

# Environmental and social eligibility criteria for geothermal sub-projects/sub-investments



**European Bank**  
for Reconstruction and Development

The environmental and social (E&S) eligibility criteria in this note have been prepared to assist and to support EBRD partner financial intermediaries (FIs) interested in providing finance to sub-borrowers/investees for geothermal power sub-projects/sub-investments.

The criteria set out the specific E&S requirements that FI sub-projects/sub-investments involving geothermal power must meet to qualify for Green Economy Transition (GET) financing. The criteria, therefore, correspond to the requirements set out in Performance Requirement 9 (PR9) on financial intermediaries of the EBRD's Environmental and Social Policy, which states that the "EBRD may require FIs to adopt and implement environmental and social requirements, depending on the nature of the FI, its business activities, and the level of environmental and social risks and impacts associated with its portfolio and sub-Projects, as applicable."<sup>1</sup> Prior to approval for the receipt of EBRD proceeds, all geothermal sub-projects/sub-investments are subject to review against these criteria by the EBRD's Environment and Sustainability Department.

Geothermal power sub-project/sub-investments are eligible for GET financing only if they can demonstrate net emission reductions. This should be based on a comparison of the plant's emissions with the grid emission factor of the country (and its expected trend) for the lifetime of the plant (generally considered to be 30 years).

In this note, the term "sub-project/sub-investment" refers to the geothermal sub-project/sub-investment being considered for financing, including all of its associated facilities, as defined by the EBRD 2019 Environmental and Social Policy. This typically includes, but is not limited to, access roads, temporary sites, borrow and spoil areas, and connections to the grid. In addition, the sub-project/sub-investment includes four temporal elements: 1) planning and siting of the facility, 2) construction, 3) operation and maintenance, and 4) decommissioning. All four elements are discussed here. This note is specific to new or greenfield sub-project/sub-investments and extensions to or remodelling of existing facilities.

The term "developer/sponsor" refers to the sub borrower/investee that owns the sub-project/sub-investment and receives indirect EBRD financing.

The eligibility criteria are organised with reference to EBRD Performance Requirements (PRs), as defined in the 2019 ESP. The key issues identified are typical of sub-project/sub-investments and technologies used in constructing a geothermal sub-project/sub-investment, but may not be exhaustive. Proposed sub-project/sub-investments that use atypical construction or operational methods may require additional evaluation.

**Table 1. E&S eligibility criteria that FI sub-projects/sub-investments must meet to qualify for GET finance**

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR1: Assessment and management of E&S risks and impacts	<b>Regulatory compliance:</b> The sub-project/sub-investment may not have all the necessary permissions and permits required under national law.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must comply with all requirements of national environmental, health and safety, and labour laws.</li> <li>The sub-project/sub-investment must have obtained all applicable local planning and zoning approvals required for the sub-project/sub-investment development to proceed.</li> </ul>	<ul style="list-style-type: none"> <li>If required by law, the developer/sponsor has undertaken an environmental impact assessment (EIA) and the EIA has been disclosed to the public in accordance with national requirements.</li> <li>The developer/sponsor has obtained the required national licences and permits to build and operate the sub-project/sub-investment.</li> <li>The developer/sponsor has obtained the required local planning and zoning board approvals required to build and operate the sub-project/sub-investment.</li> </ul>

<sup>1</sup> See EBRD (2019).

