manual)
- Initial E&S risk exposure including high-level sector-specific and/or transaction-specific E&S risks, opportunities, and impacts (that require further interrogation during the due diligence phase).

During the screening, BGB shall use the relevant E&S Screening Checklist for FIs and NFIs (refer to Appendix 5) to conduct a go/ no-go assessment of the proposed transaction and to make an initial assessment of the E&S risk exposure of the transaction (including an E&S categorisation). This checklist includes questions to identify red flags (e.g., if the proposed transaction would trigger BGB's Exclusion List) and questions to identify key E&S risks associated with the transaction.

**BGB will identify SEAH risks or potential adverse impacts on women, men, girls, and boys of subprojects as early as possible as part of GCF-financed activities screening and reflect such risks or impacts in the requirements of relevant safeguards instruments for subprojects (including EIA and ESMP as appropriate). SEAH risks and impacts should be avoided as much as reasonably possible.**

To reflect the magnitude of E&S risks and impacts associated with a proposed transaction (and to inform the level of appraisal needed), BGB will categorise every proposed transaction. Key contributing factors considered when assigning the E&S Risk Category to loans include the sector of the subprojects that are going to be financed, the size of the projects and the sensitivity and the magnitude of potential E&S risks and impacts, including direct, indirect, induced, and cumulative impacts.

The risk categorisation system applied is based on the IFC E&S Risk Categorisation Guidelines<sup>28</sup> and the IFC Interpretation Note on Financial Intermediaries<sup>29</sup>. According to this system, financial intermediaries (FI) can be categorized as FI-1 (High Risk), FI-2 (Medium Risk) or FI-3 (Low Risk) and non-financial institutions (NFI intermediaries) as A (High Risk), B (Medium Risk) or C (Low Risk), depending on the risk categorization of the portfolio of subprojects that will be financed with the loan. Subprojects can be categorized as Category A (High Risk), B (Medium Risk) or C (Low Risk). Error! Reference source not found. provides guidance on the E&S Risk Categorization of FI and NFI intermediaries and Error! Reference source not found. provides example projects for each risk category, similar to the projects that BGB will finance through intermediaries.

**Table 3-3: Guidance on E&S risk categorization of financial institutions**

E&S Risk Category FI or NFI intermediary	E&S Risk Categorization of subprojects		
	Category A	Category B	Category C
<b>Category FI-1 (FI) or A (NFI)</b> When the proposed portfolio of subprojects is expected to include substantial financial exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.	Excluded		
<b>Category FI-2 (FI) or B (NFI)</b> When the proposed portfolio of subprojects is expected to comprise business activities that have potentially limited adverse environmental or social risks or impacts few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.	0%	> 20%	
<b>Category FI-3 (FI) or C (NFI)</b> When the proposed portfolio of subprojects is expected to comprise business activities with minimal or no adverse environmental or social risks or impacts.	0%	< 20%	

**Table 3-4: Guidance on E&S risk categorization of subprojects**

E&S Risk Category of Subproject	Examples of Projects
<b>Category A</b> Business activities or projects with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented.	<ul style="list-style-type: none"> <li>Projects with large resettlement components and/or major impacts on human populations</li> <li>Projects which pose serious occupational or health risks</li> </ul>
<b>Category B</b> Business activities or projects with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	<ul style="list-style-type: none"> <li>Renewable energy (except large hydro-electric power projects)</li> <li>Larger-scale water harvesting, e.g., communal rainwater ponds</li> </ul>
<b>Category C</b> Business activities or projects with minimal or no adverse environmental or social risks and/or impacts.	<ul style="list-style-type: none"> <li>Rooftop solar power</li> <li>Rainwater harvesting</li> </ul>

<sup>28</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/policies-standards/es-categorization](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/es-categorization)

<sup>29</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/publications/publications\\_policy\\_interpretationnote-fi](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_policy_interpretationnote-fi)

**Note:** BGB will not finance FI-1 financial intermediaries nor any Category A non-financial intermediary or subproject. Should the proposed portfolio of subprojects contain a Category A subproject, then the proposed transaction should be abandoned, or the portfolio of subprojects should be adjusted to meet BGB's E&S risk criteria. Loans will only be provided to FI-2 and FI-3 or Category B and C intermediaries if the use of proceeds meets BGB's eligibility criteria.

If the proposed transaction meets the necessary criteria to proceed, BGB shall assign an initial E&S risk categorisation (Category FI-2 / FI-3 for FI intermediaries or Category B / C for NFI intermediaries) to the proposed transaction, supported by the E&S Screening Checklist. BGB will also draw upon relevant supporting sectorial resources/guidelines during this process including, but not limited to, CDC Sector Profiles, E&S Briefing Notes, IFC Performance Standards, World Bank General and Sectorial Environmental Health and Safety (EHS) Guidelines, ILO Fundamental Conventions, etc.

If the proposed use of the loan is not fully defined at the time of the E&S Risk Categorization, BGB may expand its review to other business activities of the FI or NFI intermediary. In addition, the highest E&S Risk Category of the potential projects in scope should be considered as the overall E&S risk category for the transaction.

The findings of the E&S Screening, including any red flags, key E&S risks, and the E&S Risk Categorization, are summarized and explained in the Initial Investment Committee Decision Meeting Paper (refer to Appendix 8). This document will include a plan for the subsequent E&S Due Diligence (including the scope and the necessary allocation of resources, both monetary and personnel), which is based on the E&S Screening findings and the E&S Risk Categorization.

## Step 2: E&S due diligence

BGB's due diligence process is fundamental to fully understanding the E&S risks, impacts and opportunities associated with a proposed transaction, before BGB provides any financing. This involves conducting a more detailed interrogation of the FI's or NFI's commitment to E&S management, the FI's or NFI's ESMS and the E&S risks associated with the proposed portfolio of subprojects.

The findings will inform BGB's decision-making and will define specific E&S conditions for the proposed transaction. Table 3-5 outlines how E&S Due Diligence should be conducted for financial and non-financial intermediaries for each E&S Risk Category.

**Table 3-5: E&S due diligence for FI-1, FI-2, and FI-3 transactions**

E&S Risk Category	Due Diligence
Category FI-1 or Category A	FI-1 or Category A transactions typically require an external consultant to conduct an in-depth assessment of the FI's or NFI's ESMS and the E&S risks associated with the proposed portfolio of subprojects. This will not apply to BGB as <b>FI-1 and Category A transactions are excluded</b> .
Category FI-2 or Category B	Due diligence of FI-2 or Category B transactions will be conducted by BGB internally. An external consultant could be appointed to assess the E&S risks associated with the proposed portfolio of subprojects, e.g., if these risks would be associated with IFC Performance Standards 5-8. An external consultant may also be appointed for any transaction for which BGB's internal E&S capacity is insufficient to adequately assess the E&S risks of the proposed portfolio of subprojects.
Category FI-3 or Category C	Due diligence of FI-3 or Category C transactions will be conducted by BGB internally.

**The following requirements apply to the E&S risk management of FI and NFI intermediaries:**

- FIs and NFIs are required to develop and operate an ESMS that is commensurate with the level of E&S risks in the proposed portfolio of subprojects. The ESMS should incorporate relevant principles of IFC Performance Standard 1. In addition, the ESMS of FIs should incorporate the relevant principles of the IFC Performance Standards Interpretation Note on Financial Intermediaries (refer to Appendix 3 for an outline of a typical ESMS for FIs and NFIs).
- FIs and NFIs are required to apply relevant aspects of IFC PS 2 to their workforce. They are also required to assess the labour and working conditions risks of the subprojects they finance and ensure that these subprojects comply with the requirements of IFC PS2.
- FIs and NFIs will apply the BGB Exclusion List and follow relevant national laws.
- FIs and NFIs will ensure that subproject developers will undertake an Environmental Impact Assessment (EIA) for all greenfield Category B subprojects. For brownfield Category B subprojects and Category C subprojects, a limited or focused assessment (e.g., compliance audit), or application of environmental siting, pollution standards, design criteria, or construction standards, may be adequate.
- FIs and NFIs will ensure that BGB's E&S requirements are implemented at the subproject level throughout the lifecycle of the loan, including BGB's requirements on stakeholder engagement and grievance mechanisms.
- FIs and NFIs will implement risk-based E&S performance monitoring processes, including major incident reporting.
- FIs and NFIs will assign E&S responsibilities to a representative of senior management and/or board member to take accountability for the FI's overall E&S management as well as allocate appropriate resources for the implementation of the ESMS (human and financial resources).
- FIs and NFIs will develop and maintain a grievance redress mechanism that allows affected and concerned stakeholders to raise complaints or grievances related to subprojects financed by the FI or NFI.

***Internal Due Diligence***

During the internal due diligence, BGB shall, supported by the relevant E&S Due Diligence Checklist, i.e., for FI or NFI intermediaries (refer to Appendix 5):

- Review the FI's or NFI's ESMS and the implementation of the ESMS based on a review of E&S Screening, E&S Due Diligence and E&S Monitoring reports of similar transactions for FIs or similar projects developed by NFIs.;
- Conduct interviews with relevant staff of the FI (e.g., the E&S Manager, investment manager, etc.) or NFI (e.g., OHS manager, Environmental manager, HR manager, operational site manager, etc.) to fully understand the integration of E&S into the transaction process (FI) or daily business operations and project development (NFI);
- Review all available information, records, and documentation related to the E&S risks and/or impacts of the proposed portfolio of subprojects;
- Conduct site inspection(s) and interview(s) with issue and / or project personnel and relevant stakeholders; and
- Identify any gaps between the performance and the requirements and define corresponding corrective measures and actions to address these, in the form of an E&S Action Plan (ESAP). The ESAP contains recommended corrective actions and the associated costs, time frames and responsible parties (refer to Appendix 7).

Key considerations during the due diligence of FIs and NFIs are the E&S risk profile associated with a proposed portfolio of subprojects, the quality and status of E&S policies, procedures, and tools (i.e., the ESMS) in place, as required by IFC PS 1, PS 2, and the IFC PS Interpretation Note of Financial Intermediaries and the ESMS implementation capacity (i.e., resources) of the FI. This seeks to identify where the FI and BGB could be exposed to E&S risks, and it seeks to define requirements for managing these risks.

### *External due diligence*

Certain transactions may require support from an external specialist focusing on certain technical specialist areas which BGB deems necessary to interrogate further. This could be the case if risks associated with IFC Performance Standards 5-8 have been identified for subprojects or if BGB's internal E&S capacity is insufficient to adequately assess the E&S risks associated with a certain transaction. BGB shall use a standard E&S Due Diligence Terms of Reference (ToR) to commission an independent party to conduct the assessment and prepare the findings report, including the ESAP (refer to Appendix 7).

### *Final Investment Committee meeting*

The E&S due diligence findings will be summarised in the Final Investment Committee Decision Meeting Paper (refer to Appendix 8) which will be an annex to the transaction documents to facilitate informed decision-making, including the ESAP.

### **Step 3: Structuring and approval**

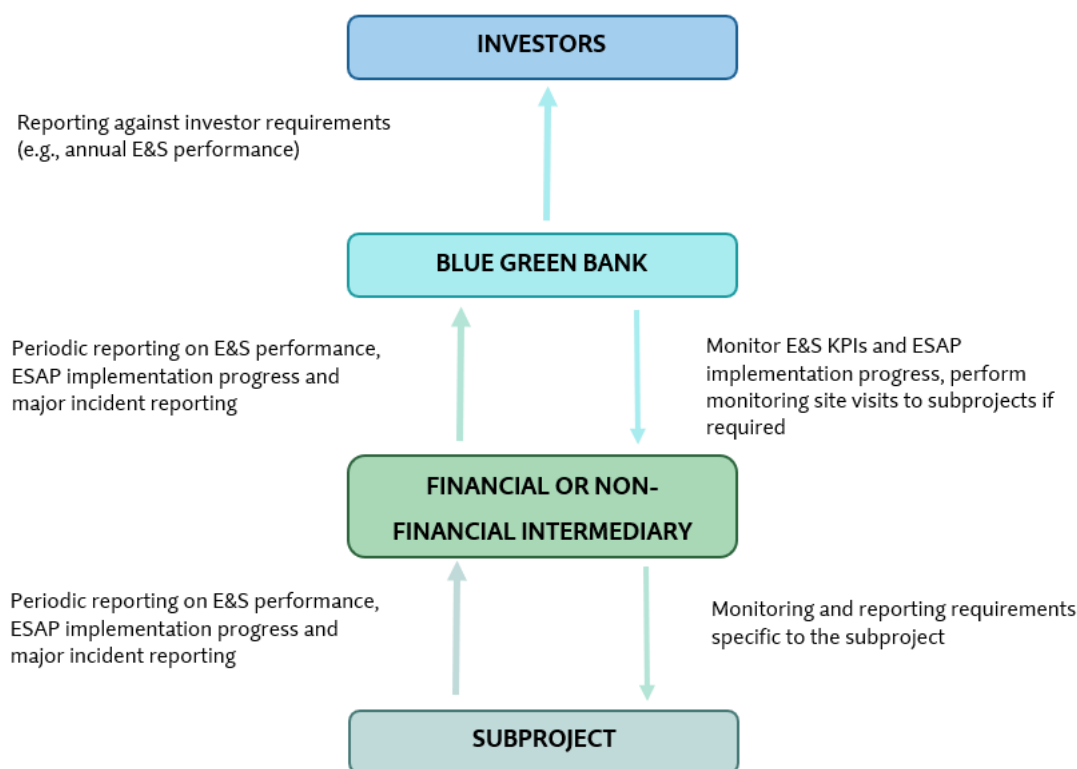
Once due diligence of the prospective transaction has been completed and all the materials have been submitted to BGB's Final Investment Committee, this committee will opine on the material, financial and commercial aspects of the transaction. If BGB's Final Investment Committee is comfortable with the financial and commercial aspects of the transaction, it will issue formal approval to provide the loan to the borrower.

BGB will then define the E&S conditions for the transaction in line with set requirements and expectations to be explicitly highlighted in all relevant legal agreements between BGB and the borrower prior to disbursement. This involves considering the findings gathered through screening and due diligence and defining appropriate E&S provisions and clauses using the E&S Clauses Guidance Note (refer to Appendix 10). These will cover the E&S risk standards and requirements, clear reporting requirements, including the ESAP, implications of a breach of E&S requirements, etc. **These requirements must be passed down from the borrower to the subprojects, to ensure alignment with BGB's E&S requirements.**

### **Step 4: E&S monitoring and reporting**

During the loan period, BGB will engage with the borrower to ensure that responsible business operations and practices are being implemented in accordance with set E&S requirements and encourage improvements, where possible. This involves implementing monitoring and reporting mechanisms to assess, measure and evaluate the ongoing performance of its borrowers and subprojects and in turn, BGB's overall E&S performance. Figure 3-2 outlines the monitoring and reporting approach between BGB, its FI and NFI clients and the subprojects between BGB and its investors.





**Figure 3--2: BGB monitoring and reporting processes**

The level and type of E&S monitoring, assessment and reporting applied to each borrower across the portfolio will be commensurate to its E&S risk exposure and hence determined on an individual transaction basis, based on the outcomes of the E&S Due Diligence. For example, higher-risk transactions require more stringent and frequent monitoring compared to lower-risk transactions to actively manage and mitigate E&S risks and impacts. In some instances, BGB may increase monitoring requirements applied to a transaction if any new risk exposures are identified during the transaction period. With respect to SEAH, BGB will monitor and report progress and performance on SEAH to GCF through their reporting mechanism. The latter includes continuously improving all measures to mitigate and manage identified SEAH risks and impacts.

## **Borrower-level monitoring and reporting**

### ***E&S KPI monitoring***

Borrowers will report periodically to BGB on a defined set of indicators which are considered material to the transaction and its success. This involves collecting, tracking, and reporting on a quarterly and/or annual basis against select indicators (refer to Appendix 11). Typically, quarterly reports will provide general updates on E&S matters and issues experienced in the reporting period, including updates on interventions. Whereas annual reporting provides detailed information on the E&S performance of the loan and the financed subprojects.

### ***E&S action plan monitoring***

Borrowers will provide BGB with regular updates on the implementation of their E&S Action Plans to ensure ongoing compliance with BGB's E&S requirements. The frequency of progress updates will be determined against set items/milestones.

### ***Major Incident and grievance monitoring for subprojects***

All borrowers are required to report to BGB any major/significant unplanned E&S events or incidents associated with its operations and/or projects, which could materially impact their operations and/or performance. Examples include fatalities, serious injuries, fires, incidents of bribery or money laundering, labour strikes, financial irregularities etc.



In the event of a major incident/ accident/ event occurring at the borrower or subproject level, the borrower must use the BGB Major Incident Reporting Form (refer to Appendix 12) to report incidents, as soon as possible but no later than two (2) days after its occurrence, detailing what happened, what investigation has taken place and what actions have been taken to remedy the situation. In particular, borrowers and subprojects are required to establish and operate accessible inclusive survivor-centred and gender-responsive grievance redress mechanisms (GRMs). These should include specific procedures for SEAH, including:

- Confidential reporting with safe and ethical documenting of such cases;
- When and where to report incidents;
- What follow-up actions will be undertaken; and
- Modalities to provide timely services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community-driven protection measures, and reintegration.

This mechanism seeks to ensure that BGB is informed in a consistent and timely manner of any incidents occurring within its portfolio. BGB shall review the information provided and confirm whether the incident has been dealt with in accordance with its requirements (i.e., local and national regulations, IFC Performance Standards, etc).

### ***E&S monitoring site visits***

BGB will occasionally conduct E&S monitoring site visits to select borrowers and their projects to review their E&S performance. Generally, site visits may be conducted on an annual basis for medium-risk investments, and occasionally visits to lower-risk investments, unless otherwise triggered by significant E&S reasons (e.g., fatalities, change in management, change in project scope, etc).

These monitoring visits seek to ground truth the E&S performance and define recommendations for improvements, if any non-compliances are identified. Material findings, including any new risk exposures or opportunities identified, and recommended actions will be documented in the live ESAP and agreed upon with the issuer post the visit.

### **BGB-level monitoring and reporting**

#### ***Portfolio performance monitoring***

BGB's Internal E&S Specialist shall present key E&S information collected from ongoing monitoring efforts to BGB's management and relevant committees (e.g., risk committee, E&S committee, the board, transaction committees, etc). This involves compiling and aggregating key E&S monitoring data into suitable formats for discussion during these platforms and aims to provide sufficient updates and highlights on the E&S performance across the portfolio.

This portfolio E&S performance update commonly covers a brief status update on E&S matters, any existing or new E&S risk exposures or E&S non-compliances that may present material implications, any incidents and grievances reported, any E&S initiatives that occurred during the reporting period, a progress report on ESAP, etc. This ensures that the BGB Senior Leadership team and other key stakeholders are alerted of E&S matters in a timely manner.

#### ***Annual E&S disclosures***

BGB will disseminate E&S performance information to investors and other relevant stakeholders to demonstrate its E&S efforts and E&S performance. To do so, BGB will produce an Annual E&S Report for distribution to relevant parties. This report aims to showcase the work that has been done on E&S-related aspects as well as how the BGB is performing from an E&S perspective. Notably, the report content and structure will evolve year-on-year and will align with requirements and/or expectations expressed by investors (as part of side letters).

BGB will endeavour to deliver these reports within 90 days of the end of the financial year, unless otherwise specified in legal agreements with investors.

### *Investor specific reporting*

BGB shall provide investors with E&S information in accordance with investors reporting and disclosure requirements as stipulated in the side letters / legal agreements.

## 4 BGB's internal organization: Labour and working conditions

BGB is committed to upholding and implementing the principles and relevant aspects of IFC Performance Standard 2 and the ILO Core Labour Standards (referenced under each labour principle in the section below) in its organization. More specifically, it is committed to developing and implementing policies and procedures for respecting the labour rights of its staff as well as policies and procedures for ensuring its staff's health and safety.

### 4.1 HUMAN RESOURCES

BGB will develop a Human Resource (HR) Policy that covers the key labour principles and requirements that will guide the employment relationship between BGB and its staff. This will include the following:

- BGB will develop an HR Policy that will be applicable to its direct workers, contract workers and supply chain workers.
- BGB will develop an HR Policy that will cover working hours, wages, overtime, compensation, and benefits upon beginning the working relationship and when material changes occur. BGB will, at a minimum, comply with applicable Barbadian laws and regulations. Should BGB enter into a collective bargaining agreement with a trade union, then it will commit to complying with the requirements in that agreement.
- **Non-discrimination:** BGB will commit to the principles of non-discrimination and equal opportunity in all aspects of the employment relationship with its staff (including hiring, compensation, working conditions, access to training, job assignment, promotion, termination of employment, and disciplinary practices) in alignment with ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination (Employment and Occupation)).
- **Workers' organizations:** BGB will respect its workers' right to join or form unions (i.e., freedom of association) in alignment with ILO Conventions 87 (Freedom of Association and Protection of the Right to Organize) and 98 (Right to Organize and Collective Bargaining).
- **Child labour:** BGB will commit to not employing persons under the age of 18 in hazardous work. If persons under the age of 18 are to be employed, their responsibilities will be subject to an appropriate risk assessment and monitoring of health and safety risks. BGB will commit to aligning its HR Policy with the requirements of ILO Conventions 138 (Minimum age (of employment)) and 182 (Worst forms of child labour).
- **Forced labour:** BGB commits to not use forced labour, i.e., any work or service that an individual would provide involuntarily. BGB will commit to aligning its HR Policy with the requirements of ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour).
- **Working conditions:** BGB will commit to providing working conditions which are, at a minimum, in compliance with applicable labour legislation in Barbados and any collective bargaining agreement (if applicable). Additionally, BGB commits to developing and implementing working conditions that meet industry standards and the standards in Barbados for similar responsibilities.
- **Occupational health and safety:** BGB will commit to providing its workers with a safe and healthy working environment. The implementation of this commitment will follow the principles outlined in section 4.2.
- **Retrenchment:** BGB will commit to analysing alternatives to retrenchment prior to any retrenchment taking place. If retrenchment is unavoidable, BGB will develop a retrenchment plan that complies with all applicable legal and contractual obligations and with the requirements of IFC Performance Standard 2.
- **Grievance mechanism:** BGB will develop an internal grievance mechanism that provides its internal stakeholders with the possibility to submit any grievance or raise any concern they might have. The grievance mechanism will allow for anonymous complaints and will ensure confidentiality. To ensure appropriate grievance management, BGB will develop an internal grievance management procedure that should ensure a prompt and understandable response. BGB will ensure transparency of the process by disclosing this procedure to all internal stakeholders.

Guided by the HR Policy, BGB will develop an HR Management System (HRMS) through which it will implement the requirements of its HR Policy. This HRMS is a comprehensive set of procedures, which will be:

- Risk-based, i.e., the selection of relevant procedures will be based on an assessment of labour and the scope and comprehensiveness of these procedures will be based on the nature and severity of the identified risks.
  - Aimed at prevention and protection, i.e., the procedures aim to avoid non-compliances with the HR Policy.
  - Properly documented, i.e., the HR Policy and procedures will be formalized, signed off by senior management and stored in a way that they are accessible and available to all staff.
  - Regularly reviewed, so that they remain appropriate, effective and in line with regulatory and industry standards.
- 

## 4.2 OCCUPATIONAL HEALTH AND SAFETY

BGB's commitment to providing a safe and healthy working environment to its workers will be included in the HR Policy. To implement this commitment, BGB will undertake the following:

- Identify potential hazards to workers.
- Develop and implement preventive and protective measures.
- Train workers to ensure health and safety procedures are adequately followed.
- Tracking and documenting occupational safety incidents.
- Implement ERP measures.

## 5 Stakeholder engagement

Stakeholder engagement is an essential part of the ESMS to facilitate the integration of E&S considerations into BGB's financing lifecycle and decision-making. In this context, stakeholder engagement denotes proactive ongoing dialogue, information sharing and interactions between BGB and its stakeholders. As such, BGB commits to developing and implementing effective stakeholder engagement mechanisms (internally and externally and as noted in Appendix 13) to support a culture of transparency and accountability and learning and continual improvement. For example, implementing regular cross-team interactions, function meetings and presentations on gender and E&S topics, direct internal communication via e-mails, newsletters, etc.

### **Stakeholder engagement during ESMS implementation**

During the implementation of the ESMS, BGB will engage with stakeholders to ensure the implementation will be successful. Annex 7 (Stakeholder Engagement Plan) identifies the stakeholders that BGB will engage during the implementation of the ESMS as well as the types of information to be shared, modes of consultation, responses to points raised by stakeholders and reporting on progress.

### ***Stakeholder engagement at subproject-level***

FI and NFI intermediaries are required to conduct stakeholder engagement at the level of the individual subproject. Stakeholder engagement in this context refers to an ongoing process that may involve stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and reporting to affected communities. The nature, frequency, and level of effort of stakeholder engagement vary considerably according to the subproject's risks and adverse impacts, and the subproject's phase of development. This typically includes stakeholder analysis and engagement planning, disclosure, and dissemination of relevant information about the subproject operations, public consultations and stakeholder participation and establishment of effective grievance mechanisms (which are culturally appropriate and transparent). A Stakeholder Engagement Plan template for subprojects has been included in Appendix 13 (Stakeholder Engagement Plan for subprojects).

### ***Engaging with affected communities***

During each stakeholder engagement for the respective programme/project, periodic reports will be compiled for affected communities. Such reports will outline progress with the implementation of the project Action Plans on issues that involve ongoing risks or impacts to affected communities and on issues that the consultation process or grievance mechanism has identified as a concern to those communities. How such reports are to be distributed will be agreed upon at the start of the process with the relevant affected communities.

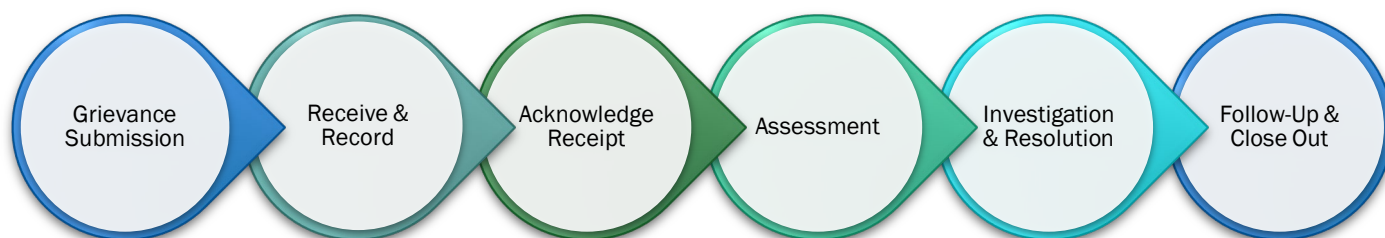
### ***Information disclosure***

For every Category B subproject, BGB will disclose the ESIA and E&S Management Plan for the specific subproject at least 30 days in advance of the decision to approve financing of the subproject. The documentation will be provided in English and will be accessible through BGB's website as well as in locations which are available and accessible for affected people.

### ***Grievance mechanism***

Concerning external communication mechanisms, an important mechanism that will be implemented and maintained is a grievance mechanism, at BGB, financial intermediaries and subproject levels. This will support the process to effectively identify, receive, register, screen and evaluate, track, and formally address complaints or feedback from external stakeholders regarding BGB business activities and/or subproject activities. The mechanism will facilitate the resolution of grievances promptly through an accessible, fair, transparent, and constructive process. It will also be culturally appropriate and readily accessible, at no cost to the affected communities, and without retribution to the individuals, groups, or communities that raised issues or concerns.

The BGB Grievance Mechanism procedure ensures that formal records are kept, appropriate responses and reporting of grievances to relevant BGB Staff and investors, if required. For every grievance received, BGB shall assess the relevance and/or severity of the grievance submitted and determine the level of response necessary, if any, to achieve a fair resolution. The process outlined in Figure 5--1 will be followed, which is explained in further detail in the BGB Grievance Redress Mechanism (refer to Appendix 14).



**Figure 5--1: BGB's formal grievance mechanism process**

### **Borrower level**

A borrower-level grievance mechanism will include but not be limited to the following elements:

- Borrowers will require an established and operational, accessible and inclusive survivor-centred, SEAH relevant and gender-responsive grievance redress mechanism that:
  - Includes stakeholder guidance to identify existing and potential local SEAH to enable effective redress of the matter.
  - Enables consultations with women leaders and those working with adolescent girls and boys and other at-risk groups should be prioritized to enable understanding of SEA/SH risks and trends in the community.
  - Monitors SEAH and GBV indicators to track possible risks or challenges.
  - Offers various methods to lodge complaints including online email, letters or in-person.
  - Provides confidentiality/anonymity to a complainant or a representative if requested by the complainant.
  - Addresses concerns promptly and effectively at no cost and without retribution.
  - Handles grievances in a culturally appropriate, discreet, objective, transparent, sensitive and responsive manner.
  - Is a source of continuous learning through active feedback seeking, pattern identification of human rights impacts, the identification of barriers to remedy and regular performance tracking.
- Different ways in which vulnerable people can submit their grievances, taking into account language barriers/limitations and the need for anonymity if a complainant fears retaliation or submission by an authorized representative or civil society organization;
- Provision to keep complainants' identities confidential, especially in instances where the complainants fear retaliation;
- Provision for interpretation/translation to overcome language barriers/limitations;
- A log where grievances are registered in writing and maintained as a publicly available database. The database should include information about the complaint and the resolution of the complaint, including the remedy provided, taking into consideration that complainants' identities can be kept anonymous if requested;
- Publicly advertised procedures, identifying the means for submitting grievances, setting out the length of time users can expect to wait for acknowledgement, response, and resolution of their grievances, descriptions of the transparency of the procedures, and the governing and decision-making structures;

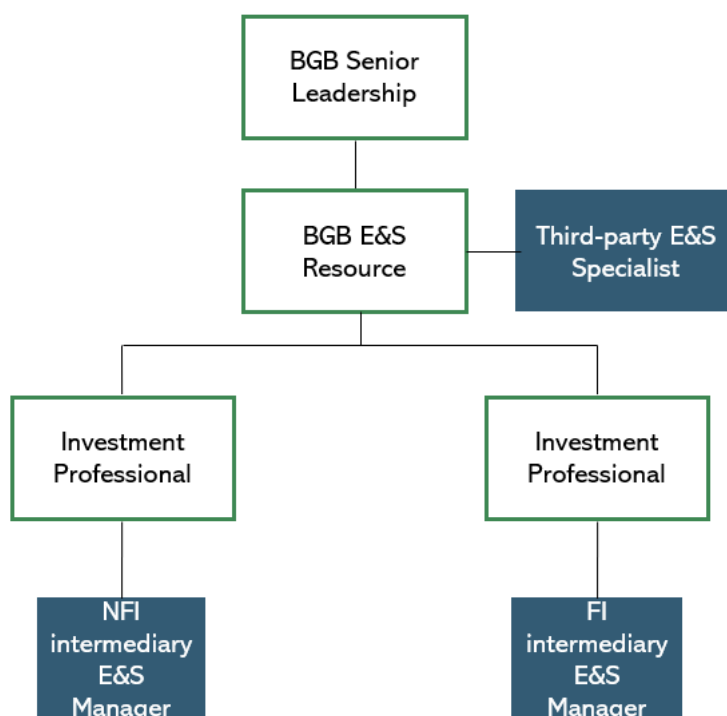
- An appeal process to which unsatisfied grievances may be referred when the resolution of grievance has not been achieved;
- Measures in place to protect complainants from retaliation.

The responsibility for establishing and maintaining the grievance mechanism will be with the subproject owner. BGB will, where feasible, provide support to intermediaries in setting up their grievance mechanism. The subproject owner will be responsible for meeting with local/stakeholders affected by the subproject to explain and discuss the different reporting mechanisms and processes that the stakeholders agree on the selected methods that are the most appropriate. The details of the discussion will be recorded and included in the stakeholder meeting summary. A central telephone and email address will be provided that will facilitate complaints and ensure that they are shared by the appropriate persons overseeing the matter. The emails and phone calls received will be treated as confidential. The subproject owner will be required to maintain a log that contains:

- Date of the complaint.
- Name of the aggrieved party and any affiliation/organization.
- Contact details of the aggrieved party.
- Category of the complaint (environmental, social, government, other).
- If the complaint is an appeal to a previous result of handling the complaint.
- Recommended investigation of the issue.
- Closing date and information provided to the aggrieved party.
- Record the result of the investigation in the Excel file, including a summary of the action taken or justification for not taking action and the date of response to the party aggrieved.
- The subproject owner will acknowledge the complaint in writing in a timely manner and report back to the bank on the next steps. Complaint investigations may vary depending on the nature of the complaint, but every effort should be made to ensure that complaints are dealt with promptly. Most investigations should not last longer than 90 days. The content of the complaint registers and the management of these must respect the confidentiality of the aggrieved party to the extent possible, and there should be no retaliation against aggrieved parties or complainants. In some cases, it may be appropriate for the subproject owner to continue to involve the aggrieved party during the investigation of the complaint. This could take place by inviting the aggrieved party to a meeting, a conference call, or committing more in writing. Any ongoing engagement with the aggrieved party must be noted in the register of complaints. The grievance mechanism and its associated log are sources of continuous learning that must be yielded:
  - Proactively seek feedback from rights holders and relevant stakeholders at complaint close. At regular intervals, thereafter, critically evaluate the human rights impacts of remedial outcomes from specific grievance processes, and ways that they could be improved;
  - Maintain a functioning log on frequency, patterns and causes of grievances, which can be disaggregated (i) to show patterns of use by different genders and stakeholder groups, and (ii) to assist with the identification of barriers to access and their causes, particularly barriers due to gender-based discrimination and those facing rights holders who may be at heightened risk of vulnerability or marginalization;
  - Establish systems to track the performance and effectiveness of the mechanism's management and the grievance handling process;
  - Draw from the findings from the above activities to develop and implement strategies to improve the effectiveness of the mechanism and its management.

## 6 Roles and responsibilities

The implementation of BGB's E&S Policy and associated ESMS requires the appointment of competent E&S resources and functions with sufficient capacity to drive E&S efforts within the organisation and its investment portfolio. All BGB investment team members will be given **E&S Management** training on a regular basis to ensure that there is a solid understanding of the requirements of BGB's **E&S Policy**. Team members will also be taught skills on how to determine the key competencies of a borrower to be able to deliver on these multidisciplinary prerequisites. Please refer to the figure below for BGB's E&S organizational chart.



### 6.1 BGB SENIOR LEADERSHIP

Overall responsibility and accountability for the execution of the BGB's E&S Policy and associated ESMS lie with BGB Senior Leadership Team. Senior Leadership Team have the obligation to, but not limited to:

- Ensure the E&S Policy always reflects BGB's values, business strategy and investment strategy.
- Ensure the ESMS is implemented in accordance with Bank's investment mandate and investors' requirements.
- Ensure that required capacity (internal staff or external expertise) is available to effectively oversee and implement the requirements of the ESMS, including appointing a competent and dedicated E&S resource.
- Review internal capacity on an ongoing basis.
- Drive a purposeful E&S culture across BGB.

### 6.2 DEDICATED BGB E&S RESOURCES / INTERNAL SPECIALIST

Dedicated E&S resource(s) is responsible for the day-to-day implementation and management of the BGB ESMS. This individual shall hold a senior position in the business and have access to necessary resources, whether budgetary or allocation of staff time, to ensure that the necessary capacity (internal staff or external expertise) is available to effectively oversee and implement the requirements of the ESMS. These duties are as follows, but are not limited to:



- Actively engage with investment teams during the pre- and post-transaction stages to ensure that E&S factors are being considered in accordance with the ESMS, including the use of procedures, checklists and templates.
- Ensure that all transaction decisions are supported by appropriate E&S documentation and represent E&S matters at key decision gates along the transaction process.
- Ensure the appointment of qualified external E&S specialists, as and when required;
- Establish sound relationships and collaborative engagement with borrower E&S point of contacts (i.e., E&S Manager, E&S Officers or alike)).
- Obtain timely (as prescribed in legal agreements) and robust E&S data from borrowers to review, collate and aggregate to assess ongoing E&S performance, at both individual borrower and portfolio levels.
- Appropriately manage and address any significant E&S incidents arising across the portfolio and escalate these matters to Senior Leadership (and Investors, where applicable).
- Produce relevant E&S disclosures for internal and external use (including distribution to investors).
- Be the point person for fielding all questions and answers (Q&A) regarding E&S performance and plans.

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## 6.3 BGB INVESTMENT PROFESSIONALS

BGB investment professionals/analysts are responsible for, but not limited to:

- Adhere to BGB's E&S requirements in all business activities;
- Produce and/or review pre-investment E&S deliverables and outputs;
- Ensure all investment decisions consider E&S factors and are supported by appropriate documentation;
- Ensure legal and investment documents include BGB's E&S requirements and appropriate provisions and clauses; and
- Remain up to date on transaction E&S performance including any E&S issues and infringements, new risk exposures, etc.

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## 6.4 BORROWER E&S RESPONSIBLE PERSON

The responsible person for E&S matters at the borrower will be responsible for the following, but not limited to:

- Act as the main point of contact on all E&S aspects for BGB;
- Maintain sound and appropriate E&S policies, systems and processes, with proper document control and storage, in accordance with BGB's E&S requirements;
- Ensure the business remains in compliance with applicable national legislation and prescribed BGB E&S requirements.
- Ensure that E&S risks and areas of non-conformance are identified, and receive suitable attention to be appropriately managed and resolved in a timely manner.
- Implement E&S action plan items and remedial actions, set as part of the BGB's E&S Due Diligence process and/or other monitoring activities;
- Document and report serious incidents, issues and/or infringements to BGB using the prescribed Major Incident Reporting Form (or similar);
- Collect and collate E&S data into regular E&S reports, and submit to BGB on a quarterly/annual basis, using the prescribed formats (or similar);
- Record and manage any grievances related to E&S aspects including immediately notifying relevant internal personnel and BGB; and

- Ensure staff members are regularly trained on E&S issues as they related to the business's activities and the implementation of the ESMS.

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## 6.5 THIRD PARTY / IN-COUNTRY EXPERTS

BGB will appoint third-party E&S specialists/experts to support various E&S efforts, as and when required. This may include, but is not limited to:

- Conduct E&S Due Diligence assessments;
- Review, update and maintain the BGB E&S Policy and / or associated ESMS;
- Assist with investigations into significant incidents occurring at projects;
- Support training and capacity building on E&S at both BGB and borrower level; and
- Supervise and support ongoing E&S monitoring and reporting activities of transactions.

## 7 E&S training and capacity building

BGB will provide appropriate E&S training and capacity building to staff members and to intermediaries annually, on a need-by-need basis, to support the effective implementation and management of the ESMS and ensure personnel are equipped with the necessary skills and expertise to effectively identify, evaluate, and manage E&S risks and impacts. This will involve conducting an annual review of BGB's internal training requirements and current skills and competencies and defining what training is needed to address any existing gaps identified. The findings will be compiled into an annual E&S training plan, including necessary resources (e.g., budget for external service providers, etc) and timelines, and provided to the Senior Leadership Team for their consideration and approval.

## 8 Periodic ESMS performance review

On a biennial/triennial basis (as deemed necessary), BGB will conduct a periodic review of its E&S efforts to assess the adequacy, effectiveness, and performance of the ESMS and ensure that the ESMS remains up to date with emerging E&S trends, best practice and the organisation's growth. The success of the periodic reviews is conditional on appropriate records and documentation of E&S-related activities and initiatives being stored and filed (e.g., records of all E&S processes and outputs for every transaction and any challenges encountered).

**This review shall focus on the following key elements, but is not limited to:**

- Assess the BGB E&S Policy against any organisational changes and/or BGB's investment strategy, investment portfolio, investor requirements and/or relevant emerging best practices and norms;
- Evaluate the adequacy and performance of internal resources against their assigned E&S roles and responsibilities, including engagement with the ESMS (e.g., actively engaging with screening outputs, due diligence reports, committee materials, legal agreements and monitoring and reporting materials, etc.);
- Source and review feedback from various teams covering challenges faced when implementing the ESMS, recommended areas of improvement, success stories, etc., to derive lessons learnt and improve the effectiveness of the ESMS;
- Assess the extent to which E&S requirements and commitments are being met and the degree to which E&S efforts are contributing to operational performance;
- Define appropriate corrective measures to address any gaps, limitations and improvement areas with the ESMS;
- Determine necessary resources to implement any corrective measures to address any limitations or gaps identified. This may include additional training and awareness raising; improving the oversight of the components and procedures; inclusion of E&S performance into staff members' personal objectives; improved E&S procedures, tools, and templates, use of external specialists to advise the team; peer-to-peer learning within and across teams, etc.
- Investigate global trends and competitors' approaches to E&S.

**An unplanned periodic review may be triggered by any changes in shareholder agreements; any failures to appropriately manage E&S risks and/or any changes in BGB's policies/investment strategy. Investors and borrowers, as relevant, will be informed of any significant changes to the BGB E&S Policy and ESMS.**

## 9 Appendices

The following appendices are attached to this ESMS Manual.