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR1: Assessment and management of environmental and social risks and impacts	Where already operational, the sub-project/sub-investment may not comply with EBRD Performance Requirements on environment, health and safety, and labour, or applicable EU directives.	Beyond the national legal requirements, the sub-project/sub-investment complies with EBRD Performance Requirements and the relevant EU directives.	<ul style="list-style-type: none"> <li>The developer/sponsor has undertaken a review of compliance gaps and has taken corrective actions where gaps were identified.</li> <li>The developer/sponsor has undertaken a full EIA where required under relevant EU directives or EBRD Performance Requirements. That EIA follows EU standards and has been disclosed to the public in accordance with EU requirements and EBRD Performance Requirements.</li> </ul>
PR1: Assessment and management of environmental and social risks and impacts	The sub-project/sub-investment may fall under the Category A list set out in Appendix 2 of the 2019 EBRD ESP.	<ul style="list-style-type: none"> <li>The developer/sponsor has assessed and demonstrated that the sub-project/sub-investment:</li> <li>does not include the construction of high-voltage overhead electrical power lines</li> <li>is not intended or likely to have a perceptible impact, including cumulative impact, on sensitive locations of international, national or regional importance</li> <li>will not result in significant adverse social impacts on local communities or other sub-project/sub-investment-affected parties.</li> <li>will not involve significant involuntary resettlement or economic displacement.</li> </ul>	<ul style="list-style-type: none"> <li>The developer/sponsor has established and maintained an environmental and social management system (ESMS) appropriate to and commensurate with the level of its E&amp;S impacts and issues in line with good international practice.</li> <li>The developer/sponsor should obtain annual groundwater abstraction data to determine proper categorisation.</li> <li>If the sub-project/sub-investment falls under Category A, the developer/sponsor will conduct an environmental and social impact assessment that meets the requirements of EBRD PRs 1-8 and 10.</li> <li>Under EBRD PR9 (Appendix A: Referral List), FI financing of any Category A sub-project/sub-investment is subject to referral to the EBRD.</li> </ul>
PR1: Assessment and management of environmental and social risks and impacts	The sub-project/sub-investment may be developed without due consideration of the cumulative impacts on the water basin resulting from existing or planned developments or programmes.	<ul style="list-style-type: none"> <li>Each new sub-project/sub-investment must take into account the local conditions and baseline data, including existing, planned or permitted sub-project/sub-investments and programmes related to land or water use.</li> <li>An assessment must be made of the cumulative impact of existing and planned geothermal plants in the same catchment area.</li> </ul>	<ul style="list-style-type: none"> <li>The EIA demonstrates that the expected overall cumulative impact of developments on groundwater (including the sub-project/sub-investment) have been assessed and are or will be mitigated to an acceptable extent.</li> </ul>

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR2: Labour and working conditions	Sub-project/sub-investment workers may not be employed in line with national legal requirements, treated fairly or adequately protected.	<ul style="list-style-type: none"> <li>An assessment of labour and working conditions has been conducted, including human resources policies, labour management plans, equal opportunity, terms and conditions of employment, and grievance mechanisms.</li> <li>These aspects should be considered for all sub-project/sub-investment workers, including staff of the developer/sponsor and staff of contractors, sub-contractors, intermediaries and service providers.</li> </ul>	<ul style="list-style-type: none"> <li>The assessment of human resource and labour management processes for the sub-project/sub-investment has found no significant gaps.</li> <li>Processes are in place to identify any emerging or ongoing issues and to monitor whether management measures are effective.</li> </ul>
PR2: Labour and working conditions	<p><b>Labour management procedures:</b> The developer/sponsor must establish labour management procedures that are contractually binding on sub-project/sub-investment contractors and sub-contractors, ensuring that all sub-project/sub-investment workers receive written employment documentation and have access to an effective grievance mechanism.</p>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment implements labour management procedures that ensure compliance with national labour and employment laws, social security laws and any collective agreements to which employing actors on the sub-project/sub-investment (developer/sponsor, contractor, sub-contractor) are a party.</li> <li>Contractors and sub-contractors are contractually bound to comply with the sub-project/sub-investment's labour management procedures, national labour and employment laws, social security laws and any applicable collective agreements, as well as the requirement for a worker grievance mechanism.</li> <li>Worker grievance procedures are documented and tracked.</li> </ul>	<ul style="list-style-type: none"> <li>Human resources and labour management requirements have been identified through an assessment process. Human resource and labour management policies, plans and processes are in place that address all labour management planning components, including those of contractors, subcontractors, and intermediaries, with no significant gaps.</li> </ul>
PR 3: Resource efficiency and pollution prevention and Control	Construction of the sub-project/sub-investment both directly and indirectly, increase local and regional economic activity, which can generate increased levels of pollution to air, water and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional and global levels.	<ul style="list-style-type: none"> <li>The developer/sponsor will adopt technically and financially feasible and cost-effective measures for minimising its consumption and improving the efficiency in its use of energy, water and other resources and material inputs, and recovering and re-utilising waste materials.</li> <li>The developer/sponsor will integrate resource-efficiency measures and the principles of cleaner production into product design and production processes.</li> </ul>	<ul style="list-style-type: none"> <li>The developer/sponsor has conducted an evaluation of consumables and wastes and has developed a strategy to minimise energy usage, re-use/recycle waste materials, and minimise carbon emissions.</li> <li>The developer/sponsor has anticipated the volumes of waste that will need to be managed and has a strategy to manage waste through authorised companies.</li> </ul>

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR 3: Resource efficiency and pollution prevention and control	Discharges of geothermal fluid or cooling-tower blow-down water containing metals could pollute streams and rivers if unmanaged. In addition, if reinjected improperly, potable groundwater could be polluted. Geothermal fluids contain dissolved gases, mainly carbon dioxide (CO <sub>2</sub> ) and hydrogen sulphide (H <sub>2</sub> S), small amounts of ammonia, hydrogen, nitrogen, methane and radon, and minor quantities of volatile species of boron, arsenic and mercury.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must provide for the proper treatment and/or disposal of wastewater.</li> <li>Sub-project/sub-investment design must include features that prevent the contamination of potable groundwater.</li> </ul>	<ul style="list-style-type: none"> <li>Laboratory analysis of samples of geothermal fluid (for the appropriate suite of analytes) has been conducted to identify potential contaminants.</li> <li>The developer/sponsor has devised a water management plan that provides for proper treatment and/or disposal of wastewater.</li> <li>Sub-project/sub-investment design includes a wastewater reinjection plan that addresses the potential for potable groundwater contamination and measures to prevent contamination.</li> </ul>
PR 3: Resource efficiency and pollution prevention and control	The use of geothermal fluids for electrical production can emit contaminants in geothermal fluids. Binary plants have no significant emissions. Flash plants may emit gases found in geothermal fluids.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must include design features to control air emissions to acceptable levels if flash technology is being used.</li> </ul>	<ul style="list-style-type: none"> <li>If using flash technology, sub-project/sub-investment design incorporates H<sub>2</sub>S vent gas abatement systems.</li> <li>If mercury is present in geothermal systems, carbon filtration is incorporated into sub-project/sub-investment emission control design.</li> </ul>
PR 3: Resource efficiency and pollution prevention and control	Sub-project/sub-investment site preparation and construction will disturb the ground surface and increase the likelihood of soil erosion and sedimentation, potentially polluting streams and rivers and adversely impacting aquatic life.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must demonstrate that sediments in stormwater will be managed in a manner that avoids or minimises impacts on streams and rivers</li> </ul>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment proposes the use of best management practices for soil erosion and runoff (such as sediment settling basins, silt fencing, hay bales, physical barriers, grassed swales and so on).</li> </ul>
PR 3: Resource efficiency and pollution prevention and control	The deep drilling required for geothermal wells will produce a large amount of waste material, including geothermal fluid and cuttings. Both may contain high concentrations of heavy metals. If not properly managed, this waste could potentially pollute streams and rivers and adversely impact aquatic life.	<ul style="list-style-type: none"> <li>Sub-project/sub-investment waste materials during sub-project/sub-investment construction must be properly managed by the sponsor.</li> </ul>	<ul style="list-style-type: none"> <li>The developer/sponsor has prepared a waste management plan that adequately addresses the management and disposal of drilling wastes in accordance with national law and international best management practices.</li> </ul>

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR4: Health, safety and security	<p><b>Workforce health and safety:</b> Occupational health and safety hazards specific to geothermal energy facilities and activities primarily include exposure to geothermal gases, confined spaces, heat and noise. There are also risks relating to inadequate worker accommodation.</p>	<ul style="list-style-type: none"> <li>The workforce health and safety assessment includes all sub-project/sub-investment workers, including staff of the developer/sponsor and staff of contractors, sub-contractors, intermediaries, suppliers and service providers.</li> <li>The sub-project/sub-investment ensures compliance with statutory and collectively agreed occupational health and safety requirements.</li> <li>The developer/sponsor recognises its primary responsibility to provide safe and healthy working environments for sub-project/sub-investment workers and to inform, instruct, train, supervise and consult sub-project/sub-investment workers on health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>An assessment has been undertaken of sub-project/sub-investment workforce health and safety issues, risks and management measures, including the risk of inadequate or unsafe worker accommodation, with no significant gaps.</li> <li>A sub-project/sub-investment-specific occupational health and safety plan is in place; where appropriate, the plan is integrated into the sub-project/sub-investment ESMS.</li> <li>The developer/sponsor has, or will have, a procurement system in place that ensures that contractors abide by the provisions of its health and safety programme and national law.</li> <li>Processes are or will be in place to identify any emerging or ongoing sub-project/sub-investment workforce health and safety issues and risks, and to monitor whether management measures are effective.</li> </ul>
PR4: Health, safety and security	<p><b>Gender-based violence and harassment (GBVH):</b> Female community members and workers may be at heightened risk of GBVH. Risks are heightened at sub-projects/sub-investments situated in remote areas or where there is a significant workforce influx.</p>	<ul style="list-style-type: none"> <li>The developer/sponsor will assess sub-project/sub-investment-related risks of GBVH to sub-project/sub-investment-affected persons and communities.</li> <li>Where appropriate, the sub-project/sub-investment has clear GBVH safeguarding processes in place, including the provision of confidential channels for reporting incidents and providing support.</li> <li>Where required, the developer/sponsor has relied on work conducted by qualified and experienced specialists to identify and assess GBVH risks.</li> </ul>	<ul style="list-style-type: none"> <li>The assessment of GBVH safeguarding processes for the sub-project/sub-investment has found no significant gaps.</li> <li>Processes are in place to identify any emerging or ongoing GBVH-related issues and to monitor whether safeguarding measures are effective.</li> <li>All site-specific GBVH risk assessment and mitigation strategies have been implemented by recognised GBVH experts.</li> </ul>