- Appendix 1: BGB E&S Exclusion List
- Appendix 2: BGB Eligibility List
- Appendix 3: Outline of typical ESMS for FI and NFI
- Appendix 4: E&S Screening Checklist
- Appendix 5: Initial Investment Committee Decision Meeting Paper
- Appendix 6: E&S Due Diligence Checklist
- Appendix 7: External E&S Due Diligence Terms of Reference
- Appendix 8: E&S Due Diligence Report Template
- Appendix 9: Final Investment Committee Decision Meeting Paper
- Appendix 10: Green Climate Fund Subproject Disclosure Report
- Appendix 11: E&S Clauses Guidance Note
- Appendix 12: Annual and Quarterly Monitoring Reports Templates
- Appendix 13: Major Incident Reporting Form for Subprojects
- Appendix 14: Stakeholder Engagement Plan Template for Subprojects
- Appendix 15: Grievance Redress Mechanism (BGB, Intermediary and sub-project level)
- Appendix 16: Chance Finds Procedure
- Appendix 17: Land Acquisition and Resettlement Action Framework.
- Appendix 18: Potential Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH) Report Template
- Appendix 19: E&S Impact assessment – Table of contents
- Appendix 20: E&S Audit Report – Table of contents

# Appendices to Annex 6

Environmental & Social Management System

Final Version

2023

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**BLUE GREEN BANK**  
A GREEN CLIMATE FUND INITIATIVE



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# Appendix 1: BGB E&S Exclusion List

BGB adopts the following Exclusion List, whereby it does not finance the following projects:

Exclusion	Description
Transactions that are categorised by BGB as being Category A projects.	<p>Category A projects may have significant adverse environmental and/or social impacts that are irreversible, sensitive, diverse, or unprecedented in the absence of adequate mitigation measures. Category A subprojects are considered high risk. The following examples of E&amp;S risks and impacts (per IFC Performance Standards) would lead the subproject to be categorized as Category A (and hence excluded from financing):</p> <ul style="list-style-type: none"> <li>• PS2: subprojects that would involve poor working conditions (high overtime, lack of retrenchment plans management, absence of working contracts, etc.)</li> <li>• PS3: Processing and disposal installations for the incineration, chemical treatment or landfill of hazardous waste, Waste disposal installations for the incineration or chemical treatment of non-hazardous waste with a capacity exceeding 100 tonnes per day.</li> <li>• PS4: Works for the transfer of water resources between river basins where this transfer aims at preventing possible shortages of water and where the amount of water transferred exceeds 100 million cubic metres/year</li> <li>• PS5: subprojects that would involve the involuntary resettlement of a significant number of people (i.e., &gt;200 people) or would involve the involuntary resettlement of informal settlers.</li> <li>• PS6: subprojects that would be developed in critical habitats, such as wetlands or forests with high biodiversity value.</li> <li>• PS7: subprojects that would affect land upon which Indigenous People reside (or seasonally migrate over) or who retain ties to the land through traditional ownership or customary usage.</li> <li>• PS8: subprojects that would have a perceptible impact on areas of cultural or archaeological significance.</li> </ul>
Projects that impact certain socio-cultural groups and projects involving significant alteration, damage or removal of way critical cultural heritage	<p>There are certain socio-cultural groups present in or use the project area who may be considered as “tribes” (hill tribes, schedules tribes, tribal peoples), “minorities” (ethnic or national minorities), or “Indigenous communities”. Those groups may be:</p> <ul style="list-style-type: none"> <li>- Either significantly adversely impacted by a project that would fall under Category A; and/or</li> <li>- Not consulted under Free, Prior and Informed Consent principle; and/or</li> <li>- Withholding their consent under Free, Prior and Informed Consent principle.</li> <li>- Cultural heritage consists of internationally and nationally recognised historical, social and/or cultural heritage.</li> </ul>
Activities or materials deemed illegal under Barbados laws or regulations or international conventions and agreements, or subject to	<p>Activities or materials deemed illegal can include (but not limited to):</p> <ul style="list-style-type: none"> <li>- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (“CITES”);</li> </ul>



Exclusion	Description
international phase-outs or bans.	<ul style="list-style-type: none"> <li>- Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5Km in length);</li> <li>- Production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.</li> </ul>
Production or activities involving harmful or exploitative forms of forced labour or child labour.	<p>Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.</p> <p>Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.</p>
Destruction of critical habitat, any forest project under which no sustainable development and managing plan is carried out, and/or of High Conservation Value areas.	<p>Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.</p> <p>High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see <a href="http://www.hcvnetwork.org">http://www.hcvnetwork.org</a>)</p>
Transactions that are with Borrowers where the primary business activities are in prohibited sectors.	<p>The following are prohibited sectors:</p> <ul style="list-style-type: none"> <li>- Gambling;</li> <li>- Media communications of an adult or political nature;</li> <li>- Military production or sales;</li> <li>- Alcoholic beverages;</li> <li>- Tobacco and related products;</li> <li>- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded;</li> <li>- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%;</li> <li>- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;</li> <li>- Any activity involving live animals for scientific and experimental purposes, including the breeding of these animals;</li> <li>- Production, trade or use of ozone depletion potential (ODP) refrigerants.</li> </ul>

Exclusion	Description
Transactions involving separate funding from the Green Climate Fund.	BGB will avoid providing financing involving separate funding from the Green Climate Fund without its consent to do so. This is to avoid the potential for double counting of climate impact.
Bioenergy (including biofuels) transactions with the following characteristics.	<p>The following are prohibited characteristics for bioenergy transactions:</p> <p>First generation biofuels that are produced from edible energy crops regardless of the Global Hunger Index and food security assessment of the host countries.</p> <p>Biofuels grown in areas converted after 2015 from land with previously high carbon stock, such as wetlands or forests.</p> <p>Biofuels produced from raw materials obtained from land with high biodiversity, such as primary forests or highly biodiverse grasslands.</p>
Hydrogen transactions with the following characteristics.	Any hydrogen other than produced from water electrolysis powered by 100% renewable energy.
Transportation transactions with the following prohibited characteristics.	<p>The following are prohibited characteristics for transportation transactions:</p> <p>Deployment of any type of fossil fuel-based vehicles and vessels including hybrids.</p> <p>Deployment of CNG buses, the fuel supply of which cannot be 100% secured by locally sourced renewables during the lifetime of the buses.</p> <p>Any form of financial support to promote ownership of private vehicles including electric vehicles.</p> <p>Any road construction</p>

## Appendix 2: BGB Eligibility List

Minimum Screening Criteria (yes to all to proceed)	
A.	<b>Geography:</b> The project or programme located in Barbados
B.	<b>Financial:</b> The amount requested has a positive financial return
C.	<b>Governance:</b> the project does not fall into the prohibited or exclusionary investment list <i>*list will be provided in the operational arrangements document to be developed</i>
D.	<b>Climate:</b> The project or programme is addressing a material (current or future) climate risk and impact in its country(ies) of operation either by addressing SDG 13, climate action by strengthening resilience and adaptive capacity to climate-related hazards and natural disasters and/or reducing GHG emissions
E.	<b>Mitigation (if applicable):</b> The project or programme's activities contribute to the reduction of GHG emissions in line with the Bank's target geographies and respective NDC targets <i>and/or</i> <b>Adaptation (if applicable):</b> The project or programme's activities will provide direct and/or indirect benefits to communities by increasing their ability to adapt to, or absorb, climate change stresses, shocks and variability and/or by helping reduce exposure to them
F.	<b>Environmental:</b> The project or programme is a Category B or C
G.	<b>Funding sources:</b> The project has determined that traditional funding sources are insufficient to fund the project to scale
H.	<b>SDG:</b> the project/programme is aligned or meets the SDG targets

Additional questions include:

<b>Environmental &amp; Social and Gender responsiveness: does the proposed initiative align with the bank's environmental and social safeguard policies and management systems and the gender action plan (under section 3 of the tool)</b>	
3.1.1.	The activities comply with all environmental and planning laws, regulations and permits in all material respects
3.1.2.	The activities will not cause significant negative environmental impact
3.1.3.	There is no potential for the release into the environment of hazardous materials ( e.g., persistent organic pollutants, ozone depleting substances, mercury and/or other heavy metals, etc.) resulting from their product transportation, handling, storage and/or use for the project activities.
3.1.4.	The proposed project would not result in involuntary resettlement of populations

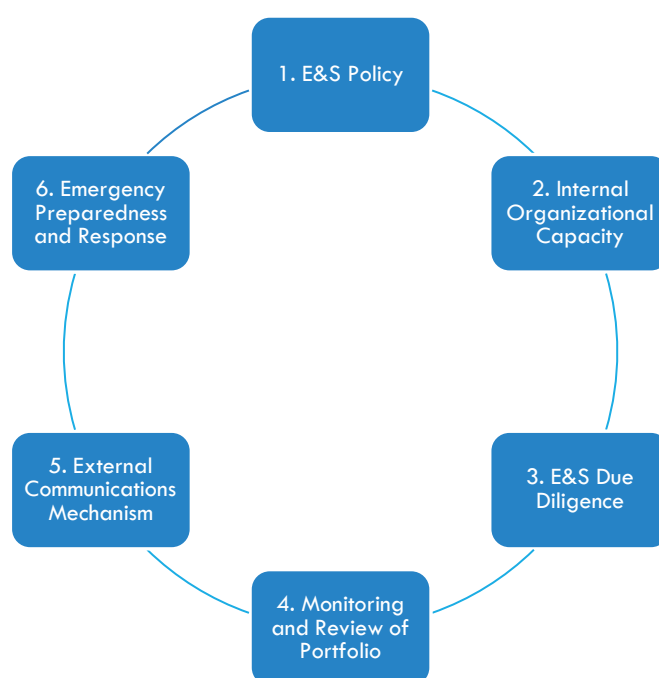
3.1.5.	The project will not cause an increase in public health risks to contagious diseases or transmission (e.g., HIV/AIDS, Malaria, etc.) for project workers or communities in the project area, as a result of a change in living and working conditions
3.1.6.	The project or programme location subject to currently approved land use plans (e.g., roads, settlements), will not negatively affect the environmental and social sustainability of the project
3.1.7.	There is a grievance mechanism that has been developed and agreed with concerned communities that has been disseminated to the concerned right holders

## Appendix 3: Outline of typical ESMS for FI and NFI

BGB requires FI and NFI intermediaries to develop an E&S Management System to manage E&S risks throughout project lifecycle. This should ensure that the subprojects are developed in compliance with the standards outlined in BGB's E&S Policy. This Appendix provides an outline of the typical components of an ESMS for FIs and NFIs, based on the requirements of IFC Performance Standard 1<sup>1</sup> and the IFC Performance Standards Interpretation Note on Financial Intermediaries<sup>2</sup>.

### *Financial Institution ESMS*

The ESMS of an FI should typically comprise the elements shown in Figure 1 below. The ESMS should be tailored towards the size and complexity of the FI, the nature of the financial services it offers and the transactions and investments it makes and the level of E&S risk the FI is exposed to through these services and transactions and/or investments. The elements of Figure 1 are briefly explained below.



*Figure 1: Outline of an FI ESMS*

#### **1. E&S Policy**

FIs are required to develop an overarching E&S Policy that defines the institution's E&S objectives and principles, as well as the E&S requirements and standards that the FI will apply in its lending or investment activities. The E&S Policy should also

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<sup>1</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/policies-standards/performance-standards/ps1](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps1)

<sup>2</sup> [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/sustainability-at-ifc/publications/publications\\_policy\\_interpretationnote-f#:~:text=The%20Interpretation%20Note%20on%20Financial,the%20activities%20and%20operations%20of](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_policy_interpretationnote-f#:~:text=The%20Interpretation%20Note%20on%20Financial,the%20activities%20and%20operations%20of)

refer to an E&S Exclusion List, should include a commitment to comply with applicable E&S laws and regulations of the countries where the FI operates or provides financing / invests as well as a commitment to develop and maintain the necessary internal capacity to implement the ESMS. The E&S Policy should be endorsed by the institution's senior management, to signal the institution's commitment to E&S.

## **2. Internal Organizational Capacity**

FIs are required to designate E&S responsibilities to qualified E&S staff. This includes that sufficient human and financial resources should be available for the implementation of the ESMS. The required internal E&S capacity depends on the FI's exposure to E&S risks through its portfolio. Ultimate responsibility for the ESMS lies with the FI's senior management, while certain operational E&S tasks might be outsourced, e.g., because they require specific expertise that the FI does not possess. FIs should ensure that staff with E&S responsibilities are and remain knowledgeable and compete for managing E&S risks and implementing the ESMS. As such, the FI should ensure that sufficient training opportunities are offered.

## **3. E&S Due Diligence**

FIs are required to assess the E&S risks of individual transactions / investments through an E&S Due Diligence (ESDD) process. How the ESDD is conducted depends on the E&S Risk Categorization of the transaction / investment. The E&S risks of higher-risk transactions / investments are usually assessed through: (1) a document review, (2) an assessment of E&S risks against the applicable E&S standards (including applicable E&S laws and regulations), (3) a site visit to the target project or company, including meetings with stakeholders, and (4) a review of the borrower's / investee's E&S track record on E&S issues (including any non-compliances). The FI will engage external specialists for Higher-Risk transactions / investments or for any transaction for which internal E&S capacity is insufficient. As part of the ESDD process, an E&S Action Plan (ESAP) needs to be developed which lists the gaps against the applicable E&S standards as well as proposed mitigating measures. The ESAP should always be included in the legal documentation of a transaction / investment, which further includes E&S clause (including a commitment to implement the ESAP).

## **4. Monitoring and Review of Portfolio**

FIs are required to monitor each individual borrower's / investee's E&S performance. The monitoring process should be guided by the level of E&S risk of the transaction / investment, i.e., those with higher risk levels require more frequent and in-depth monitoring. The E&S performance includes the borrower's / investee's compliance with the ESAP, its exposure to any new E&S risks, any changes to the borrower's / investee's ESMS, and major incidents that happened during the reporting period. If the FI provides lending or invests in another FI, the monitoring needs to include a review of the FI's portfolio (e.g., sector exposure, E&S Risk Category breakdown).

## **5. External Communication Mechanism**

FIs are required to develop and maintain an external communication procedure, including a grievance mechanism through which external stakeholder can submit complaints with the FI. The FI is also required to develop a grievance management procedure, including receiving, registering, screening, assessing, responding to and tracking the status of grievances. In addition to the grievance mechanism, the FI is also required to develop external communication mechanisms through which external stakeholders can express their views, opinions, concerns, etc.

## **6. Emergency Preparedness and Response**

FIs are required to develop and maintain Emergency Preparedness and Response (ERP) plans to ensure the health and safety of its employees and visitors. These plans should identify roles and responsibilities for communicating different types of emergencies to the authorities and should include training and practice requirements.

**Non-Financial Institution ESMS**

The ESMS of an NFI should typically comprise the elements shown in Figure 1 below. The ESMS should be tailored towards the size, complexity, and operational activities of the NFI. The elements of Figure 1 are briefly explained below.

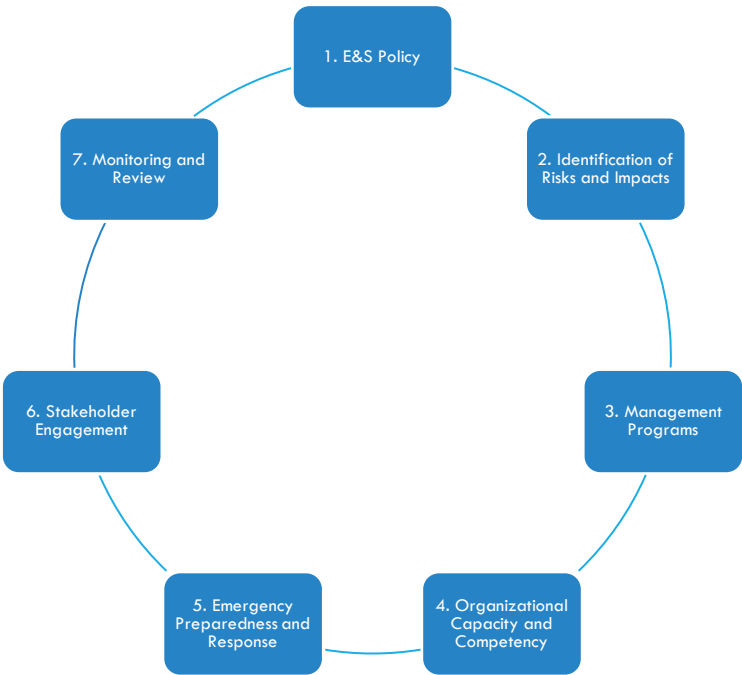


Figure 2: Outline of an NFI ESMS

**1. E&S Policy**

The NFI is required to develop an overarching E&S Policy that defines the E&S objectives and principles that will guide the NFI's E&S performance. The Policy should include a commitment to complying with applicable E&S laws and regulations and should state any other E&S standards and requirements that are implemented. As such, the Policy provides a framework for assessing and managing the environmental and social risks relevant to NFI's operations. The Policy should identify the relevant person within the NFI organization who is responsible for the implementation of the Policy.

**2. Identification of Risks and Impacts**

The NFI will develop a process for identifying the E&S risks of the project, the scope and required level of effort of which are guided by the type, scale, and location of the project. The process may require a full-scale Environmental and Social Impact Assessment (ESIA) or more limited or focused assessments. The E&S risks of existing assets could be identified through E&S compliance audits. The E&S risk and impact identification process should cover all relevant environmental and social risks in the project's area of influence, including those under IFC Performance Standard 2-8. Types of impacts that should be assessed include direct impacts from the project (planned and unplanned), indirect impacts, impacts caused by Associated Facilities (i.e., facilities that are not funded as part of the project but would not have been constructed without the project), and cumulative impacts.

### 3. Management Programs

The NFI is required to develop programs to mitigate the identified adverse environmental and social impacts. These plans will follow the mitigation hierarchy, i.e. adverse impacts should first be avoided and only if that is not feasibly possible, they should be mitigated. Management programs may include operational procedures, practices, plans, guidance documents, etc. depending on the nature and scale of the project.

### 4. Organizational Capacity and Competency

The NFI is required to develop and maintain an organization structure that clearly identifies E&S roles and responsibilities. Staff with E&S responsibilities should be knowledgeable and competent to manage E&S risks and implement the ESMS. External expertise might need to be engaged for identifying the E&S risks, potentially Higher-risk projects.

### 5. Emergency Preparedness and Response

The NFI is required to develop and maintain an Emergency Preparedness and Response (ERP) system that is relevant to the potential accidents and emergencies that could be associated with the project. The preparation of an ERP system requires the identification of potential accidents and emergencies, the persons or communities that might be impacted, response procedures, roles and responsibilities, communication protocols, etc. The NFI is required to cooperate with local authorities and potentially Affected Communities as applicable.

### 6. Stakeholder Engagement

The NFI is required to conduct stakeholder engagement throughout the project lifecycle. Stakeholder engagement is critical for the successful identification and management of E&S risks. It comprises stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism and ongoing reporting to Affected Communities.

### 7. Monitoring and Review

The NFI is required to monitor the effectiveness of the measures it has implemented to mitigate E&S risks and to monitor the exposure to any new E&S risks throughout the project lifecycle. The extent of E&S monitoring should be commensurate with the level of E&S risk associated with the project.



## Appendix 4: E&S Screening Checklist

Project Name:	Project ID: #	Exclusion List Screening: Y/N	
		BGB E&S Policy: Y/N	
		Provisional Categorization: FI-2/B or FI-3/C	
E&S Appraiser:	E&S Approval:	Date of Review:	Subproject status: Proposed/Construction/Operation
Proposed Investment:			TA to be Provided: Y/N
<p><b><u>Brief Project Description:</u></b></p>          <p><b><u>Summary of potential E&amp;S Issues:</u></b></p> <p>At appraisal, the key issues were identified as:</p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>			
Issue	Questions used to assess the potential E&S risks and determine the overall risk category	Risk High/Medium/Low Or NA	Risk Justification
RED FLAGS			
1	Has the intermediary been (in a singular or combined capacity) subject to any significant fines, penalties or claims associated with ES non-compliances (such as failure to adhere to environmental permitting conditions)?	Y/N/NA	Comments
2	Has the intermediary experienced any major labour issues (i.e., strikes, worker action, instances of child or forced labour, etc.) that have resulted in work stoppages or reputational damage either directly or through the supply chain?	Y/N/NA	Comments

3	Does the intermediary have a recorded ongoing and/or historical pollution event associated with its site(s)?	Y/N/NA	Comments
4	Is the intermediary aware of any significant complaints or grievances, or adverse media campaigns from external stakeholders, including NGO's, interest groups or local communities surrounding the project/company, clients and other stakeholders?	Y/N/NA	Comments
5	Is the intermediary involved current and / or historical and / or planned land acquisition that leads to:  i) Involuntary Resettlement; and / or  ii) Economic and occupational displacement.	Y/N/NA	Comments
6	Has the intermediary been subject to any class actions, prosecutions, or lawsuits where claim is for >25% annual turnover?	Y/N/NA	Comments
7	Have there been any emergency incidents in the past year that resulted in threat to life (fire, bomb threat, explosion, active shooter, chemical/biological/radiological (CBR) emergencies etc.)?	Y/N/NA	Comments
8	Is the intermediary planning property expansions / new sites on undeveloped land?	Y/N/NA	Comments
9	Has the FI intermediary, through its lending or investment activities, been involved in serious environmental or social incidents?	Y/N/NA	Comments
<b>SOCIAL ISSUES</b>			
Substantial job losses	Are substantial job losses or economic displacement expected to arise from the subproject or restructuring of the investment? Or have they occurred already as a result of the subproject?		
Project and Associated facilities, area	Will the subproject's construction or operations result (or have already resulted) in resettlement or		

of influence and:  Resettlement	economic displacement of people, involuntary or otherwise? If so, was there/will there be a Resettlement Action Plan (RAP)/ Livelihood Restoration Plan (LRP)? Was compensation given? Has this been monitored? Are there any outstanding claims/liabilities?		
Stakeholder concerns	Are subproject's stakeholders (including NGOs) currently expressing any concerns about the project or any of the proposed investors/contractors? Are such concerns likely?		
Operation of labour	Is there a risk that the subproject would not be constructed/ operated in line with fundamental ILO conventions/PS2 requirements? E.g., child or forced labour, discrimination, refusal to allow freedom of association and collective bargaining.		
Indigenous peoples	Will/has the subproject affected Indigenous peoples?  Has there been Free, Prior and Informed Consent (FPIC)? Is there Broad Community Support for the project?		
Cultural Heritage	Is the subproject in a location that affects or likely to significantly affect cultural heritage?		

## Appendix 5: Initial Investment Committee Decision Meeting Paper

INTERMEDIARY DETAILS	
Type of Intermediary (FI or NFI)	
Name of Intermediary	
Name of subproject(s)	
Sector	
Sub-sector	

MATERIAL E&S RISK SUMMARY	
Inherent E&S Sector Risks Identified	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Transaction specific E&S Risks	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Issues Identified	

APPLICABLE IFC PERFORMANCE STANDARDS			
PS 1: ESMS	YES / NO	PS 5: Land Acquisition	YES / NO
PS 2: Labour	YES / NO	PS 6: Biodiversity	YES / NO
PS 3: Resource Efficiency	YES / NO	PS 7: Indigenous People	YES / NO
PS 4: Community	YES / NO	PS 8: Cultural Heritage	YES / NO
Comments			

OTHER E&S STANDARDS	
Include any other E&S Standards that apply	
Include any other E&S Standards that apply	
Comments	

INITIAL E&S RISK CATEGORIZATION	
IFC Risk Category NFI Intermediary: Category B or C / FI Intermediary: Category FI-2 or FI-3)	(Category B/FI-2 or/ FI-3)
IFC Risk Description	
Comments	

E&S DUE DILIGENCE PLAN	
E&S Due Diligence Requirements	
Timelines	
Cost Implication	

E&S SPECIALIST RECOMMENDATION	
<input type="checkbox"/> Proceed with Transaction <input type="checkbox"/> Do not proceed with the Transaction	
Date	
Signature	

## Appendix 6a: E&S Due Diligence Checklist FI Intermediaries

FI INTERMEDIARY DETAILS			
Name of the FI intermediary			
FI Intermediary description	<i>e.g., mandate, investment strategy, geographical and sectoral focus and type of FI (commercial bank, microfinance institution, etc.)</i>		
List of locations of the FI Intermediary			
Total employees	<i>include a breakdown by gender and type of contract (i.e., permanent or contract)</i>		
FI Intermediary point of contact	<i>Name, title and contact details</i>		
	Name and title	Date	Signature
Completed by			
Approved by			

CONTROVERSIES		
Has the FI Intermediary or any of its borrowers faced controversies (i.e., any material E&S events such as a labour strike, bribery and corruption allegations, gender-based violence/sexual harassment, data breach etc.) over the last 3 years? If yes, select below.		
Fines, penalties, or increased permit charges related to environmental or social issues	<input type="radio"/> Yes	<input type="radio"/> No
Complaints from regulatory agencies, interest groups, or local communities	<input type="radio"/> Yes	<input type="radio"/> No
Fatalities or serious injury	<input type="radio"/> Yes	<input type="radio"/> No
Major environmental accidents (e.g., spills, accidental pollution, fires, ...)	<input type="radio"/> Yes	<input type="radio"/> No
Strikes (with or without violence) or other labour disputes	<input type="radio"/> Yes	<input type="radio"/> No
Legal action related to environmental or social issues	<input type="radio"/> Yes	<input type="radio"/> No
Negative attention on the part of the media or non-governmental organizations	<input type="radio"/> Yes	<input type="radio"/> No

Other? Please specify.	
If the response to any of the foregoing questions is yes, provide details of such controversy and the measures taken by the Financial Institution to address any instances of non-compliance.	