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR4: Health, safety and security	<b>Community health and safety:</b> Sub-project/sub-investment activities, equipment and infrastructure may increase the potential for community exposure to health and safety risks and impacts, including those associated with construction, operations and decommissioning, or the transport of raw and finished materials.	<ul style="list-style-type: none"> <li>The developer/sponsor must take steps to identify and prevent accidents, injury and disease to workers and affected communities arising from or associated with, or occurring in the course of, the sub-project/sub-investment activities and prepare and implement preventative measures and plans to manage health and safety risks.</li> <li>The developer/sponsor must provide affected communities with relevant information, guidance and training.</li> <li>The sub-project/sub-investment site area should be restricted to avoid unauthorised entrance during construction.</li> <li>The developer/sponsor must have a system to investigate, document and analyse any sub-project/sub-investment-related accident, injury or disease, and notify and cooperate with the relevant authorities when required to do so by law.</li> </ul>	<ul style="list-style-type: none"> <li>The developer/sponsor has a documented health and safety programme in place that contains employee training, awareness and reporting elements.</li> <li>The developer/sponsor has, or will have, a procurement system in place that ensures that contractors abide by the provisions of its health and safety programme and national law.</li> </ul>
PR4: Health, safety and security	The withdrawal of aquifer water could cause ground subsidence in certain geology. In addition, the development of geothermal sub-project/sub-investments using enhanced geothermal system (EGS) technology requires hydraulic fracturing to create a reservoir and may produce seismic impacts, such as local “micro earthquakes”.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment design should incorporate measures to manage ground subsidence.</li> </ul>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment design should incorporate the reinjection of used geothermal water into the same aquifer from which it was drawn to minimise reductions in aquifer pressure and the risk of ground subsidence, especially in sedimentary geology.</li> <li>Where EGS technology is proposed, the sub-project/sub-investment should evaluate the potential for induced seismic activity and undertake stakeholder engagement activities (PR10)<sup>2</sup> to inform the local community of these risks.</li> </ul>
PR4: Health, safety and security	Drilling and construction activities (and, to a lesser extent, operations), increase local noise that can adversely impact nearby residential communities.	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must address, and when required by national requirements or international standards, include noise abatement measures to eliminate or minimise impacts on nearby communities.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of the sub-project/sub-investment site has maximised distance from residential communities to the greatest extent possible.</li> <li>An acoustic study has been conducted to evaluate impacts on nearby communities in accordance with national and international standards.</li> <li>Where unabated noise from construction and operation of the geothermal plant has been shown to present an unacceptable risk to nearby residents, abatement and management measures have been included to reduce it to acceptable levels.</li> </ul>

<sup>2</sup> See EBRD (2019).