FI INTERMEDIARY PORTFOLIO			
Fill in the top 5 sectors of exposure			
N°	Industry Sector	% of exposure/total portfolio	High E&S risk sector?
1			
2			
3			
4			
5			
E&S COMMITMENT, POLICY AND MANAGEMENT SYSTEMS			
	Question	Answer	Source
<i>E&amp;S Policy</i>			
1	Does the FI Intermediary have a policy that describes its approach to identifying and managing environmental and social (“E&S”) factors within the transaction and portfolio management process? If so, please request a copy and confirm that it is readily available to employees and stakeholders. If not, please confirm whether the FI Intermediary would consider adopting an E&S Policy.		

2	Does the E&S Policy clearly articulate the E&S standards to be applied to (potential) borrowers? What are the applicable E&S standards?		
3	What is the current implementation status of the E&S Policy?		
4	Is the FI Intermediary a signatory to any ESG related standards or codes? If not, would the organization consider becoming a signatory of any of such standards or codes (e.g., UN Principles for Responsible Investment)?		
<i>Exclusion List</i>			
5	Does the FI Intermediary apply an E&S Exclusion List (i.e., specific harmful activities that will not be financed)? Is the Exclusion List aligned with BGB's Exclusion List?		
<i>E&amp;S Risk Categorization</i>			
6	How does the FI Intermediary categorize E&S risks of investments? Is this aligned with IFC E&S Risk Categories (i.e., Category A, B and C for direct investments and FI-1, FI-2 and FI-3 for indirect investments)?		
<i>E&amp;S Due Diligence</i>			
7	Please provide a brief overview of the E&S Due Diligence (ESDD) process undertaken by the FI Intermediary for new transaction reviews and appraisals.		
8	Who at the FI Intermediary is responsible for carrying out the ESDD (e.g., E&S Officer/Team; Investment Officer(s); depends on the investment/category/risk, etc.)?		
9	Does the ESDD process involve site visits to the client's operating sites / project sites? Are site visits conducted during due diligence of all investments? For which investments are no site visits conducted?		
10	Does the FI Intermediary have formal procedures to guide internal ESDD processes (i.e., internal E&S questionnaires / checklists, E&S action plan templates, E&S summaries for decision making, etc.)?		



11	What happens in instances where the ESDD identifies breaches / non-compliances with the E&S standards set by the FI Intermediary?		
<i>Deal Approval and Structuring</i>			
12	Which functions/decision bodies approve transactions at the FI Intermediary? How is E&S integrated into decision making?		
13	If there are formal transaction decision-making bodies in place, do they have relevant E&S expertise skills / capacity and are these bodies provided with sufficient E&S information to make informed decisions on key E&S risks and impacts?		
14	Is an E&S Action Plan (ESAP) attached to the investment documentation if any gaps have been identified during ESDD? Are any E&S clauses included in the investment documentation, e.g., on reporting requirements of the portfolio company?		
15	Does the FI Intermediary develop and include E&S clauses in the transaction's legal documentation to ensure that borrowers comply with the FI Intermediary's E&S requirements throughout the tenure of the loan?		
<i>E&amp;S Monitoring</i>			
16	Are borrowers/subprojects required to routinely report on any E&S information?		
17	What E&S Monitoring activities does the FI Intermediary undertake to understand new and existing E&S risk exposures post approval (e.g., site visits, client engagements, monitoring templates, etc.)?		
18	Is the frequency of E&S Monitoring informed by the E&S Risk Category that was assigned to the company? If yes, please provide details.		
19	What evidence is there that E&S monitoring of the FI Intermediary's borrowers shapes and informs the organization's transaction practices and decision-making processes (i.e., lessons learnt, etc.)?		
<i>E&amp;S Capacity and Competency</i>			

20	How are responsibilities for implementing the E&S Management System and for identifying and mitigating E&S risks and impacts designated within the FI Intermediary's organization? Please especially highlight whether the FI intermediary has an E&S Manager with years of experience and whether this is a Full Time Employee.		
21	Has a specific budget been allocated to the implementation of the E&S policy and ESMS?		
22	Does the FI Intermediary have appropriate training procedures in place for employees on the institution's E&S management system? Please explain.		
<i>Stakeholder Engagement</i>			
23	What are the FI Intermediary's requirements for borrowers on stakeholder engagement? Are these aligned with BGB's requirements for stakeholder engagement at sub-project level?		
24	How does the FI Intermediary ensure that borrowers engage stakeholders in conformance with its own and BGB's requirements?		
<i>Grievance Mechanism</i>			
25	Does the FI Intermediary have an external grievance mechanism in place? Does this mechanism protect the confidentiality of the grievant and does it ensure the impartial assessment of the complaint?		
26	Has the FI Intermediary received any significant grievance in the past 3 years? Have these been resolved? If not, what are the main reasons for the unresolved grievances?		
27	Does the FI Intermediary require borrowers to develop a grievance mechanism? What are the requirements for this mechanism?		

## E&S MANAGEMENT (INTERNAL ORGANIZATION)

	Question	Answer	Source
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28	Does the FI Intermediary have a formalized HR Management System / Manual / Handbook that is aligned with national labour standards and working conditions?		
29	Does your FI Intermediary have an active commitment for promotion of safe and healthy working conditions, and to protect and promote the health of workers (i.e., Occupational Health and Safety Policy, procedures, committees, etc.)?		
30	Do staff have the right of association and collective bargaining?		
31	Does the FI have an Emergency & Response Plan in place for all foreseeable emergencies and disasters (e.g., strikes, fire, power outages, riots, etc.)?		
32	Does the FI have a formalized mechanism to manage internal grievances including grievances collection, analysis, internal communication, and timely response?		

## Appendix 6b: E&S Due Diligence Checklist NFI Intermediaries

NFI INTERMEDIARY DETAILS			
Name of the NFI intermediary			
FI Intermediary description	<i>e.g., geographical and sectoral focus of operations – type of NFI Intermediary (holding company, platform, EPC contractor, etc.)</i>		
List of locations of the NFI Intermediary			
Total employees	<i>include a breakdown by gender and type of contract (i.e., permanent or contract)</i>		
NFI Intermediary point of contact	<i>Name, title and contact details</i>		
	Name and title	Date	Signature
Completed by			
Approved by			

CONTROVERSIES		
Has the NFI Intermediary or any of its subprojects faced controversies (i.e., any material E&S events such as a labour strike, bribery and corruption allegations, gender-based violence/sexual harassment, data breach etc.) over the last 3 years? If yes, select below.		
Fines, penalties, or increased permit charges related to environmental or social issues	<input type="radio"/> Yes	<input type="radio"/> No
Complaints from regulatory agencies, interest groups, or local communities	<input type="radio"/> Yes	<input type="radio"/> No
Fatalities or serious injury	<input type="radio"/> Yes	<input type="radio"/> No
Major environmental accidents (e.g., spills, accidental pollution, fires, ...)	<input type="radio"/> Yes	<input type="radio"/> No
Strikes (with or without violence) or other labour disputes	<input type="radio"/> Yes	<input type="radio"/> No
Legal action related to environmental or social issues	<input type="radio"/> Yes	<input type="radio"/> No

Negative attention on the part of the media or non-governmental organizations	O Yes	O No
Other? Please specify.		
If the response to any of the foregoing questions is yes, provide details of such controversy and the measures taken by the Financial Institution to address any instances of non-compliance.		

E&S COMMITMENT, POLICY AND MANAGEMENT SYSTEMS			
	Question	Answer	Source
<i>E&amp;S Management System (IFC Performance Standard 1)</i>			
1	Does the NFI Intermediary's E&S Policy focus on the key E&S risks and opportunities associated with the subprojects it finances (including labour and employment practices, supply chains or other third parties)?		
2	Does the policy clearly articulate the E&S standards that NFI Intermediary and the subprojects it finances / develops will seek to adhere to? What are the applicable E&S standards? Are these standards relevant to your company?		
3	How have E&S issues of subprojects been identified (i.e., ESIA, E&S audit, E&S risk assessments, etc.)? Is there evidence that the NFI Intermediary has implemented mitigation measures / recommendations?		
4	Does the NFI Intermediary have a functional E&S management system (ESMS) in place? To what extent is there a document(s) or evidence of systematic processes that		

	would ensure the effective implementation of the ESMS? <sup>3</sup>		
5	Does the NFI Intermediary's staff with responsibilities for implementing the ESMS have appropriate skills, capacity, and authority to ensure it is implemented? Please explain.		
6	Does the NFI Intermediary have appropriate training procedures in place for employees on the company's E&S Management System?		
7	Is there an emergency preparedness and response plan/system in place, which is an integrated part of the NFI Intermediary's ESMS? Does it accurately reflect the facility and surroundings? Is the plan / system properly documented?		
8	Does the NFI Intermediary have a Stakeholder Engagement Plan and Grievance Mechanism? Are these in line with BGB's requirements? How does the NFI Intermediary ensure that the Stakeholder Engagement and Grievance Mechanism requirements are adequately implemented at subproject level?		
<i>Labour and Working Conditions (IFC Performance Standard 2)</i>			
9	Does the NFI Intermediary have an HR policy/manual? If "Yes", is it easy to understand and easily accessible to all employees? What are the requirements for subprojects that the NFI Intermediary finances / develops?		
10	Are the terms and conditions of employment clearly defined? Are there specific requirements for minimum age, minimum wage, forced labour and discrimination applicable to the NFI Intermediary and to subprojects?		
11	Has the NFI Intermediary or any of its subprojects ever faced any issues related to labour and working conditions? (e.g.,		

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<sup>3</sup> Please provide a copy of your ESMS.

	excessive working hours, wages below national minimum wage, child labour).		
12	What form of worker representation is there at the NFI Intermediary? Are workers free to join a union? How does the NFI Intermediary ensure that subprojects' workers can form or join workers' organizations?		
13	Does the NFI Intermediary have an occupational health and safety (OHS) plan in place which meets the requirements of its operating jurisdiction, and does it require its subprojects to develop such a plan? Please provide evidence.		
14	Has the NFI Intermediary or any of its subprojects experienced or recorded accidents, occupational illnesses or any other complaints / litigation cases relating to Occupational Health & Safety in the last 3 years?		
<i>Pollution Prevention and Resource Use Efficiency (IFC Performance Standard 3)</i>			
16	Have the NFI Intermediary's subprojects adversely impacted the air, water, soil, local communities, fauna and/or flora or they expected to do so? What measures does the NFI Intermediary required at sub-project level to avoid and / or mitigate pollution?		
17	Does the NFI Intermediary check whether subprojects have the environmental permits required for developing the subproject? Have any non-compliances been identified in the past?		
18	Are the subprojects of the NFI Intermediary expected to use any hazardous chemicals, (agrochemicals, pharmaceuticals, CFCs etc.) and wastes that are deemed illegal under applicable local or national regulations?		
19	Has the NFI Intermediary or any of its subprojects experienced environmental accidents and/or environmental litigation in the last 3 years?		
20	What waste and effluent streams do the NFI Intermediary or any of its subprojects generate and what evidence is there that these are actively managed and reduced as much as possible?		

21	[For housing development projects], how housing units are going to treat grey water and sewages (or are connected to a centralized municipal sewerage system)?		
Community Health and Safety (IFC Performance Standard 4)			
22	Does the NFI Intermediary's subprojects create new or significant risks to and/or impacts on local communities, e.g., through air emissions, wastewater discharges, transportation, explosion risks, armed security staff, etc.? Please explain.		
23	If the NFI Intermediary's subprojects create risks for local communities, what are the requirements for engaging with affected parties at subproject level? Is there a subproject level grievance mechanism?		
24	For its security personnel, has the company established a code of conduct or ensured that security personnel underwent an ethical behaviour training?		
Land Acquisition and Resettlement (IFC Performance Standard 5)			
25	Has the NFI Intermediary or any of its subprojects acquired land through expropriation in the past, or might it in the future? If so, how and when was or will the land (be) acquired? What compensation was provided to affected persons and was a Resettlement Action Plan (RAP) developed? How was compensation calculated?		
26	If resettlement is expected for subprojects that BGB will finance, how many people will be physically or economically displaced? Are there any vulnerable groups which require particularly attention? How does the NFI Intermediary ensure compliance with BGB's Land Acquisition and Resettlement Action Framework?		
Biodiversity Conservation and Natural Resource Use (IFC Performance Standard 6)			
27	Have the NFI Intermediary's subprojects or are they expected to adversely impact biodiversity (e.g., through conversion of habitats to other land uses, introduction of non-native species, extensive water abstraction)? What mitigating measures does the NFI Intermediary require to be implemented at subproject level? Is there a Biodiversity Management Plan (BMP)?		



28	Could NFI Intermediary's subprojects adversely impact endangered or critically endangered species?		
29	Has the NFI Intermediary or any of its subprojects been targeted by NGO programs or campaigns in relation to biodiversity?		
Indigenous People (IFC Performance Standard 7)			
30	Could NFI Intermediary's or its subprojects' operations directly or indirectly affect Indigenous Peoples? If so, how? How many Indigenous People would be affected? Has the NFI identified measures to avoid or minimize impacts on Indigenous People?		
Cultural Heritage (IFC Performance Standard 8)			
31	Could the NFI Intermediary's or its subprojects' operations directly or indirectly affect cultural heritage? If so, how has this risk been identified? Has the NFI Intermediary and/or its subprojects obtained the necessary permits / approvals for its operations?		

# Appendix 7: External E&S Due Diligence Terms of Reference

## E&S DUE DILIGENCE TERMS OF REFERENCE (TOR) TEMPLATE

Blue Green Bank ('BGB') is designed to become a significant institution for practical and strategic financing of climate change adaptation and mitigation policies and measures, supporting the Governments of Barbados to achieve national resilience and emissions reduction targets. As a partnership which brings together public (Government of Barbados), private and multilateral institutions at the level of equity, the BGB can present a holistic view of the market and the potential for green financing by ensuring that new projects align with Barbados' NDC targets. Because the BGB's goal is national climate adaptation and mitigation, it will seek not to replace other financial institutions but to act as a partner and support system for them in this underdeveloped market segment. To this end, the bank will be wholesale in operation, providing support in the form of funds, guarantees or other mechanisms to existing lenders, whether banks, credit unions, insurance companies etc. to facilitate the funding of blue/green programs contemplated by government policy. The BGB will also serve as a conduit between local financial institutions and the Government of Barbados, allowing the BGB to identify market opportunities and provide feedback and data to inform policy decisions more effectively.

We would like to invite *[Insert Service Provider Name]* to submit a proposal to provide BGB services to perform an Environmental and Social Due Diligence ("ESDD") assessment of a proposed investment to *[Insert name of NFI or FI Intermediary]* (hereafter referred to "prospective transaction"). The E&S Consultant must have experience working with *[insert risk categorization (e.g., Category B / FI-2)]* investments (in terms of the IFC E&S Risk Categorisation Guidelines), in Barbados, and experience conducting ESDD's within the *[insert prospective transaction sector / sub-sector type]* sector/sub-sector.

In this regard, this Terms of Reference (ToR) outlines the project details and assessment requirements to ensure that the appointed E&S Specialist executes the ESDD assessment in accordance with the BGB E&S Policy and international best practice.

### 1. Description of Project

*[Insert brief description of NFI or FI Intermediary and the anticipated subprojects including type of business, geographic, sector, scale of operations, size of workforce, etc]*

### 2. Applicable E&S Standards

The prospective transaction should be assessed against the following reference framework:

- Applicable National E&S Laws and Regulations
- Applicable IFC Performance Standards
- *[insert additional standards as required]*

### 3. Reporting and Deliverables

The E&S Consultant should clearly present the findings of the ESDD as a written report fully reflecting the scope of work, summary of the E&S risks, opportunities and impacts, compliance gaps with the reference framework identified and corresponding correction actions, presented in ESAP - using the example reporting format provided in Annex 1.

Note, a key outcome of the ESDD should be an overview of key E&S risks and impacts identified and associated mitigation measures as well as key E&S opportunities to inform BGB decision making (supplemented by the ESAP) as outlined in the below table:

Aspect	Risk Identification	Risk Rating	Proposed Mitigation Measure	Costing & Timing
E&S Management Systems				
Environment				
Health & Safety				
Social				
Summary of E&S Opportunities				

#### 4. Proposal Structure

The proposal for this ESDD should contain the following [*include additional sections as appropriate*]:

- a. Company Profile
- b. Project Team Profile and Qualification:
  - Details of the main point of contact for this proposal.
  - Details of the proposed consultants and any sub-contractors involved in the ESDD, including names, CV's and a brief description of their role within the project team;
  - A list of relevant experience and qualifications of the consultants involved covering technical capabilities, specific previous project experience similar to this project, specific in-country experience and knowledge, specific language skills, etc.
- c. Scope of Work

- Detailed description of the proposed ESDD methodology in order to accomplish the required tasks, including any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc.
- If the E&S Specialist feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as “Optional Tasks”.

d. Costing

- An indication of total costs to perform ESDD [*in preferred currency i.e., US Dollars*].
- A breakdown of the estimated costs by task must also be presented (i.e., tabular format) and should include Direct Labour Costs (number of hours or days per staff and their associated unit costs) and Indirect Labour Costs (i.e., travel, per diem, sub-contractors, etc.).

e. Schedule

- A proposed schedule of work

f. Conflict of Interest Statement

- As part of the proposal, please confirm there are no conflict of interests and that you are in a position to provide an adequate, accurate and objective review of the prospective transaction.

The proposal should be submitted in English by close of business [*insert date*] to [*insert relevant BGB contact person and email address*]. Please do treat this project as confidential.

## Annex 1 – ESAP Template

[illegible]

## Appendix 8: E&S Due Diligence Report Template

### 1. Executive Summary

Provide an overview of key E&S risks and mitigation measures and opportunities in the below table:

Aspect	Risk Identification	Risk Rating	Proposed Mitigation Measure	Costing & Timing
E&S Management Systems				
Environment				
Health & Safety				
Social				
Summary of E&S Opportunities				

### 2. Prospective Transaction Description

Provides relevant information regarding the prospective transaction (e.g., industry, sector of activity, site location(s), relevant environmental and social setting(s) information, surrounding land use(s), history, prospective transaction facilities and infrastructure, permitting status, etc.).

### 3. Identified Applicable Performance Standards and Legal Requirements

Provides a description of the applicable reference framework that was used and against which the prospective transaction was assessed.

### 4. Environmental and Social Risk Categorisation Rationale

Provide an assessment of the prospective transaction Risk Categorisation (in terms of the IFC E&S Risk Categorisation Guidelines) providing rationale for the final categorisation given.

### 5. Prospective Transaction Environmental and Social Management System

A description of the prospective transaction's E&S Management System in place (to manage E&S risks and opportunities for both internal operations and asset level operations where applicable).

#### ***6. E&S Due Diligence Assessment Findings***

A description of the key E&S risks, impacts and opportunities identified against applicable E&S requirements (i.e., the reference framework)

#### ***7. E&S Opportunities Findings***

A description of the key observations made in relation to the assessment of potential E&S value add opportunities.