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR5: Land acquisition, restrictions on land use and involuntary resettlement	<p>A sub-project/sub-investment may result in physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) due to sub-project/sub-investment-related land acquisition and/or restrictions on land use.</p> <p>Under EBRD PR9 (Appendix A: Referral List), FI financing of any activities resulting in involuntary resettlement is subject to referral to the EBRD.</p>	<ul style="list-style-type: none"> <li>The developer/sponsor will identify whether land acquisition and/or restrictions on land use for the sub-project/sub-investment, its components or any associated facilities<sup>3</sup> will result in physical displacement, economic displacement or loss of access to assets or resources.</li> <li>If the sub-project/sub-investment will result in physical or economic displacement, a resettlement action plan and/or compensation plan is required.</li> </ul> <p>Where applicable, the sub-project/sub-investment applies a “mitigation hierarchy” as required by the EBRD Environmental and Social Policy, as follows:</p> <ul style="list-style-type: none"> <li>Avoid displacement and, where this is not possible, implement additional measures to minimise, mitigate and, as a last resort, compensate for potential residual adverse impacts.</li> <li>Forced evictions are prohibited, in line with international law.</li> <li>Unavoidable residual displacement impacts must be mitigated by (i) timely compensation at full replacement cost and (ii) ensuring meaningful consultation.</li> <li>Livelihoods must be improved or, at a minimum, restored.</li> </ul>	<ul style="list-style-type: none"> <li>An assessment of the resettlement implications of the sub-project/sub-investment is undertaken early in the sub-project/sub-investment preparation stage.</li> <li>An alternatives analysis has been conducted to identify alternative sites and transmission routings.</li> <li>Where applicable, a resettlement action plan and associated processes are developed in a timely manner for sub-project/sub-investment implementation and operation.</li> <li>Monitoring of the implementation of the resettlement plans is undertaken to verify that commitments made to resettled people and host communities have been delivered and are effective, and to identify any ongoing or emerging issues.</li> </ul>
PR5: Land acquisition, restrictions on land use and involuntary resettlement	<p>In some cases, the development of geothermal energy may compete with, or adversely impact, tourism associated with use of geothermal springs.</p> <p>Impacts may stem from steam and odours from plants. These risks must be addressed and mitigated.</p>	<ul style="list-style-type: none"> <li>The selection of a site for the sub-project/sub-investment should consider nearby recreational uses and maintain local opportunities for tourism.</li> </ul>	<ul style="list-style-type: none"> <li>An alternatives analysis was conducted to identify alternative sites and minimise current and future impacts on tourism.</li> </ul>

<sup>3</sup> Facilities and sub-project/sub-investments developed by separate legal entities whose viability and existence are determined by or depend exclusively on the sub-project/sub-investment and are essential for the successful operation of the sub-project/sub-investment. This may include, for example, powerlines to connect the sub-project/sub-investment to the grid, where these are not part of the sub-project/sub-investment.

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR 6: Biodiversity conservation and sustainable management of living natural resources	<p><b>Water quality:</b> Discharges of geothermal fluid, cooling-tower blowdown water, and sediment can pollute streams, rivers and groundwater if unmanaged, or during emergencies.</p> <p>The sub-project/sub-investment needs to have contingency measures in place to ensure that, in case of an emergency, discharge water can be stored on site and is not released into the environment.</p>	<ul style="list-style-type: none"> <li>• The sub-project/sub-investment must provide for proper treatment and/or disposal of wastewater.</li> <li>• Sub-project/sub-investment design must include features that prevent contamination of potable groundwater.</li> <li>• The sub-project/sub-investment must demonstrate that sediments in stormwater will be managed in a manner that avoids or minimises impacts on streams and rivers.</li> <li>• Sub-project/sub-investment waste materials during sub-project/sub-investment construction must be properly managed by the sponsor.</li> </ul>	<ul style="list-style-type: none"> <li>• The developer/sponsor has developed a water management plan that provides for proper treatment and/or disposal of wastewater/coolants.</li> <li>• The sub-project/sub-investment only uses closed cooling systems and does not discharge any wastewater to the surface or into the groundwater.</li> <li>• Sub-project/sub-investment design includes a wastewater reinjection plan that addresses the potential for potable groundwater contamination and measures to prevent contamination.</li> <li>• The sub-project/sub-investment proposes the use of best management practices for soil erosion and runoff (such as sediment settling basins, silt fencing, hay bales, physical barriers, grassed swales and so on).</li> <li>• The developer/sponsor has prepared a waste management plan that adequately addresses the management and disposal of drilling wastes in accordance with national law and international best management practices.</li> </ul>
PR 6: Biodiversity conservation and sustainable management of living natural resources	The siting and construction of the geothermal plant and related transmission lines could adversely impact protected species or their habitat.	<ul style="list-style-type: none"> <li>• The sub-project/sub-investment must avoid impacts on protected species and their habitats to the greatest extent possible.</li> <li>• The developer/sponsor has identified any potential protected species that may be affected by the proposed development in accordance with national legislation and international treaties.</li> </ul>	<ul style="list-style-type: none"> <li>• The developer/sponsor has relied on work conducted by qualified and experienced specialists to identify protected species that may be affected as part of the ecological baseline, with reference to at least national regulations and International Union for the Conservation of Nature (IUCN)<sup>4</sup> and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) lists.<sup>5</sup></li> <li>• An alternatives analysis was conducted to identify alternative sites and minimise current and future impacts on protected species.</li> <li>• Where impacts cannot be avoided, the sub-project/sub-investment sponsor has developed a mitigation strategy to limit the effect of the development on protected species.</li> </ul>