#### ***8. Recommended E&S Action Plan (ESAP)***

For E&S performance gaps, recommend corrective actions with corresponding schedules, indicate priorities, and advise as to how to incorporate these into the Transaction Agreement, as either Conditions Precedent or Management Actions. Include the ESAP template that has been shared as part of the ESDD Terms of Reference. The ESAP should be produced in *[insert language requirement i.e., English and in French]*

## Appendix 9: Final Investment Committee Decision Meeting Paper

INVESTMENT DETAILS	
Type of Intermediary (NFI or FI)	
Intermediary Name	
Name of subproject(s)	
Sector	
Sub-sector	

E&S DOCUMENTATION			
Attached Documentation	Medium E&S Risk: Cat. B or FI-2	Low E&S Risk: Cat. C or FI-3	Comments
<input type="checkbox"/> Completed E&S Screening Checklist	Required	Required	
<input type="checkbox"/> Transaction Due Diligence Report	Required	Not Required	
<input type="checkbox"/> E&S Action Plan (ESAP)	Required	Required if Necessary	

E&S DUE DILIGENCE SUMMARY	
Applicable E&S Standards	<i>Outline the applicable IFC Performance Standards, local and national legislations, ILO Fundamental Conventions etc., used to assess the client/project against during the E&amp;S DD.</i>
E&S Risk Categorization	<i>Denote the E&amp;S risk categorization (Category B or C / FI-2 or FI-3) assigned to the client/project, including a high-level summary of the rationale and justification for the chosen category. Important to note whether the categorization may have been amended since the screening stage.</i>
E&S Due Diligence Assessors	<i>Indicate who performed the E&amp;S DD for the transaction (i.e., internally by deal team and / or E&amp;S officer or name of external service provider appointed, etc.)</i>



<b>E&amp;S Due Diligence Methodology</b>	<p>Provide a high-level description of the E&amp;S DD methodology undertaken. For example:</p> <ul style="list-style-type: none"> <li>E&amp;S desktop review (i.e., types of information sources e.g., environmental, and social impact assessments (ESIA), E&amp;S permits, client/project E&amp;S policies and management procedures, public domain information, etc.);</li> <li>Interviews conducted with client/project (list of client personnel interviewed, job titles, roles and responsibilities, E&amp;S experience, etc.)</li> </ul>
--	---

KEY E&S RISKS IDENTIFIED		
Main E&S Risks Identified	Does the borrower have adequate E&S control measures in place to sufficiently manage the risks identified?	
Describe key E&S risks, impacts and opportunities according to the topics covered by the applicable IFC Performance Standards and other applicable standards.		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No, refer to ESAP
	<input type="checkbox"/> Yes	<input type="checkbox"/> No, refer to ESAP
	<input type="checkbox"/> Yes	<input type="checkbox"/> No, refer to ESAP
	<input type="checkbox"/> Yes	<input type="checkbox"/> No, refer to ESAP
	<input type="checkbox"/> Yes	<input type="checkbox"/> No, refer to ESAP

ESMS REQUIREMENTS FOR NFI INTERMEDIARIES		
ESMS Components	Alignment with BGB Requirements	Comments
E&S Policy	Fully / Partially / Non-aligned	
Identification of E&S Risk	Fully / Partially / Non-aligned	
Organizational Capacity and Competence	Fully / Partially / Non-aligned	
Management Programs	Fully / Partially / Non-aligned	
Emergency Planning	Fully / Partially / Non-aligned	

Monitoring and Review	Fully / Partially / Non-aligned	
Stakeholder Engagement	Fully / Partially / Non-aligned	
External Communication & Reporting	Fully / Partially / Non-aligned	

## ESMS REQUIREMENTS FOR FI INTERMEDIARIES

ESMS Components	Alignment with BGB Requirements	Comments
E&S Policy	Fully / Partially / Non-aligned	
Exclusion List	Fully / Partially / Non-aligned	
E&S Risk Categorization	Fully / Partially / Non-aligned	
E&S Appraisal	Fully / Partially / Non-aligned	
Major Incident Reporting	Fully / Partially / Non-aligned	
E&S Monitoring	Fully / Partially / Non-aligned	
E&S Roles and Responsibilities	Fully / Partially / Non-aligned	
Grievance Mechanism Redress	Fully / Partially / Non-aligned	

## E&S SAFEGUARD INSTRUMENTS AT SUBPROJECT LEVEL

Category B Transactions		
Necessary:		
ESIA and Audit reports	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number

E&S Management Plans / Management Systems	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number
<i>Where applicable:</i>		
Stakeholder Engagement Plan	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number
Land Acquisition and Resettlement Plan	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number
Grievance Mechanism	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number
Indigenous People Plan	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number
<b>Category C Transactions</b>		
<i>Necessary:</i>		
Relevant E&S permits / licenses, as required by law	<i>In place / Outstanding</i>	If outstanding, include ESAP reference number

RECOMMENDATION INVESTMENT COMMITTEE	
<input type="checkbox"/> Proceed with Transaction <input type="checkbox"/> Do <b>not</b> proceed with the Transaction	
Date	
Signature	

## Appendix 10: E&S Disclosure Report Form for Subprojects

Accredited entity (AE)	
Programme	
FP number and programme title	
Sector (public/private)	
Location (target country and, if any, specific areas)	
ESS category	
Board decision and date	Decision B.XX/XX, para. (X), on Date Month Year]
Subproject	
Subproject title	
E&S category	
Location (target country and, if any, specific areas)	
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on AE's website	
Language(s) understandable to affected peoples	
Link to disclosure	
Other link(s)	
Remarks on compliance with GCF policies	In accordance with the Green Climate Fund's Information Disclosure Policy (the "Policy"), the AE plans to disclose information relating to a Category B Sub-Project(s) being considered for investment. This disclosure is intended to satisfy the requirement set out in paragraph 17 of the GCF Policy and paragraph 65 of the GCF Revised Environmental and Social Policy to disclose an ESIA and ESMP (if not included as part of the ESIA), at least 120/30 days in advance of the Accredited Entity's investment decision.
Environmental and Social Management Plan (ESMP) (if applicable)	

Date of disclosure on AE's website	
Language(s) understandable to affected peoples	
Link to disclosure	
Other link(s)	
Remarks on compliance with GCF policies	
<b>Environmental and Social Management System (ESMS) (if applicable)</b>	
Date of disclosure on AE's website	
Language(s) understandable to affected peoples	
Link to disclosure	
Other link(s)	
Remarks on compliance with GCF policies	
<b>Any other relevant E&amp;S reports and/or disclosures (if applicable), e.g. Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF)</b>	
Description of report/disclosure	
Date of disclosure on AE's website	
Language(s) understandable to affected peoples	
Link to disclosure	
Other link(s)	
Remarks on compliance with GCF policies	

Disclosure in location(s) convenient to affected peoples	
Date(s)	
Place(s)	
Provision on disclosure at the subproject level	[Insert relevant Clause in the Funded Activity Agreement (FAA)]
Date and place of Accredited Entity meeting	

# Appendix 11: E&S Clauses Guidance Note

## E&S DEFINITIONS

- **“E&S”** Non-financial factors relating to Environmental & Social
- **“Environmental & Social (E&S) Action Plan”** means the plan or plans agreed upon between BGB and the Investee, defining, but not limited to, corrective actions, responsibilities, associated costs, deliverables, and timeframes for the measures required to remedy any known non-compliances of the business activities with the E&S requirements and for any other measure agreed upon, as amended from time to time.
- **“E&S Officer”** means the suitably trained person(s) of the Investee, responsible for the practical and day-to-day development, implementation, and operation of the ESMS.
- **“E&S Manager”** means the senior representative of the Investee having management responsibility, among other things, for ensuring proper operation and maintenance of the ESMS.
- **“E&S Requirements”** includes policies, principles and standards established by the BGB E&S Policy and associated ESMS.
- **“E&S Performance Report”** means the annual E&S monitoring report providing information as set out by BGB.
- **“E&S Recommendations”** mean the recommendations on the E&S due diligence report relating to an anticipated investment provided by BGB in accordance with set E&S requirements.
- **“EHS Guidelines”** mean the general and relevant sector specific EHS Guidelines of the World Bank Group, which may be amended from time to time.
- **“ESMS”** means the Environmental and Social Management System of the Investee that includes the relevant policies, organizational structure, planning activities, responsibilities, practices, procedures and resources for developing, implementing, achieving, reviewing and maintaining compliance with the set E&S requirements, dedicated to the systematic and structured improvement of E&S performance, specifically targeted to identify and manage E&S risks and opportunities in the investment appraisal and management processes for:
  - ensuring compliance with the Exclusion Lists.
  - assessing and categorizing (as low, medium or high) the environmental, social, labour, occupational health and safety risks associated with each investee.
  - verifying that each investee complies with the E&S requirements.
  - contractually agreeing with each investee that it will comply with the E&S requirements.
  - agreeing upon an E&S Action Plan between the Financial Intermediary and its respective investee that do not comply with the E&S requirements, and

- monitoring, evaluating and reporting on a regular basis and at least annually on the compliance of each investee with the E&S requirements and, if applicable, its E&S Action Plan or any other actions found to be necessary to reach compliance, including any Remediation Measures
- **“Exclusion List”** is BGB’s list of Prohibited Activities
- **“IFC Performance Standards”** means the International Finance Corporation (IFC) 2012 Performance Standards on Social and Environmental Sustainability (including the technical reference documents known as World Bank Group Environmental, Health, and Safety (EHS) Guidelines) which can be sourced from the below websites:
  - IFC Performance Standards; and
  - World Bank Group EHS Guidelines
- **“Investee”** means all businesses in which the BGB’s capital is invested.
- **“Incident”** means any incident, accident, or circumstance that could reasonably be expected to have, any material adverse effect or a material adverse impact on the investee operations; and / or involves or causes, or is reasonably likely to involve or cause, any material breach of the E&S requirements.
- **“Remediation Measures”** mean with respect to any existing investment in an investee, such measures as are necessary or appropriate to remedy the applicable breach, including an appropriate timeframe for implementation of such measures.

## E&S CLAUSES FOR INVESTMENTS LEGAL AGREEMENTS

*Contained within are suggested and tailorable E&S clauses and provisions for inclusion into legal agreements and documentation between Blue Green Bank (‘BGB) and an Investee. Determining the most appropriate E&S clauses and provisions depends on the nature and type of investment in question. BGB shall negotiate and agree upon the E&S terms included in the legal agreement with the Investee to achieve a clear understanding and record of BGB’s expectations.*

## E&S CLAUSES AND PROVISIONS

### ***Operation and Implementation of the Investee’s E&S Management System***

*[Depending on the set-up and focus of the Investee, the suggested clauses and provisions need to be adapted by BGB to match the specific requirements]*

1. The Investee shall at all times carry out its business and operations in compliance with all applicable national environmental, occupational health & safety and social laws and regulations.
2. The Investee shall adhere to the IFC Performance Standards.



3. The Investee agrees to not engage in (nor authorise or any other person acting on its behalf to engage in) or finance any activities listed on the BGB Exclusion List [*insert reference to list as an annex to the legal agreements*].
4. The Investee shall establish, implement, and maintain, in conformance with IFC Performance Standard 1, an Environmental and Social Management System (ESMS) commensurate with the operating asset or project and the associated risks / its investment activities and the risks associated with the portfolio. The Investee shall ensure that the ESMS will assess and manage the E&S performance of the operating asset or project / of its investment portfolio in compliance with BGB's E&S requirements. In particular,
  - a. The Investee shall appoint and maintain [*insert requirements for E&S resources e.g., a dedicated E&S Manager / E&S Officer responsible for day-to-day implementation; and designate senior management for overall responsibilities of E&S*]. The Investee shall notify BGB if the persons set forth are replaced or the responsible team has been enlarged or reduced, indicating the name and functions of the responsible persons and their relevant expertise.
  - b. The Investee shall designate the responsibility of E&S matters to an appropriate individual(s) within the organisation. This individual shall be BGB's primary contact person on E&S matters arising at the Investee.
  - c. The Investee shall advise and consult with BGB regarding any proposed change in the objectives or operations of the operating asset or project / portfolio of (projected) investments, including any material E&S risk posed by the proposed change; and if requested by BGB, amend the ESMS to assess and manage such additional risks in compliance with BGB's E&S requirements and these provisions, in a manner reasonably acceptable to BGB.
  - d. The Investee shall contractually bind the operating asset or project to comply with the E&S requirements of BGB as set out in this legal agreement.
5. The Investee shall develop and implement a grievance mechanism satisfactory to BGB, which is accessible to the general public and in particular persons affected by the Investee's operating or investment activities, including the financed investees and their workforce.
6. The Investee shall, on a best-efforts basis, encourage the operating asset or project / its investees to implement policies and commit to continuous improvements on E&S matters.

### ***Investments***

7. The Investee will not finance any of the activities listed on its Exclusion List and the BGB Exclusion List (**for financial intermediaries**).
8. The Investee will monitor the E&S performance and compliance with E&S requirements, including E&S Action Plans, in a frequency adequate to the risk classification assigned to the investee and as needed with regard to reported incidents.
9. In case an operating asset or project / investee anticipates collective dismissals of more than 10% of the workforce and/or more than a total of 50 Employees, the Investee will develop a Job Protection Plan to mitigate the adverse impacts of retrenchment in line with national law, the IFC Performance Standard 2

(“Labour and Working Conditions”) and good industry practice and based on the principles of non-discrimination and consultation to be reflected in the final retrenchment plan.

### ***Monitoring and Reporting***

10. The Investee will:

- a. within [*insert timeframe here e.g., ninety (90) days after the end of each financial year*], deliver copies of the E&S Performance Report to the BGB. The Investee shall provide complete and accurate information.
- b. within [*insert timeframe here e.g. three (5) days*] after becoming aware of the occurrence, notify BGB of any environmental, social, labour or health and safety incident, accident or circumstance with respect to any existing or proposed investee that (a) has, or could reasonably be expected to have, a material adverse effect or impact on BGB, the Investee, the operating asset or project / investee, the environment, communities or the workforce, or (b) involves or causes, or is reasonably likely to involve or cause, any material breach of set E&S requirements, specifying the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep BGB informed of the ongoing implementation of those measures; and
- c. within [*insert timeframe here e.g., ten (10) days*] of a request from BGB, provide such information as is reasonably requested by that party to confirm that the Investee is in compliance with set E&S requirements.

11. The Investee permits representatives of BGB the right to visit, upon reasonable notice and at BGB’s cost, any of the premises of operations, to have access to the Investee’s management, and to have access to its records and books of account, in each case, to a) monitor compliance with the E&S requirements; b) assess the legal or reputational risk posed to BGB or its investors by any incident, accident or circumstance; and / or c) assess progress against the E&S Action Plan.

12. If BGB reasonably determines that the Investee is in material breach of the E&S requirements, it will require the Investee to undertake, within a specified timeframe, Remediation Measures which shall be approved by BGB. If the Remediation Measures are not so approved or if they are approved but the Investee fails to implement such Remediation Measures within the agreed timeframes, BGB will use all reasonable efforts to (a) assert and enforce any right of BGB to require the Investee to comply with such undertakings, including but not limited to, any available action for specific performance or similar remedy, and/or (b) absent timely or reasonable remedy, dispose of BGB’s financing to the Investee on commercially reasonable terms.

# Appendix 12: Annual and Quarterly Monitoring Reports Templates

## INTRODUCTION

Blue Green Bank (hereafter referred to as “BGB”) requests [Insert Investee] to complete this quarterly / annual questionnaire, as applicable, in order to determine whether its transactions are meeting applicable E&S requirements agreed during transaction negotiation and outlined in the current agreement and its annexes (and notably in the E&S Action Plan). The term “environment and social” includes environmental and health & safety issues, human resource management, labour rights and labour conditions, biodiversity aspects and social / cultural risks and opportunities.

The questionnaire results will be used to help understand which E&S issues are most important to your business and to BGB, which in turn will inform how we look to engage on these types of topics going forward. The information will also be used to showcase the good work being done across the portfolio. The survey will also look to understand your company’s / financial institution’s current E&S priorities, and what aspirations you have for your company / financial institution from an E&S perspective going forward.

Your response to this survey will not be used in any way to discredit, penalize, or undermine your business, and is designed strictly for the purpose of supporting E&S performance within BGB’s portfolio.

Please complete and return the questionnaire by *[insert date]* to *[insert appropriate BGB representatives’ details]*.

*Thank you for your co-operation.*

*Blue Green Bank*

## NOTE TO BGB:

*This template consists of a mandatory section (1-7) and a supplementary section (8-9). The supplementary sections can be removed if deemed unnecessary (e.g., if the information is only required on an annual basis and this template is used for quarterly reporting). Please tailor the template to the specific use (i.e., for financial and non-financial intermediaries).*

1. REPORT INFORMATION	
Reporting period	(month/year – month/year)
Name of FI or NFI Intermediary	
Physical address	
Report completed by	(Name and title)
Contact telephone number	
Contact e-mail address	

2. INTERMEDIARY DETAILS
-------------------------

Key E&S Person	(Name, title and contact details)
Executive / Board member responsible for E&S	(Name, title and contact details)
Short description of the Intermediary's business	(Insert location & description of the business including types of products and services, target beneficiaries, sectorial and geographical focus, etc.)

3. STATUS OF NEW <sup>4</sup> SUBPROJECTS							
Number of new subprojects							
	Name Operating Asset / Project or Investee Company	Purpose	Sector	E&S Category Assigned	Type of E&S Appraisal	E&S non-compliances	ESAP developed (Yes/ No)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
4. STATUS OF EXISTING SUBPROJECTS							
Number of existing investments per E&S Risk Categorization							
Number of existing subprojects (Cat. B)							

<sup>4</sup> New refers to subprojects which are assessed for providing finance in the reporting period.

Number of existing subprojects (Cat. C)	
<b>Monitoring and Reporting</b>	
Did the subprojects conduct monitoring activities during the quarter?	(Yes / No)
If 'Yes', please describe:	
<b>Risk Exposure</b>	
Were any new or on-going E&S issues identified in the last reporting period?	<i>E&amp;S issues could include significant complaints, grievances or notices raised by internal or external stakeholders, outstanding legal or worker compensation claims, pollution events or incidents that require clean up etc.</i>
<b>Incidents</b>	
Number of significant Incidents occurred	
Number of non-compliances with national E&S laws and regulations	
Number of significant grievances received	
<b>5. STATUS OF E&amp;S ACTION PLAN (IF RELEVANT)</b>	
<i>Please attach the latest version of the ESAP as an attachment to this report</i>	
Provide update on the ESAP	
What are the key priorities from an E&S management perspective that are to be addressed during the next reporting period?	
Provide information on any exemptions or plans to address outstanding / overdue items)	
<b>6. E&amp;S KPIs</b>	
<i>(This section should include information on E&amp;S KPIs aggregated for all subprojects that have been financed with BGB's loan)</i>	

	Reference Standard	Unit of Measurement	Value
<i>E.g., water consumption</i>			
<i>E.g., Total waste (hazardous and non-hazardous waste) from production activities</i>			
<i>Insert additional KPIs</i>			
<i>Insert additional KPIs</i>			
<i>Insert additional KPIs</i>			

## 7. E&S PERFORMANCE

Describe progress of selected interventions	
Please state any difficulties and/or constraints related to the implementation or planned implementation of any E&S aspects identified above?	
Describe key E&S plans / priorities for the upcoming reporting period	
Please report any other information that BGB should be aware of?	

## 8. STATUS OF E&S RISK MANAGEMENT (NFI INTERMEDIARIES)

### E&S MANAGEMENT SYSTEM

Describe the current approach to the management of environmental and social issues?	
Has your company developed, upgraded, or implemented an ESMS during the reporting period? If 'Yes', please describe the changes made in the reporting period.	
How is compliance with national environmental and social laws and regulations managed?	
Please state any difficulties and/or constraints related to the implementation or planned implementation of any E&S aspects identified above?	
Have company operations been inspected or audited by an external regulator / agency in the reporting period? If so, please provide the date	

and reasons for the inspection or audit? Please also elaborate on any findings of the inspection and any actions outstanding which require attention?	
Did the company regularly engage with internal or external stakeholders or customers on environmental or social type issues during the reporting period? Please elaborate on specific topics engaged on and the channel for engagement (online surveys, interviews, workshops, etc.).	
Were any changes made during the reporting period to the grievance mechanism in place to receive complaints or feedback from both internal and external stakeholders, including employees, contractors, customers, suppliers, etc.? If 'Yes', please describe the changes.	
<b>E&amp;S Resources and Training</b>	
During the reporting period, have specific roles and responsibilities changed or been assigned to manage E&S aspects? If 'Yes', please describe the changes.	
Has the environmental or social capital expenditure budget been revised from the previous reporting period? If so, what has changed to necessitate the increase or decrease in budget?	
Has your institution provided E&S training to staff in the reporting period? If 'Yes', please describe.	
<b>9. STATUS OF E&amp;S RISK MANAGEMENT (FI INTERMEDIARIES)</b>	
<b>E&amp;S MANAGEMENT SYSTEM</b>	
Has your institution developed, upgraded, or implemented an ESMS during the reporting period? If 'Yes', please describe the changes made in the reporting period.	
Does your institution perform E&S due diligences / risk appraisals for relevant transactions to assess the identified risks and impacts?	
Does your institution categorize its transactions based on exposure to E&S risks and impacts?	
When identifying, assessing, mitigating, and managing the E&S risks associated with transactions, what standards does your institution apply?	
Does your institution contractually bind clients to comply with the applicable standards?	
Does your institution monitor the E&S performance of your clients/financed transactions? [Examples include site visit by	

your institution's staff, inspection by environmental/health authorities, Copies of updated or renewed permits, Reports from the client, etc.]	
Please state any difficulties and/or constraints related to the implementation or planned implementation of any E&S aspects?	
<b>E&amp;S Resources and Training</b>	
During the reporting period, have specific roles and responsibilities changed or been assigned to manage E&S aspects? If 'Yes', please describe the changes.	
Has the environmental or social capital expenditure budget been revised from the previous reporting period? If so, what has changed to necessitate the increase or decrease in budget?	
Has your institution provided E&S training to staff in the reporting period? If 'Yes', please describe.	

SIGN-OFF			
Form filled out by		Phone number	
		E-mail address	
Signature		Date	



## Appendix 13: Major Incident Reporting Form for subprojects

The Major Incident Reporting Form Template is a template that should help the Investee with monitoring the occurrence of incidents at Clients. Incidents can vary in scale and severity as well as their nature, e.g., environmental incidents, worker incidents, incidents with local communities, etc. It provides information to the Investee about exposure to E&S risk and about the effectiveness of the E&S Management System that the Client has implemented.

### SUBPROJECT DETAILS

Subproject Name	
Location	
Sector	
Sub-sector	
Form completed by	
Date completed	
Contact details	

### DETAILED DESCRIPTION OF THE INCIDENT

Type of Event	<i>(e.g., fires / explosions, strikes, work-related injuries / fatalities, security breaches, significant pollution discharges, community unrest or public relations incidents, etc.)</i>
Date	
Time	
Incident Location	
Description of the Incident	<i>(Detailed and precise description of the location, circumstances, equipment, and number of individuals (personnel, contractors, visitors, general public) involved)</i>
Date Investee notified of the Incident	
Date BGB notified of the Incident	

NATURE OF THE CONSEQUENCES	
Were any individuals injured?	YES / NO / NA
If "Yes", please provide further details (e.g., how many individuals, nature of the injuries, etc.)	
Were any damages experienced as a result of this event (e.g., environmental or damage to equipment / property, etc.)?	YES / NO / NA
If "Yes", please provide further details.	
Was the event reported to key internal company senior / executive management?	YES / NO / NA
If "Yes", please provide further details.	
Has the regulator, local authority government or emergency services been involved in or informed of this event?	YES / NO
If "Yes", provide further details.	
What causes were identified as leading to the incident (if known)?	
What actions have been undertaken to remedy the situation?	
Provide an indication of the financial costs incurred by the operating asset / project or investee company as a result of the event (e.g., fines / penalties / costs due to ceased operations / medical costs / compensation claims, etc.)?	
What is the likelihood of this event occurring again (i.e., residual risk)?	

**SIGN-OFF**

Form filled out by

Phone  
numberE-mail  
address

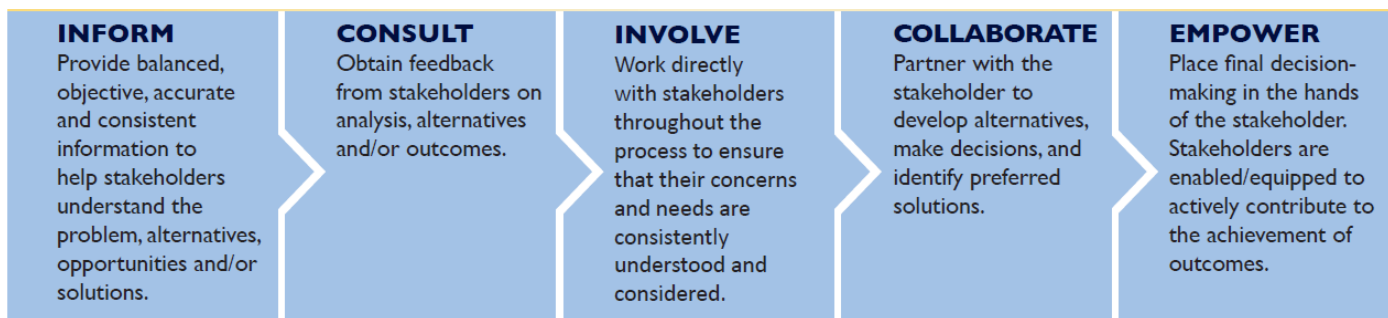
Signature

Date

# Appendix 14: Stakeholder Engagement Plan Template for subprojects

## PROCESS TO CONDUCT THE CONSULTATION

Stakeholder consultation is required throughout the project’s cycle. The below diagram<sup>5</sup> showcases the engagement process during which meaningful consultation with affected communities, relevant national authorities and civil society should occur:



Effective stakeholder engagement depends on the full and systematic identification of stakeholders and their expectations, objectives, and priorities in relation to the Project and their influence on it. It is also appropriate to understand how each stakeholder might be affected, or perceived to be affected, by the Project in order to tailor the information provided to stakeholders and understand their views and expectations of the Project. It can be useful to group stakeholders on the basis of their common interests and characteristics to help structure stakeholder engagement activities, e.g., communities of a certain group or locality, traditional / local / national authorities, law enforcement forces, among other potential groups.

As part of the stakeholder identification process it is important to include individuals or groups of individuals who may have difficulty participating in the engagement process and/or who may be impacted by the Project in a particular way because of their vulnerability. The stakeholder engagement process helps to identify additional stakeholders as the project evolves.

The nature and frequency of the Project's engagement with stakeholders will be determined by a range of factors, including the potential impact of the Project on the stakeholder, the influence of the stakeholder on the Project, and the stakeholder's ability and preference to access information and participate in consultations.

Consultations will be undertaken procedurally, in line of national and international requirements, and will consider the following elements:

<sup>5</sup> Source: USAID, Guide to community engagement for power projects in Kenya, 2018

#### Information provided:

- The project owner will provide project information to the stakeholders in their local language. This information will include any possible gender, E&S, Indigenous Peoples impacts that they must be aware of before the project is undertaken.
- Contact details of the project owner as well as a method for further contact should any issues or questions arise during or from the meeting.

#### Modes of consultation:

- The Investee must designate staff responsible for stakeholder engagement. Management from multiple business units, e.g., community relations, health & safety, HR, executives, etc., need to take an active part at various levels in communities' engagement.
- The Investee must structure community engagement through a plan, resulting in structured and regular engagements with identified stakeholders.
- Engagements can consist of meetings, consultations, workshops (where the infrastructure is available, virtual meetings will also be arranged as a last resort subject to the agreement of the community). The project will encourage effective participation of men and women in the stakeholder consultations (this also includes the appropriateness of the place and time of the consultation(s)). The Investees must deploy specific means to engage vulnerable populations.
- Whenever needed the Investee should establish specific engagement platforms such as dedicated focus groups.
- Particular attention should be paid to the fact that projects should consider stakeholder feedback and modify the project design, implementation, and closure, whenever reasonable and possible.
- All projects will establish a formal input, feedback, and grievance mechanism to provide stakeholders with the opportunity to submit any feedback or grievances throughout the life of the project.

#### Notes created during the process:

- All engagement must be traced, whether with a simple mention that the engagement took place or with detailed minutes (see "Reporting on progress" Section).
- Engagement shall be a push / pull process, during which the Investee communicates information about the project, and will receive information and feedback from the stakeholders.
- The project owner will apply a gender lens to consultation, e.g., is there a need to hold specific focus groups, to incentivise women to take a more active part in consultations, etc., and ensure the relevance of the feedback received.
- The project will review the comments submitted by stakeholders and report back to them on how these comments have been taken into account. Changes may go up to changes to the project design, where appropriate. The project promoter will trace justifications when the observations have not been incorporated or addressed and will communicate back to the relevant stakeholders on those reasons.
- In the specific case of Barbados, international experts and specialized NGOs agree that there the risk to negatively impacts Indigenous Peoples' rights, as defined in the IFC Performance Standard 7, is non-existent. Therefore, the present Stakeholder Engagement Plan template does not include provisions to set up a consultation process requiring the obtention and maintenance over time of Free, Prior and Informed Consent (FPIC), which would apply to engagement with Indigenous Peoples.

### **Reporting on progress:**

The project owner will store the information collated and provide key details to the Accredited Entities during the investment process. A simple database or ledger must be in place to manage and monitor engagement. Information that should be concealed in the database or ledger regarding conducted and planned engagement must at least consist of:

- A unique ID number;
- A date of engagement;
- A place of engagement;
- The nature of the engagement (e.g., public meeting, public consultation, semi-public meeting);
- Participants' identity and numbers;
- Objectives and discussions points;
- If the engagement conducted to the establishment of detailed written minutes.

## Appendix 15: Grievance Redress Mechanism (for BGB, Intermediary, and subproject levels)

As per the 3rd Pillar of the United Nations' Guiding Principles on Business and Human Rights (UNGPs) and as per the Universal Declaration of Human Rights, Companies have the obligation to remedy the adversely impacts related to a company's business activities. One of the components to the access to remedy is a functioning non-judicial Grievance Redress Mechanism (GRM).

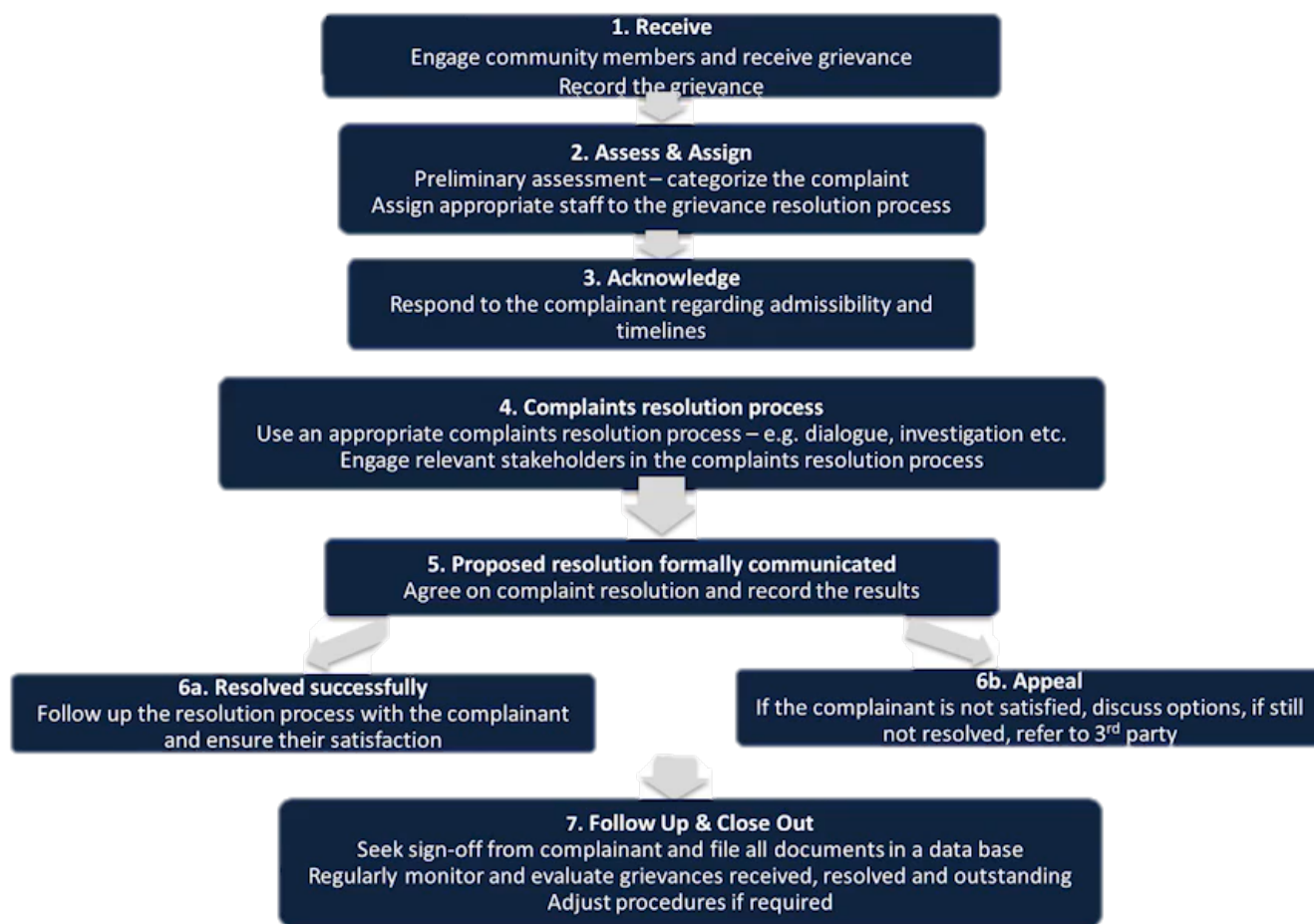
A GRM is a systematized, structured, and resourced process to receive, assess, analyse, and provide resolution to complaints and/or grievances raised by complainants. GRMs can typically be administered at Project-level (Investee's level) and/or at Lender-level (BRB's level), alone or in collaboration with other stakeholders, such as other companies, civil society organizations, among others.

GRMs ought to be culturally appropriate and readily accessible, at no cost to the complainants, and without retribution to the individuals, groups, or communities that raised issues or concerns. GRM will also take into account the "effectiveness criteria" outlined in the UNGPs in order to maximize effectiveness:

- Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
- Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;
- A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
- Based on engagement and dialogue (Project level GRM especially): consulting the stakeholder groups for whose use they are intended on their design and performance and focusing on dialogue as the means to address and resolve grievances.

### Intermediary-Level Grievance Redress Mechanism

An Intermediary -level GRM shall follow a succession of steps, until a specific grievance is provided response or remedy to, assessed out of scope, or redirected to other non-judicial or judicial mechanisms. Below is a diagram<sup>6</sup> outlining schematically what are the most important steps of an Intermediary-level GRM:



In terms of roles and responsibilities, the Intermediary-level GRM should define clear roles and responsibilities, resource appropriately each role and ensure responsibilities are being adequately understood by the relevant workers. A sample of typical roles to resource a GRM, along with associated responsibilities, are outlined below:

Roles	Responsibilities
Grievance Officer	<ul style="list-style-type: none"> <li>• Informs the public about the Grievance Redress Mechanism (GRM).</li> <li>• Ensures that all individuals with responsibilities under the GRM are made aware of the existence of the process and receive adequate training.</li> <li>• Receives and reports complaints.</li> </ul>

<sup>6</sup> Source: Danish Institute for Business and Human Rights, Grievance mechanism flowchart



	<ul style="list-style-type: none"> <li>• Serves as principal point of contact and liaison with complainants.</li> <li>• Ensures communication with the complainant and follows specified procedures and timelines.</li> <li>• Maintains a log of complaints received.</li> <li>• Resolves complaints that do not need a substantive expert.</li> <li>• Supports the substantive expert, if necessary.</li> <li>• Serves as a liaison between company and third parties, as required.</li> <li>• Monitors resolution of complaints.</li> <li>• Prepares monitoring reports.</li> <li>• Provides feedback on the effectiveness of the grievance mechanism to management.</li> </ul>
Complaint owner	<ul style="list-style-type: none"> <li>• Responsible for investigating and resolving complaints.</li> <li>• The complaint owner may be either: <ul style="list-style-type: none"> <li>• The Grievance Officer, if the complaint can be resolved with limited additional information expertise or resources; or</li> <li>• A substantive expert, such as a manager from the area of operations implicated by the complaint, if the complaint cannot be easily or quickly resolved by the Grievance Officer.</li> </ul> </li> </ul>
Appeals Committee	<ul style="list-style-type: none"> <li>• May be composed of company officials that have not been involved with the complaint to date (i.e., site manager, specific officers).</li> <li>• May also include or be exclusively composed of other trusted people from outside the company, if an independent view is necessary (i.e., such as NGOs, community leaders, etc.).</li> <li>• Intervenes when the proposed resolution is not accepted by the complainant and identifies additional actions to address the complaint.</li> <li>• Approves the close-out of complaints when an agreement cannot be reached with the complainant.</li> </ul>
Contractors	<ul style="list-style-type: none"> <li>• Understand the basics of the GRM, having received information about and training in the grievance resolution process from the company.</li> <li>• Assist the complaint owner to manage and resolve complaints in a timely manner when the contractor may be involved.</li> </ul>
Project/Operation manager	<ul style="list-style-type: none"> <li>• Approves and is accountable for implementation of the GRM.</li> </ul>

	<ul style="list-style-type: none"> <li>• Provides support for implementation of the grievance resolution process and enforcement of specific agreements.</li> </ul>
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In terms of GRM accessibility, it is important to offer a mix of confidential, anonymous, semi-public, and public ways to access resolution and remedy. Some examples of access points include:

- Complaint hotline (confidential or anonymous);
- Web page (confidential or anonymous);
- E-mail address (confidential or semi-public);
- Text messaging (confidential or semi-public);
- Complaint box in a public area (anonymous, confidential, or semi-public);
- Community leaders (confidential, semi-public, or public);
- NGOs (anonymous, confidential, semi-public, or public); and
- Community Liaison Officers (confidential, semi-public, or public).

Companies should avoid, when possible, access means to Intermediary-level GRM that are guarded by company security, located on company property where community members are forbidden, or in buildings that are often locked or too far from the community. At least, the Intermediary shall ensure that a diversity of access points is offered.

An Intermediary-level GRM will include but not be limited to the following elements:

- Intermediaries will require an established and operational, accessible, and inclusive survivor centered, SEAH relevant and gender responsive Grievance Redress Mechanism (GRM) that:
  - Includes stakeholder guidance to identify existing and potential local SEAH to enable effective redress of the matter.
  - Enables consultations with women leaders and those working with adolescent girls and boys and other at-risk groups should be prioritized to enable understanding of SEA/SH risks and trends in the community.
  - Monitors SEAH and GBV indicators to track possible risks or challenges (see Appendix 17 on SEAH).
  - Offers various methods to lodge complaints, including online, phone, email, letters or in-person options.
  - Provides confidentiality/anonymity to a complainant or a representative if requested by the complainant.

- Addresses concerns promptly and effectively at no-cost and without retribution.
- Handles grievances in a culturally appropriate, discreet, objective, transparent, sensitive and responsive manner.
- Deploy measures to protect complainants from retaliation, including a risk assessment for the complainant after having lodged a grievance;
- Ensure vulnerable people have access to the mechanism and can submit their grievances;
- Authorize the submission by a vouched representative or civil society organization;
- Keep complainants' identities confidential, especially in instances where the complainants fear retaliation;
- Provide interpretation/translation to overcome language barriers/limitations;
- Publicly and repeatedly advertise procedures, identifying the means for submitting grievances, setting out the length of time users can expect to wait for acknowledgement, response, and resolution of their grievances, descriptions of the transparency of the procedures, and the governing and decision-making structures;
- Disseminate information about other available grievance mechanisms, including the BGB Grievance Redress Mechanism and the accredited and implementing entities' grievance mechanisms.

BGB and Intermediaries shall specify to Sub-Project that similar GRMs must be designed, rolled out and resourced at sub-Projects-Level, along the same guidelines than at Intermediary-Level. Specific communication around BGB's and Intermediaries' GRMs (to be tailored depending on in-country features, e.g., flyers, radio, on-site signs, in-person meeting, etc.) is also a requirement.

A simple database must be in place to manage and monitor grievances. Log all grievances, even recurrent ones or grievances that will eventually be dismissed as unreasonable or out of scope. Regardless of the actual establishment of such a database, typically documentation on grievances keeps track of:

- the name and contact details of the complainant.
- if appropriate the date and nature of the complaint
- the name of the technical staff charged with addressing the complaint
- if appropriate any follow up actions taken the proposed resolution of the complaint
- if appropriate, a level of saliency/priority attached to the complaint
- how and when relevant Project decisions were communicated to the complainant
- whether longer-term management actions have been taken to avoid the recurrence of similar grievances in the future, if applicable.

The project owner will acknowledge the complaint in writing in a timely manner and report back to the AE on next steps. Complaint investigations may vary depending on the nature of the complaint, but every effort should be made to ensure that complaints are dealt with promptly. Most investigations should not last longer than 90 days, to be defined in the relevant management system, i.e., grievance management procedure. The content of the registered complaint and the management thereof must respect the confidentiality of the aggrieved party to the extent possible, and there should be no retaliation against aggrieved parties or complainants.

In some cases, it may be appropriate for the project owner to continue to involve the aggrieved party during the investigation of the complaint. This could take place by inviting the aggrieved party to a meeting, a conference call, or in writing. Any ongoing engagement with the aggrieved party must be noted in the register of complaints.

### **BRB's Grievance Redress Mechanism**

Any grievance is best dealt with as close to the impact as possible, and so grievance mechanisms at the level of the Intermediary and sub-Project may often be the most appropriate route for rights-holders seeking remedy. However, this assumes that such GRM exists and is effective, which might not be always the case. Additionally, a financial institution cannot fulfil its own responsibility to provide for or cooperate in — remediation of adverse impacts it has contributed to by leaving remediation to its clients. A hands-off approach that leaves remediation entirely to the Intermediaries has clear risks for the Lender as well as for rights-holders. The principle that grievances are best dealt with close to the impact does not take away from the Lender's responsibility to establish or participate in Intermediary-level GRM itself. Communities may wish to raise a complaint regarding a project or company to Lenders financing it for several reasons:

- The Intermediary may be simply unwilling to remediate the impact or may not be trusted by the community;
- Rights-holders may feel they have a greater chance of securing remedy with the Lender's involvement;
- Rights-holders may perceive that the bank has breached its own policies. Grievance mechanisms should be equipped to coordinate as appropriate to the case at hand.

Rights-holders or affected communities may have considerable difficulty obtaining remedy from the Borrower. This is particularly in the instance where the Intermediary is operating in an environment with weak governance, corruption and poor rule of law. It is also difficult where human rights defenders and complainants are at risk of retaliation. The Intermediary may not feel the need to remediate when the actions it has taken are not prosecuted in the country of operation but are considered human rights abuses under international human rights and business standards.

BRB's GRM functions along the same principles and process than the Intermediary-level GRM, in terms of typical process flowchart, effectiveness criteria and staffing (see above). All the same, the BRB must dedicate resources at BRB's level for grievance collection, analysis and remedy.

The BRB-level GRM's mandate is to:

- Facilitate the resolution of Complaints from individuals and communities who may be affected by Projects, through settling issues raised about the environmental and/or social impacts of sub-Projects through a neutral, collaborative, problem-solving approach and contributes to improved outcomes at sub-Project's level

- Enhance the E&S outcomes of sub-Projects, through advisory provision to Intermediaries with the purpose of improving systemic performance on environmental and social sustainability and reducing the risk of harm
- Foster public accountability of both BRB and Intermediary.

Due to the BRB's potential remoteness from sub-Projects, specific communication and outreach effort must be deployed at the BRB's level. BRB will disseminate information about the GRM BRB operates through international and local civil society organizations, BRB offices, partner independent accountability mechanisms, the business community, academia, and other organizations. BRB shall specify to Intermediaries that specific communication around a BRB's GRM (to be tailored depending on in-country features, e.g., flyers, radio, on-site signs, in-person meeting, etc.) is a requirement. The complaints and grievances must be lodged either in-person or remotely, with the list of potential remote access points below:

- Complaint hotline (confidential or anonymous);
- Web page (confidential or anonymous);
- E-mail address (confidential or semi-public);
- Text messaging (confidential or semi-public);

A fair and transparent process must be outlined, similar to the Intermediary -level GRM. If a complaint or grievance is eligible to settlement, the BRB should provide remedy, either directly, or through the use of leverage on the Intermediaries / sub-Projects to provide remedy on behalf of the Lender, on a case-by-case basis, with the effective remedy provision as the main objective. In both case, adequate monitoring of remedy provision should be rolled out.

# Appendix 16: Chance Finds Procedure

## Project Activities

- Pre-construction phase through site preparation;
- Construction phase;
- Throughout the project's live with movement from workers and vehicles on-site; and
- Site decommissioning.