<sup>4</sup> See IUCN (n.d.). <sup>5</sup> See CITES (2024).



EBRD ESP 2019	Issue	Eligibility criteria	Evidence
PR 6: Biodiversity conservation and sustainable management of living natural resources	<p>The siting and construction of the geothermal plant and related transmission lines could adversely impact designated national or international protected areas. Designated areas (such as a national park, Important Bird and Biodiversity Area (IBA), a Natura 2000 site/Emerald site, both official and shadow lists) are typically listed as such because they contain threatened, rare or sensitive fauna and flora, and geothermal operations in such areas may be detrimental to those species.</p> <p>Under EBRD PR9 (Appendix A: Referral List), FI financing of activities that occur within or have the potential to adversely affect a protected area is subject to referral to the EBRD.</p>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must avoid impacts on designated national or international protected areas to the greatest extent possible.</li> <li>The developer/sponsor has identified any designated national or international protected areas that may be affected by the proposed development in accordance with national legislation and international treaties.</li> </ul>	<ul style="list-style-type: none"> <li>The developer/sponsor has identified national or international protected areas that may be affected by the sub-project/sub-investment.</li> <li>An alternatives analysis was conducted to identify alternative sites and minimise current and future impacts on national or international protected areas.</li> <li>Where impacts cannot be avoided, the developer/sponsor has developed a mitigation strategy to limit the effect of the development on national or international protected areas and a full ESIA has been conducted per Category A sub-project/sub-investments (see PR1).<sup>6</sup></li> </ul>
PR 8: Cultural heritage	<p>Sub-project/sub-investment construction may cause damage or disturbance to irreplaceable sites (areas of archaeological or historical interest to local communities), features or practices of tangible or intangible cultural heritage value.</p> <p>Under EBRD PR9 (Appendix A: Referral List), FI financing of any activities that may affect adversely sites of cultural or archaeological significance is subject to referral to the EBRD.</p>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment must avoid impacts on cultural heritage assets to the greatest extent possible.</li> <li>The developer/sponsor has identified any potential tangible and intangible heritage that may be affected by the proposed development in accordance with national legislation and international treaties.</li> <li>The developer/sponsor has relied on work (such as archaeological surveys, as appropriate) conducted by qualified and experienced specialists to identify and assess heritage that may be affected.</li> </ul>	<ul style="list-style-type: none"> <li>The sub-project/sub-investment avoids impacts on cultural heritage assets wherever possible</li> <li>Where impacts cannot be avoided, the developer/sponsor has developed a mitigation strategy to limit the effect of the development on heritage.</li> <li>All site-specific cultural studies and mitigation strategies have been implemented by recognised archaeologists or cultural historians in accordance with international standards.</li> </ul>

<sup>6</sup> See EBRD (2019).