## Risks

Heritage objects or artefacts, including physical structures, archaeology, palaeontology, meteors, ritual sites, and public monuments found on-site are inappropriately managed or destroyed.

The risk to impact the abovementioned finds related to cultural heritage is the highest at pre-construction and construction phases, when site clearance, levelling and drilling activities are conducted. The risk to impact a find decreases during operations and rises again at decommissioning. Training and monitoring activities should therefore be reinforced during pre-construction, construction and decommissioning phases.

## Mitigation Measures

### **Initial Identification and/or Exposure**

1. Although no cultural heritage sites were identified on-site, it is recommended that the Project take cognisance of the possibility that archaeological sites may be found during site work.
2. All workers / contractors must be trained on this procedure for dealing with chance finds of heritage objects/ sites e.g., stone tools, artefacts or bone and fossil remains. The training must at least intervene during the worker's induction training, and regular reminder should be organized.
3. All staff / contractors must maintain, at all times, a high level of awareness of the possibility of discovering heritage sites.
4. The person, or group (identifier), who identified or exposed the site must cease all activity in the immediate vicinity of the site.
5. The identifier must document the find immediately through taking pictures.
6. The identifier must immediately inform his / her / their supervisor of the discovery.
7. The supervisor must inform the Project Health, Safety and Environmental (HSE) Manager<sup>7</sup>.
8. The supervisor and the HSE manager must ensure that the site is secured, and access controlled to avoid and prevent impacts to the object or structure discovered.
9. The HSE Manager must then inform the Construction Manager who will notify the Project Manager.

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<sup>7</sup> Designations may change

## **Heritage and Archaeological Resources**

1. The Project Manager must appoint a qualified specialist (archaeologist and / or heritage specialist with appropriate qualifications) to consider the heritage resource, either communicating via telephone or email, or through a direct site inspection.
2. The specialist must propose appropriate measures to construction management for approval in order to safeguard the artefact.
3. Should the specialist conclude that the find is a heritage resource protected in terms of national legislation and international protocols, the Project Manager / HSE Manager must notify the relevant National heritage authority of the country in which the Project is located.
4. It may be required that a heritage impact assessment take place, which may include rescue excavations. The scale of excavations must be determined by the heritage specialist and the National heritage authority.
5. Activities may only be re-started when positive feedback from local authorities has been received and authorization has been granted.

## **Burial Grounds and Graves**

1. In the event that human remains were accidentally exposed, the Project Manager must immediately be notified of the discovery in order to take the required further steps.
2. The local government agency as well as the local police must be notified on behalf of the Project; and ensure the deployment of a suitably qualified specialist (either medical professional, coroner or heritage specialist) to inspect the exposed burial and determine, in consultation with the local police and community leadership: (1) the temporal context of the remains, i.e. forensic, authentic burial grave, or archaeological.; and (2) any additional graves may exist in the vicinity.
3. Should the specialist conclude that the find is a heritage resource protected in terms of national legislation, they must notify the national heritage authority on behalf of the Project.
4. The heritage authority may require that an identification of interested parties, consultation and/ or grave relocation take place.
5. Consultation must take place in terms of national legislation.
6. Grave relocation must take place in terms of national legislative requirements.
7. Activities may only be re-started when positive feedback from local authorities has been received and authorization has been granted.

## **Monitoring and Reporting**

### **Monitoring**

- Conventional standards of excavation; and
- Documentation and staff training on the chance finds procedure described above.

### **Reporting**

- All heritage and archaeological finds must be recorded and spatially presented to track the location of such finds, thereby indicating the likelihood of similar resources appearing in a given geographical area;
- Training/ Induction Register;
- Community Grievance Register;
- Heritage Impact Assessment (if applicable);
- Permit/ Licence from local authority (if applicable); and
- Consultation Attendance Register (if applicable).



# Appendix 17: Land Acquisition and Resettlement Action Framework

## Guidance notes on Land Acquisition and Resettlement Action Plan:

A Land Acquisition and Resettlement Framework (“**LARF**”) defines the process for screening, assessing, compensating, and managing potential risks and impacts resulting from land acquisition and forced resettlement, related to the operations of BGB. A LARF provides the necessary background to ensure that any operation that might involve land acquisition and/or resettlement and loss of livelihoods of Project-Affected Persons (PAPs) will comply with the national laws and BGB’s ESMS requirements. For each operation that would entail activities likely to generate displacement and resettlement impacts, a stand-alone or updated Resettlement Action Plan (RAP) will be prepared, based on principles outlined in the present LARF. In the case of economic displacement only, a Livelihood Restoration Plan (LRP) will be prepared to ensure the risks and impacts on the PAPs’ livelihoods are managed in adequation with national requirements and international best practices. The LARF describes the design criteria for the displacement and resettlement of affected persons in the course of implementation of the project, the legal context, the process for the execution of related management plans (RAP, LRP, Stakeholder Engagement Plan), and finally the required institutional/corporate organization to manage such process.

The OECD Common Approaches on the Environment Officially Supported Export Credit define Project categories depending on the Project’s impacts. Categories are described below:

- Category A: a project is classified as Category A if it has the potential to have significant adverse environmental impacts. These impacts may affect an area broader than the sites or facilities subject to physical works. Category A, in principle, includes projects in sensitive sectors or located in or near sensitive areas. Category A also includes projects involving the involuntary resettlement of a “significant number” of affected people. The Common Approaches does not define a threshold for what is a significant resettlement.
- Category B: a project is classified as Category B if its potential environmental impacts are less adverse than those of Category A projects. Typically, these impacts are site-specific, few if any of them are irreversible, and mitigation measures are more readily available.
- Category C: a project is classified as Category C if it is likely to have minimal or no adverse environmental impacts

## Scope of LARF:

This framework recognizes Land Acquisition and Resettlement as a multi-purpose and an inter-sectoral issue. It applies to all types, modes, and processes of acquisition of land rights – regardless of the application of compulsory land acquisition – and to any situation in which impacts of physical (shelter) and/or economic (livelihoods) displacement on people.

For context, **forced resettlement** is the planned process of acquisition of inhabited and/or used land and the provision of compensation for impacts of displacement generated by the acquisition or restrictions on land use. Resettlement occurs when people are physically displaced from homes, shelters and/or economically displaced from farmland, forests, businesses or other productive assets from which they derive their livelihoods or when

they lose (access to) employment, territories or natural resources upon which they depend for survival, as a result of land acquisition that is not the result of a voluntary, market-based, transaction between a buyer and a seller.

Forced resettlement thus implies the provision of appropriate cash and/or in-kind compensation for all losses incurred and is not to be confused with the provision of physical relocation. Resettlement is considered involuntary either when it occurs without the informed consent of the affected persons, or in cases where they do not have the power to refuse resettlement whether or not they approve. **Rehabilitation**, on the other hand, implies the restoration, and preferably improvement, of the living standards and conditions of people affected by resettlement.

Therefore, this framework applies to **permanent or temporary physical and economic displacement** resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:

- Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national laws;
- Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access partially or totally to resource usage where they have traditional or customary tenure or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;
- Displacement of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date;
- Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;
- Land rights or claims to land, or resources relinquished by individuals or communities without full payment of compensation;
- Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

As the subprojects that BGB will invest in are not yet known, the list above is not considered exhaustive and will be expanded on as and when subprojects are recorded.

Although "acquisition" is the dedicated term, IFC PS5 applies to projects that make use of land without necessarily acquiring the land, such as State-driven land requisition for the construction of a road. In the context of State-driven land acquisition process, such as eminent domain land acquisition, it is likely that the Government of

Barbados and the responsible Ministries will abide by national requirements only to proceed with the acquisition of the necessary land,

Land Acquisition in Barbados is guided by the Land Acquisition Act of 1949. The Act governs the acquisition of land by the Minister for public purposes. In summary, the Act provides guidance on the following with respect to compulsory land acquisition:

- The right for the Chief surveyor to survey the land, including any digging, boundary demarcation, and clearance that is required to do so, and associated compensation.
- The right for the Chief surveyor to undertake work on the land prior to acquisition.
- The right for the Chief surveyor to compulsorily acquire the land.
- Provision for compensation for compulsorily acquired land, and the method for determination of compensation amounts.
- Right of chief surveyor or land claimant to appeal the compensation decision.
- If persons refuse to give up land, this warrants for a police/parish authority to possess the land.

Additional supporting legislation includes the Environmental Impact Assessment Regulations (2021) and the Town and Country Planning Act (1985).

Barbados legislation with respect to Land Acquisition and Resettlement is limited as compared to international standards and a number of gaps need to be considered, particularly with respect to the consideration of involuntary resettlement and displacement, informal land users, and the compensation of non-land assets. Those gaps are detailed in the Table below. In order that a sub-project aligns with international standards, especially with IFC PS5, the sub-project ought to verify whether the resettlement and compensation standards deployed by government authorities are aligned with IFC PS5 through a gap analysis. In that context, expropriation is not necessarily illegal, but can be misaligned with international standards. In face of misalignment, it is the responsibility of the sub-project to design and roll out complementary action plans, in most cases a Supplementary Resettlement Action Plan (SRAP) and a Supplementary Livelihood Restoration Plan (SLRP), to prevent or mitigate potential negative impacts on expropriated land users.

Issue	IFC Requirements	Barbados Law	Recommended Gap Filling Measures
Consultation	A Stakeholder Engagement Plan will be developed scaled to the project risks and impacts and development stage and tailored to the characteristics and interests of Affected Communities.	No reference/provisions made in national law for involuntary resettlement and/or displacement resulting from land acquisition.	Consultation requirements in Barbados Law will be supplemented with the IFC PS 5 consultation requirements.

	<p>The Project will undertake and document a process of consultation in a manner that provides the affected communities with an understanding of the risks, impacts and opportunities presented by resettlement, and which enables them to express their views and the Project to consider and respond to them.</p> <p>The consultation process will be undertaken in a manner that is inclusive and culturally appropriate. The Project will tailor its consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.</p> <p>Consultation should capture men's and women's views and concerns. All households and communities will be informed early in the planning process about their options and rights regarding displacement and compensation.</p>	<p>Therefore, no reference is made to stakeholder engagement with Affected Communities.</p> <p>No reference is made in national law to Stakeholder Engagement Plans or culturally sensitive consultation.</p>	
Disclosure	<p>Affected Communities to be engaged through the process of stakeholder engagement described in Performance Standard 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are</p>	<p>Barbados EIA Regulations (2021) make reference to giving notice of the application for EIA for a project to the public in general, and particularly persons whose interests are likely to be affected, directly or indirectly, by a proposed development. This includes owners or occupiers of every parcel of land adjacent to the premises, and affix a conspicuous notice containing the same particulars to some object</p>	<p>Disclosure of information to be aligned to IFC PS 5, including cut-off date establishment, assessment of alternatives, and planning with respect to resettlement and livelihood restoration.</p>

	<p>consistent with the objectives of this Performance Standard.</p>	<p>on the land where the proposed development is to take place.</p> <p>The Land Acquisition Act makes reference to the requirement of the Chief Surveyor to serve a notice in person or by post to those entitled to compensation in respect of compulsory land acquisition.</p> <p>No reference/provisions made in national law for involuntary resettlement and/or displacement resulting from land acquisition.</p> <p>No reference to consideration of alternatives is made.</p>	
Vulnerable Groups	<p>Vulnerable groups will be identified from the start of Project development and offered tailored assistance throughout the resettlement process.</p>	<p>Where any person who has interest in the land/compensation is payable is subject to any disability or incapacity, the Judge may appoint a guardian ad Zitem to protect the interests of that person.</p>	<p>Vulnerable groups to be identified and paid special consideration throughout the land acquisition and compensation process in line with IFC PS 5.</p>

		No other provisions made for vulnerable groups.	
Grievance Mechanism	Establish a grievance mechanism consistent with Performance Standard 1 as early as possible in the project development phase, in order for the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner.	<p>No provisions for a grievance mechanism.</p> <p>Either party may appeal to the Court of Appeal and every such appeal shall be made within the time and in the manner laid down by any enactment or rules of court for the purposes of appeals from the High Court to the Court of Appeal and shall be subject in all respects to the law relating to such appeals.</p>	A IFC PS 5-aligned grievance mechanism is to be established at project and subproject's levels.
Monitoring	<p>The Project will establish procedures to monitor and measure the effectiveness of resettlement and use dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes.</p> <p>The Project will retain qualified and experienced external experts to verify its monitoring information.</p> <p>The Project will document monitoring results, implement corrective and preventive actions, and follow up on these actions to ensure their effectiveness.</p>	<p>No reference/provisions made in national law for involuntary resettlement and/or displacement resulting from land acquisition.</p> <p>Therefore, no provision for resettlement monitoring made.</p>	In the case of resettlement, IFC PS 5-aligned monitoring to be undertaken.

Resettlement Planning and Documentation	<p>In the case of physical displacement, a RAP that covers, at a minimum, the applicable requirements of IFC PS 5, regardless of the number of people affected, will be developed.</p> <p>The RAP will be designed to mitigate the negative impacts of displacement, identify development opportunities, develop a resettlement budget and schedule and establish the entitlements of all categories of affected persons (including host communities).</p>	<p>No reference/provisions made in national law for involuntary resettlement and/or displacement resulting from land acquisition.</p> <p>Therefore, no provision for RAP development made.</p> <p>The Town and Country Planning Act makes reference to displacement of persons residing in any premises, that</p> <p>in so far as there is no other</p> <p>residential accommodation suitable to the reasonable requirements of those persons available on reasonable terms, secure</p> <p>the provision of such accommodation in advance of the displacement.</p>	<p>In the case of physical displacement, an IFC PS 5-aligned RAP to be developed and rolled out by the Barbados authorities.</p> <p>In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5, e.g., through a supplementary RAP and/or compensations.</p>
Eligibility	<p>Displaced persons may be classified as persons who: (i) have formal legal rights to the land or assets they occupy or use; (ii) do not have formal legal rights to land or assets, but have a claim to land that is recognised or recognisable under the national laws; or (iii) have no recognisable legal right or claim to</p>	<p>No provisions for compensation for persons who do not have formal legal rights to the land in national law. Only formal landowners are recognised.</p>	<p>The Project will compensate those without recognizable rights to land for affected non-land assets.</p>

	the land or assets they occupy or use.		In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.
Census and Asset Inventory	A census and asset inventory will be carried out in order to collect appropriate data to identify the persons who will be displaced by the project, establish the losses they will experience, determine who will be eligible for compensation and assistance, and prevent ineligible persons, such as opportunistic settlers, from claiming benefits.	Census and asset inventory is not specifically addressed in the legislation; only land valuation is addressed.	Census and asset inventory is to be carried out with respect to displacement and claims to compensation.
Cut Off Dates	A cut-off date for eligibility should be established. Information regarding the cut-off date will be well documented and disseminated throughout the project area. The Project is not required to compensate or assist those who encroach on the project area after the cut-off date for eligibility, provided the cut-off date has been clearly established and made public	Claims for compensation in respect of the compulsory Acquisition of land shall be admitted or entertained if made in writing to the Chief Surveyor within two years after the publication in the local Gazette	Two-year cut-off date required by the Barbados law presents a risk to the project as to having to re-instate the census and asset inventory process once closed.
Compensation and Benefits	Land is compensated at full replacement cost (market value + transaction costs) including depreciation of structures and assets.	Land is compensated based on open market value (amount which land would realise if sold at the time in the open market by a willing seller, being used for the same purpose at the time).	IFC methodology for asset valuation to be applied.  In case of misalignment of State-managed resettlement practices,



	<p>Replacement of land and structures:</p> <ul style="list-style-type: none"> <li>■ Agricultural land: market value of equal productive use or potential located in the vicinity + cost of preparation + transaction costs (registration and transfer taxes);</li> <li>■ Land in urban areas: market value of equivalent area and use with similar or improved infrastructure and services + transaction costs;</li> </ul> <p>Houses and other structures: the cost of purchasing or building a new structure (area and quality similar or better than those of the affected structures) + labour and contractors fees + transaction fees.</p>	<p>Land is deemed to be used for agricultural purposes unless claimant proves otherwise to a judge.</p> <p>The Chief Surveyor shall pay to the claimant the reasonable costs incurred by him in or about the preparation and submission of his claim. No detail provided on what is deemed a reasonable cost.</p> <p>No formalised methodology applied for asset valuation outside of agricultural land. No valuation methodology for specific crops and trees.</p>	<p>it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.</p>
Livelihood Restoration and Improvements	<p>IFC PS requires all households either physically or economically resettled to restore their livelihoods.</p> <p>Means of income earning capacity, productivity levels and associated livelihoods and standards of living of affected communities must be improved or at least restored to pre-project levels.</p>	<p>As national law does not make provision for economic or physical resettlement, no provision is made for restoration of livelihoods.</p>	<p>In the case of physical or economic resettlement, an IFC PS 5 compliant Livelihood Restoration Plan to be developed (either as a standalone document, or as part of a RAP if required).</p> <p>In case of misalignment of State-managed resettlement practices, it is the responsibility of</p>

	Transitional support to be provided based on reasonable estimates of the time required to restore income earning capacity, productivity levels and associated livelihoods and standards of living.		the sub-project or project to supplement the practices to align with IFC PS5.
Replacement Housing	In the case of physically displaced persons, the client will offer the choice of replacement property of equal or higher value, security of tenure, equivalent or better characteristics, and advantages of location or cash compensation where appropriate. Compensation in kind should be considered in lieu of cash.	No provision is made for involuntary resettlement in national legislation and therefore no guidelines regarding replacement property are provided.	<p>IFC PS 5 standard to be applied with respect to replacement housing.</p> <p>In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.</p>
Security of Tenure	Security of tenure will be provided to all those displaced by the Project.	There is no provision to offer security of land tenure as part of the compensation allowance provided under Barbados Law.	<p>The Project will support households to obtain occupancy rights, depending on the location of the land, for all new housing and land parcel obtained.</p> <p>In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.</p>

<p>Involuntary resettlement</p>	<p>Early consultation with PAPs is required.</p> <p>Either enhance or at least restore to pre-project levels.</p> <p>In the case of physically displaced persons under paragraph 17 (i) or (ii), the client will offer the choice of replacement property of equal or higher value, security of tenure, equivalent or better characteristics, and advantages of location or cash compensation where appropriate. Compensation in kind should be considered in lieu of cash. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.</p> <p>Where physical relocation is necessary, IFC requires that the sponsor provides temporary housing, permanent housing sites, and resources (in cash or in kind) for the construction of permanent housing, inclusive of all fees, taxes, customary tributes, and utility hook-up charges.</p> <p>Relocation/transitional support.</p> <p>M&amp;E on resettlement.</p>	<p>No provisions for physical displacement/involuntary resettlement.</p> <p>Only compensations for land and not for other assets.</p> <p>No M&amp;E on resettlement provisioned.</p> <p>Where the requirements of an order under this section will involve the displacement of persons residing in any premises, the Chief Town Planner shall, in so far as there is no other residential accommodation suitable to the reasonable requirements of those persons available on reasonable terms, secure the provision of such accommodation in advance of the displacement.</p>	<p>In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.</p>
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Compensation for enterprises (lost income)	Compensation for lost earnings should be paid to proprietors and employees for the duration of work stoppages resulting from the relocation of enterprises	regard shall be had to the net amount of any income derived from that land at the material time and, where no income is derived therefrom at that time, to the rent at which the land might, at the material time, reasonably be expected to be let from year to year for the purpose of being put to the same use to which it was being put at that time;	Acknowledgment of the potential impacts of land acquisition / work on land, but no specific provisions are made on compensations.  In case of misalignment of State-managed resettlement practices, it is the responsibility of the sub-project or project to supplement the practices to align with IFC PS5.
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### **Purpose:**

BGB aims to facilitate land acquisitions and limit induced negative impacts by ensuring that displaced PAPs are treated in a fair and equitable way and are not left worse off in the process.

### **Guiding principles:**

The guiding principles governing LARF are as follows:

- The Project must consider national and international legal requirements related to land acquisition, conduct a gap analysis and apply the dispositions that are the most protective of the impacted populations' rights;
- All forms of displacement must be avoided to the extent possible;
- When avoidance is not an option, minimize social, economic and environmental impacts on the livelihoods of affected persons, with special attention to the most vulnerable individuals. Displacement is a last resort;
- Assess what vulnerability means in the context of the project;
- All legitimate property rights, including informal, customary and traditional ownership, use and other secondary and tertiary rights recognized and inventoried;

- Land users without a recognised land title or claim to the land must not be compensated for loss of access to land, but must be compensated for the potential impacts on their livelihoods, provided that they have been identified prior to the cut-off date;
- Compensation must be the result of specific transparent engagement and to result in negotiated settlements;
- Ensure transparent, accountable, culturally appropriated and meaningful engagement with affected and host communities and all other relevant stakeholders.

#### **Eligibility classification:**

Directly and Indirectly affected persons may be classified depending on the claims they have on impacted lands prior to the cut-off date: (a) Who have formal legal rights to land or assets; (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national and international requirements; or (c) Who cannot provide recognizable legal right but still hold claim to the land or assets they occupy or use.

#### **Project design:**

The key implementer of the LARF will be with the Investee. The Investee will demonstrate that land acquisition potentially leading to restrictions on land use are limited to direct project requirements for clearly specified project purposes within a clearly specified period of time. The Investee will consider feasible alternative project designs to avoid or minimize land acquisition or restrictions on land use, especially where this would result in physical or economic displacement, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender-related impacts and impacts on the poor and vulnerable.

#### **Compensation and benefits:**

When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the Investee will offer affected persons compensation at replacement value or higher. Other assistance may be necessary to help them improve or at least restore their standards of living or livelihoods. Compensation standards for categories of land and fixed assets will be disclosed and applied consistently. Compensation rates may be subject to upward adjustment where negotiation strategies are employed. In all cases, a clear basis for calculation of compensation will be documented, and compensation distributed in accordance with transparent procedures.