EBRD ESP 2019	Issue	Eligibility criteria	Evidence
<p>PR10: Information disclosure and stakeholder engagement</p>	<p>Identification of and engagement with stakeholders is an integral part of a sub-project/sub-investment's preparation, environmental and social assessment and management. The scope and depth of the required stakeholder engagement and information disclosure is proportionate to the sub-project/sub-investment's environmental and social risks and impacts.</p> <p>Stakeholder engagement activities should be used to inform the contextual risks associated with the sub-project/sub-investment and the sub-project's/sub-investment's social licence to operate.</p>	<ul style="list-style-type: none"> <li>• The sub-project/sub-investment has a systematic approach to stakeholder engagement that will help the developer/sponsor build and maintain a constructive relationship with its stakeholders.</li> <li>• The sub-project/sub-investment provides the means for effective and inclusive engagement with sub-project/sub-investment stakeholders throughout the sub-project/sub-investment cycle.</li> <li>• The sub-project/sub-investment ensures that appropriate E&amp;S information is disclosed, and that meaningful consultation is held with the sub-project/sub-investment's stakeholders and, where appropriate, that feedback provided through the consultation is taken into consideration.</li> <li>• The sub-project/sub-investment ensures that grievances from stakeholders are responded to and managed appropriately.</li> <li>• The sub-project/sub-investment develops a non-technical summary outlining project impacts and monitoring to allow for meaningful stakeholder engagement, communication and provision of information on project assessment and mitigation measures.</li> </ul>	<ul style="list-style-type: none"> <li>• The affected community has been identified, notified and consulted prior to the development of the facility.</li> <li>• For higher-risk sub-projects/sub-investments involving large-scale land acquisition or with significant community concerns or complex issues, a stakeholder engagement and community liaison function is established by the developer/sponsor, with dedicated personnel.</li> <li>• Information on monitoring results should be provided to local stakeholders if necessary, or as part of annual sustainability reporting.</li> <li>• The developer/sponsor publishes a non-technical summary for the sub-project/sub-investment and makes it available to the local community.</li> <li>• The sub-project/sub-investment has implemented a stakeholder engagement plan or equivalent documented process proportionate to the nature and scale of the risks, impacts and development stage of the sub-project/sub-investment, ensuring data protection, confidentiality and non-reprisal, establishing processes for information disclosure, meaningful consultation and feedback on consultation and documentation and access to the sub-project/sub-investment grievance mechanism.</li> <li>• An effective grievance mechanism has been developed and implemented by the developer/sponsor as early as possible in the sub-project/sub-investment cycle, to cover both the construction and operational phases of the sub-project/sub-investment. The mechanism is publicised and disclosed in a format and language that is readily understandable to the affected stakeholders. Monitoring of grievances is undertaken on a periodic basis against clear indicators.</li> <li>• Contractors' roles and responsibilities in receiving grievances, supporting the investigation and resolution of grievances and abiding by the sub-project/sub-investment grievance mechanism are clearly set out in the grievance procedure and stipulated in the contractor's contract.</li> </ul>

## References

CITES (2024), *Convention on International Trade in Endangered Species of Wild Fauna and Flora, Appendices I, II and III*, Geneva, Switzerland. Available at: <https://cites.org/eng/app/appendices.php>.

EBRD (2019), *Environmental and Social Policy*, London. Available at: <https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>.

IUCN (n.d.), *IUCN Red List of Threatened Species*, Cambridge, UK. Available at: <https://www.iucnredlist.org/en>.

June 2024

© European Bank for Reconstruction and Development

Five Bank Street

London E14 4BG

United Kingdom

[www.ebrd.com](http://www.ebrd.com)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, without the written permission of the copyright holder. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

#### **Disclaimer**

This document contains references to good practices and should be interpreted bearing in mind the Environmental and Social Policy adopted by the EBRD; it is not a compliance document. It does not alter or amend EBRD policies and does not create any new or additional obligations for any person or entity. In case of any inconsistency or conflict between this document and the Environmental and Social Policy adopted by the EBRD as amended from time to time, such policy shall prevail. Questions of interpretation shall be addressed solely in respect of the Environmental and Social Policy.

The information and opinions within this document are for information purposes only. No representation, warranty or undertaking expressed or implied is made in respect of any information contained herein or the completeness, accuracy, or currency of the content herein. The EBRD does not assume responsibility or liability with respect to the use of or failure to use or reliance on any information, methods, processes, conclusions, or judgments contained herein, and expressly disclaims any responsibility or liability for any loss, cost, or other damages arising from or relating to the use of or reliance on this document. In making this document available, the EBRD is not suggesting or rendering legal or other professional services for any person or entity. Professional advice of qualified and experienced persons should be sought before acting (or refraining from acting) in accordance with the procedures outlined herein.

This document does not constitute or imply a waiver, renunciation or other modification, either express or implied, of any of the privileges, immunities and exemptions granted to the EBRD under the Agreement Establishing the European Bank for Reconstruction and Development, international convention or any applicable law. Certain parts of this document may link to external internet sites and other external internet sites may link to this publication. The EBRD does not accept responsibility for any of the content on these external internet sites.