The Investee will take possession of acquired land and related assets only after compensation in accordance with this LARF has been made available and, where applicable, displaced people have been resettled and moving allowances have been provided to the displaced persons in addition to compensation. In addition, livelihood restoration and improvement programs will commence in a timely fashion in order to ensure that PAPs are sufficiently prepared to take advantage of alternative livelihood opportunities as the need to do so arises.

#### **Stakeholder engagement:**

The Investee will engage affected communities, including host communities, through a structured process of stakeholder engagement. Engagement must happen early in the life of the Project, be regular, structured and traced through a dedicated plan, conducted in a culturally appropriate way, and aim both at providing and gathering information. The consultation process should ensure that women's perspectives are obtained, and their

interests factored into all aspects of resettlement planning and implementation. Addressing livelihood impacts may require intra-household analysis or census in cases where women's and men's livelihoods are affected differently. Women's and men's preferences in terms of compensation mechanisms, such as replacement land or alternative access to natural resources rather than in cash, should be explored.

#### **Grievance Redress Mechanism:**

Investees will establish a Project-level Grievance redress mechanism directed at PAPs for them to seek redress of any grievances that may arise in the course of planning, implementation and decommission of their project. Investees should also communicate around the existence of a Lender-level Grievance Redress Mechanism.

#### **Planning and implementation:**

Where displacement is unavoidable, as part of the environmental and social assessment, the Investee will:

- Conduct a census to identify the persons who will be affected by the project;
- Establish an inventory of land and assets to be affected;
- Determine who will be eligible for compensation and assistance and discourage ineligible persons, such as opportunistic settlers, from claiming benefits. The social assessment will also address the claims of communities or groups who, for valid reasons, may not be present in the project area during the time of the census, such as seasonal resource users;
- Establish a cut-off date for eligibility. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area at regular intervals in written and (as appropriate) nonwritten forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal.

To address the issues identified in the environmental and social assessment, the Investee will prepare a plan proportionate to the risks and impacts associated with the project:

- A. For projects causing physical displacement, the plan will set out the additional measures relevant to **relocation of affected persons**, such as **eligibility criteria for affected persons**, **set out procedures and standards for compensation**, and **incorporate arrangements for consultations, monitoring and addressing grievances**;
- B. For projects involving economic displacement with significant impacts on livelihoods or income generation, the plan will set out the **additional measures relating to livelihood improvement or restoration**; and
- C. For projects that may impose changes in land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a **participatory process for determining appropriate restrictions on use** and **set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions**.

The Investee's plan will also establish the roles and responsibilities relating to financing and implementation and include arrangements for contingency financing to meet unanticipated costs, as well as arrangements for timely

and coordinated response to unforeseen circumstances impeding progress toward desired outcomes. **The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project.**

The Investee will also establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of this ESMS. Implementation of the Investee's plan will be considered completed when the adverse impacts of resettlement have been addressed in a manner that is consistent with BGB's LARF, the relevant plans (RAP, LRP), as well as the objectives of this ESMS.

#### **Physical displacement:**

In the case of physical displacement, the Investee will develop a plan that covers, at a minimum, the applicable requirements of this ESMS regardless of the number of people affected. The plan will be designed to mitigate the negative impacts of displacement and, as warranted, to identify development opportunities. It will include a resettlement budget and implementation schedule and establish the entitlements of all categories of affected persons (including host communities). Particular attention will be paid to gender aspects and the needs of the poor and the vulnerable. The Investee will document all transactions to acquire land rights, provision of compensation and other assistance associated with relocation activities.

If people living in the project area are required to move to another location, the Investee will: offer displaced persons choices among feasible resettlement options, including cash and in-kind compensations, as well as coverage for the relocation costs; and

- provide relocation assistance suited to the needs of each group of displaced persons.

New resettlement sites will offer living conditions at least equivalent to those previously enjoyed, or consistent with prevailing minimum codes or standards, whichever set of standards is higher. If new resettlement sites are to be prepared, host communities will be consulted regarding planning options, and resettlement plans will ensure continued access, at least at existing levels or standards, for host communities to facilities and services. The displaced persons' preferences with respect to relocating in pre-existing communities and groups will be respected wherever possible. Existing social and cultural institutions of the displaced persons and any host communities will be respected. The Investee will not resort to forced evictions of Project-Affected Persons. "Forced eviction" is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this LARF. When the Investee is contributing or linked to forced evictions, it will deploy the proportional mitigation and remediation measures, and exert leverage depending on the Investee's relationship to the evictions.

As an alternative to displacement, the Investee may consider negotiating in situ land development arrangements by which those to be affected may elect to accept a partial loss of land or localized relocation in return for improvements that will increase the value of their property after development. Any person not wishing to participate will be allowed to opt instead for full compensation and other assistance as required in this ESMS.

#### **Economic Displacement**

In the case of projects' land intake or use affecting livelihoods or income generation, the Investee's management plans (RAP, LRP) will include measures to allow affected persons to improve, or at least restore, their incomes or

livelihoods. The plan will establish the entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner. The relevant management plans will incorporate arrangements to monitor the effectiveness of livelihood measures during implementation, evaluation once implementation is completed and at regular interval after the plan's end. The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible and have been provided with adequate opportunity to re-establish their livelihoods. The mechanisms for compensation will be designed and outlined by the Investee in their preparatory documentation, in line of the present LARF.

### **Livelihood Restoration:**

By issuing a guarantee for a project, certain operations may affect local communities to resources resulting in losses or disruption of livelihood. The Investee should thus recognise the potential and magnitude of adverse impacts of their projects and develop livelihood restoration options captured in a LRP that can consider the following:

- Livelihood restoration for vulnerable affected peoples should refer to the ecological conditions, livelihoods and socio-cultural characteristics possessed by directly and indirectly affected people;
- Livelihood restoration should be able to support project affected people to gain a similar or even better livelihood, independently. It is important that the land acquisition and resettlement process will not cause dependency to the project nor to the Investees, which has the potential to generate negative impacts with effects persisting longer than the project's life. Livelihood Restoration's effects should be monitored at least until livelihood means are restored;
- Involving representatives of both communities, the project-affected people and host populations, in the consultation process to maximise positive engagement, tailor the Investee's intervention to the impacted communities' needs, avoid the appearance of unintended consequences including violent conflict, and to resolve disputes that are expected to arise during and after the resettlement process.

### **Resettlement Action plan:**

Where applicable, Investees will be required to compile a Resettlement Action Plan (RAP) that details the **procedures** to be followed and the **actions** to be taken in order to resettle and compensate affected people and communities while minimizing the adverse impacts of resettlement. The RAP reflects the commitment made by the Investee to PAPs to meet obligations arising from resettlement. The RAP will be part of a more comprehensive LARP and should cover the following elements:

#### **1. Introduction**

- Briefly describe the project.
- Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement.
- Provide explanation of how displacement is necessary to achieve the project objectives, how the project is in the public interest and how displacement is proportional to project outcomes.



## **2. Legal Framework**

- Describe all relevant international, national, local, and community laws and customs that apply to displacement and resettlement activities, with particular attention to laws and customs relating to tenure rights; highlight any potential conflicts.
- Describe how free, prior, informed consent was obtained for resettlement of Indigenous peoples and tribal communities, if applicable. As previously mentioned, this case is unlikely to arise in the context of Barbados.

## **3. Knowledge of the affected population**

- Incorporate descriptive material on the impacted population's economic, social, health, cultural characteristics of (extracted from ESIA, baseline study, among others), including the need of new studies related to resettlement.
- Include a description of what vulnerability means in the context of the Investees' project, e.g., single-headed households, economically dependent individuals or households, outcasts, etc.
- Use baseline information as a control point throughout the resettlement and livelihood restoration.

## **4. Avoiding resettlement**

- Avoid resettlement when reasonably possible, notably through changes in the project's or transport infrastructure's design. It is important that avoiding resettlement is an early concern, at the core of the Project's design.
- When resettlement cannot be avoided, compile the elements that led to this conclusion in a related study of plan (e.g., ESIA, LARP, RAP, etc.).

## **5. Minimizing Resettlement and impact mitigation**

- Describe the justification for the resettlement.
- Describe efforts and measures to minimize displacement and its effects on the impacted population. Among the effect should be considered access to natural resources, to a source of income, to cultural and archaeological sites, and to meaningful community interaction. Set the expected outcomes of these efforts and measures.
- Mitigate negative impacts of displacement and or resettlement to the best of the project's ability.

## **6. Compensation calculation**

- Develop a resettlement budget and schedule.
- Establish the entitlements of all categories of affected persons (including host communities). Entitlements can include, but are not limited to, cash, land, facilitated access to replacement natural resources or source of economic activities, transportation support.
- Entitlement ought to be systematically, collaboratively, and transparently determined along a predictable framework, in line with national and international standards, and cognizant of the resettlement or displacement local context's particularities.

## **7. Resettlement Sites and Housing**

- If the project requires relocation, describe how affected people have been involved in a participatory process to identify sites, assess advantages and disadvantages of each site, and select preferred sites.
- If housing must be replaced, describe how affected people have been involved in developing an acceptable strategy for housing replacement and how alternative housing meets adequate housing criteria.
- Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites.

- If the project involves allocation of agricultural land or pasture/rangeland, describe how individual households that will be allocated lands have been involved in identifying potential new sites, and how they have explicitly accepted the selected sites.
- Describe the feasibility studies conducted to determine the suitability of the proposed relocation sites and housing, including where relevant natural resource and environmental and social impact assessments of the sites.
- Describe mechanisms for: (1) procuring, (2) developing and (3) allotting resettlement sites and housing, including the awarding of title or use rights to allotted lands. Indicate to whom titles and use rights will be allocated, including by gender. In some cases, land can be allocated to a community or a group of individuals wider than a single household.
- Indicate whether temporary resettlement will be necessary and how the communities' social capital will be preserved. The Investees will avoid placing population to temporary housing to the best of their abilities. Permanent housing solutions should be the immediate priority, without which resettlement activity should be avoided.

## **8. Livelihood Restoration**

- Co-design with impacted communities, national agencies and potential implementation partners, livelihood restoration projects, at least until the impacted population's livelihoods become sustainable again and to the level they were before resettlement or displacement occurred.
- Communicate to all stakeholders the objectives, timeline and means deployed for livelihood restoration.
- Monitor if compensation entitlements sufficient to enhance, or at least restore, livelihoods and income streams for each category of impact, and overall.
- If not, deploy additional impact mitigation strategies for additional economic rehabilitation measures to remedy to livelihood disruption.

## **9. Institutional Arrangements**

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the resettlement action plan.
- State how coordination issues will be addressed where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time.
- Identify the agency that will coordinate all implementing agencies, if any.
- Describe the external (non-project) institutions involved in the process of income restoration (land development, land allocation, credit, training) and the mechanisms to ensure adequate performance of these institutions.
- Conduct a gap assessment between national and international standards and assess institutional capacity for and commitment to resettlement. Upon conclusion, apply the disposition that are the most protective of the impacted population's rights.
- Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion.

## **10. Implementation Schedule**

- List the chronological steps in implementation of the RAP and LRP, including identification of agencies responsible for each activity and with a brief explanation of each activity.

## **11. Participation and Consultation**

- Describe the various stakeholders, linking this description to stakeholder mapping efforts (see Annex 13 on Stakeholder Engagement plan).
- Describe the process of entrenching consultation/participation of affected populations and other relevant stakeholders in the design, rollout and monitoring of resettlement activities, e.g., national agencies, civil society, etc.

## **12. Grievance Redress**

- The Investee will design and rollout a Project-Level Grievance redress mechanism as early as possible during its project's cycle.
- Communicate with particular attention the existence of this mechanism to community members impacted by resettlement and/or displacement. Ensure unrestricted access of those impacted individuals to the mechanism.
- The Investee will report frequently the lodging of resettlement and/or displacement-related grievance, and will provide updates on those grievances' status (See Appendix 14 for details on Project-level Grievance Mechanism).

## **13. Monitoring and Evaluation**

- Describe the internal/performance monitoring and evaluation process. Ensure monitoring program seeks to measure whether displaced enjoy at least a standard of living and access to livelihoods equal to what they enjoyed before displacement.

## **14. Costs and Budgets**

- Provide a clear statement of financial responsibility and authority.
- List the sources of funds for resettlement and describe the flow of funds.

## Appendix 18: Potential Sexual Exploitation, Abuse, and Harassment (SEAH) report template

### Purpose and definitions:

BCB has zero tolerance for all forms of Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH) in its banking-related activities. SEAH violates human dignity and have always been unacceptable behaviour. SEAH is based on unequal relations and power dynamics resulting in a culture of discrimination and privilege. It creates hostile interpersonal relationships and work-related environments, which limit the ability of affected persons to thrive and BGB to achieve its mission. SEAH in any form is not acceptable at BGB.

BGB recognises the imperative to prevent and respond effectively to SEAH and to protect persons, especially persons in vulnerable positions and situations, and survivors of SEAH in all bank-related activities. These protections are essential to strengthen integrity and accountability throughout BGB. BGB will support entities it engages with to develop and implement policies and mechanisms that address Sexual Exploitation, Sexual Abuse and Sexual Harassment.

BGB's definitions of the different components of SEAH are based on internationally agreed understanding of SEAH<sup>8</sup> in connection with a Bank-related activity, as described below:

- Sexual exploitation: any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes. Includes profiting momentarily, socially, or politically from sexual exploitation of another. Under UN regulations it includes transactional sex, solicitation of transactional sex and exploitative relationship;
- Sexual abuse: the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. It should cover sexual assault (attempted rape, kissing / touching, forcing someone to perform oral sex / touching) as well as rape. Under UN regulations, all sexual activity with someone under the age of 18 is considered to be sexual abuse;
- Sexual harassment: a continuum of unacceptable and unwelcome behaviours and practices of a sexual nature that may include, but are not limited to, sexual suggestions or demands, requests for sexual favours and sexual, verbal or physical conduct or gestures, which are or might reasonably be perceived as offensive or humiliating.

### Guiding principles:

Guiding principles underpin the core values and premises of the SEAH Policy and are aligned with the objectives and guiding principles of the Governing Instrument:

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<sup>8</sup> UN Glossary on Sexual Exploitation and Abuse 2nd Edition and UN General Assembly Resolution “Intensification of efforts to prevent and eliminate all forms of violence against women and girls: sexual harassment” (A/RES/73/148)

1. BGB shall not tolerate any form of Sexual Exploitation, Sexual Abuse, or Sexual Harassment.
2. BGB and its clients shall not enter into future engagements with those who condone, encourage, participate in, or engage in SEAH.
3. BGB shall take all appropriate measures to prevent, mitigate, investigate, and remedy SEAH in relation to acts perpetrated by Investees in Bank-related activities, including exerting leverage on Investees. BGB will exert oversight on Investees that a variety of effective, clear, and simple survivor- and victim-centred complaints mechanisms that are available to all community members and workers, with clear requirements and guidance on when and how the mechanisms might be used and ensure appropriate linkages to and support for the provision of survivors' and victims' assistance. Complaints mechanisms should be developed and implemented, adapted to specific local and cultural contexts, and used in co-operation with local leadership, and with authorities where safe and appropriate, and to the maximum extent practicable, be jointly supported.
4. BGB shall take all appropriate measures to protect actual or suspected survivors such as ensuring their anonymity, physical safety and removal from proximity to suspected perpetrators - from retaliation because of a report of actual or suspected SEAH perpetrated by Investees in Bank-related activities. Those prevention, avoidance, mitigation, and remedy measures are detailed in a SEAH action plan that is regularly updated and cross-pollinated with the relevant management system at BGB's level, such as the grievance mechanism related systems or the Human Resources' Management System.

## Management of SEAH

BGB recognises the imperative BGB-financed activities to prevent and respond effectively to SEAH in a survivor-centred and gender-responsive way. This includes protecting persons, especially persons in vulnerable positions and situations, and survivors of SEAH in BGB-financed activities. These protections are essential to strengthen integrity and accountability throughout BGB. The management of SEAH is detailed as per the below:

- Embed SEAH in risk and impact assessment process at fund, project and subproject's levels. ESIA and ESMP, as appropriate, include measures to enhance gender equality, and to avoid, prevent, mitigate and remedy SEAH.
- Deploy mitigation measures such as a grievance mechanism, whistle-blower mechanism, provide training to the HR function and line management, make explicit that BGB, projects and subprojects condemn any individual or groups engaging in related practices.
- Provide a safe environment for individuals at risk of or experiencing SEAH to seek for protection and remedy, through their line management, professional environment, availability of mechanisms.
- Embed the monitoring of SEAH in performance-tracking systems at fund, project and subproject's level to update.
- In case incidences of SEAH occur:
  - Make use of the survivor-centred and gender-responsive grievance redress mechanisms at the level closest to the incident (subproject, project, or fund), apply specific procedures for SEAH, including confidential reporting with safe and ethical documenting of such cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken.
  - Provide timely services and redress to survivors, including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.

- Ensure that BGB, project and sub-project's level grievance mechanisms are designed and implemented to receive and provide remedy to SEAH-related complaints, as well as avoiding and preventing future occurrence of SEAH-related harm in the future. This implies that grievance mechanisms are survivor-centred and gender-responsive.
- Through active continuous learning measures, identify patterns and causes of SEAH through different stakeholder groups, including assisting with the identification of barriers to access of to a grievance mechanism and their causes, particularly barriers due to a heightened risk of vulnerability or marginalization.

#### Report template:

Field	Data
Reporting officer	
Date of incident reporting	DD/MM/YYYY
Date of incident	DD/MM/YYYY  Do not wish to disclose this information  Risk of identification  Unknown for another reason
Gender of survivor / victim	
Age of survivor / victim	
Type of allegation	Sexual exploitation  Sexual abuse  Sexual harassment  Risk of identification
Reporting channel used	To be defined
Profile of person reporting incident	Staff of my organisation  Staff of another organisation  Survivor/victim  Member of victim/survivor's family

	<p>Other member of the community</p> <p>Anonymous</p> <p>Risk of identification</p>
Profile of alleged perpetrator	<p>Staff member - senior management</p> <p>Staff member - middle management</p> <p>Staff member - field staff</p> <p>Volunteer</p> <p>Partner staff</p> <p>Contractor</p> <p>Consultant</p> <p>Donor</p> <p>No alleged perpetrator identified</p>
Gender of alleged perpetrator	
Overall status of the allegation	<p>Substantiated - Subject was separated from hiring entity as a result of SEAH</p> <p>Substantiated – Subject separated from hiring entity before the allegation was found to be substantiated</p> <p>Subject resigned or separated pending investigation</p> <p>Subject resigned or separated pending disciplinary process</p> <p>Unsubstantiated</p> <p>No responsive action possible</p>
<p>Have the Barbados police, or other authorities, been informed of the incident/allegation?</p> <p>If yes, provide details on the police's response or proposed actions and relevant point of contact</p>	Free text
Assistance/responsive action rendered to survivor/victim	<p>Medical assistance</p> <p>Mental Health &amp; Psychosocial assistance</p>

	<p>Legal assistance</p> <p>Physical protection</p> <p>Economic assistance</p> <p>No survivor/victim identified</p> <p>Survivor/victim did not seek assistance</p> <p>Survivor/victim declined assistance</p> <p>No assistance available</p>
Reason why no responsive action taken	<p>N/A - Responsive action taken</p> <p>Survivor/victim did not give consent</p> <p>Risk for survivor/victim deemed too high</p> <p>Complainant did not cooperate</p> <p>Lack of internal capacity or resources</p> <p>No jurisdiction over allegation</p> <p>No access to the area of the incident</p> <p>Insufficient information to assess allegation</p> <p>Determined not to be SEAH (allegation reclassified)</p>
Remedial actions taken	<p>Training of staff or affiliated personnel</p> <p>Community awareness raising</p> <p>Risk mitigation measures assessed (programmatic)</p> <p>Risk mitigation measured implemented (programmatic)</p> <p>Risk mitigation measures assessed (human resources)</p> <p>Risk mitigation measures implemented (human resources)</p> <p>SEAH action plan designed</p>
Comment	Free text



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  - d. ESIA objectives
- II. Policy, legal and institutional framework
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  - c. National Government
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  - e. National Environmental Administrative framework
  - f. National Environmental Impact assessment process
  - g. National Environmental quality standards
  - h. Ratified multilateral environmental and social agreements applicable to the project
- III. International best practices and standards applicable to the Project
- IV. Corporate applicable policies
- V. Project description
- VI. Project alternatives
- VII. Stakeholder mapping and consultation framework
- VIII. Environmental and social baseline
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## Appendix 20: E&S Audit Report – table of contents

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# Appendices

The following appendices are attached to this ESMS Manual.

- [Appendix 1: E&S Exclusion List](#)
- [Appendix 2: BGB Eligibility List](#)
- [Appendix 3: E&S Screening Checklist](#)
- [Appendix 4: Initial Investment Committee Decision Meeting Paper](#)
- [Appendix 5: E&S Due Diligence Checklist](#)
- [Appendix 6: External E&S Due Diligence Terms of Reference](#)
- [Appendix 7: E&S Action Plan template](#)
- [Appendix 8: Final Investment Committee Decision Meeting Paper](#)
- [Appendix 9: Green Climate Fund subproject disclosure report](#)
- [Appendix 10: E&S Clauses Guidance Note](#)
- [Appendix 11: Annual and quarterly monitoring reports templates](#)
- [Appendix 12: Major Incident Reporting Form for subprojects](#)
- [Appendix 13: Stakeholder Engagement Plan template for subprojects](#)
- [Appendix 14: Grievance mechanism \(BGB, Investee and sub-project level\)](#)
- [Appendix 15: Chance Finds Procedure](#)
- [Appendix 16: Land Acquisition and Resettlement Action Framework](#)
- [Appendix 17: Potential Sexual Exploitation, Sexual Abuse, and Sexual Harassment \(SEAH\) report template](#)
- [Appendix 18: E&S Impact assessment - table of contents](#)
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