



European Bank
for Reconstruction and Development

EBRD: E&S Appraisal and Performance Requirements



Agenda



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- Introductions
- Project Financing
- Financing and Sustainability Principles
- EBRD and E&S Performance Requirements
- Procurement and Integration of E&S Issues
- Case study

Project Financing – a variety of Players



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Financing and Sustainability Principles

Equator Principles

- Risk management framework established in 2003 for determining, **assessing and managing environmental and social risk in projects**
- Primarily intended to provide a **minimum standard** for due diligence to support responsible risk decision-making
- Based on the **IFC Performance Standards** on social and environmental sustainability and on the World Bank Group's Environmental, Health, and Safety Guidelines (EHS Guidelines)
- **97 EPFIs in 37 countries** have officially adopted the Equator Principles (covering over 70 percent of international Project Finance debt in emerging markets)



Principles for Responsible Investment

- a voluntary and aspirational set of investment principles that offer a menu of possible actions for **incorporating ESG issues into investment practice**
- Over 2,500 signatories - Investment managers, asset owners, service providers



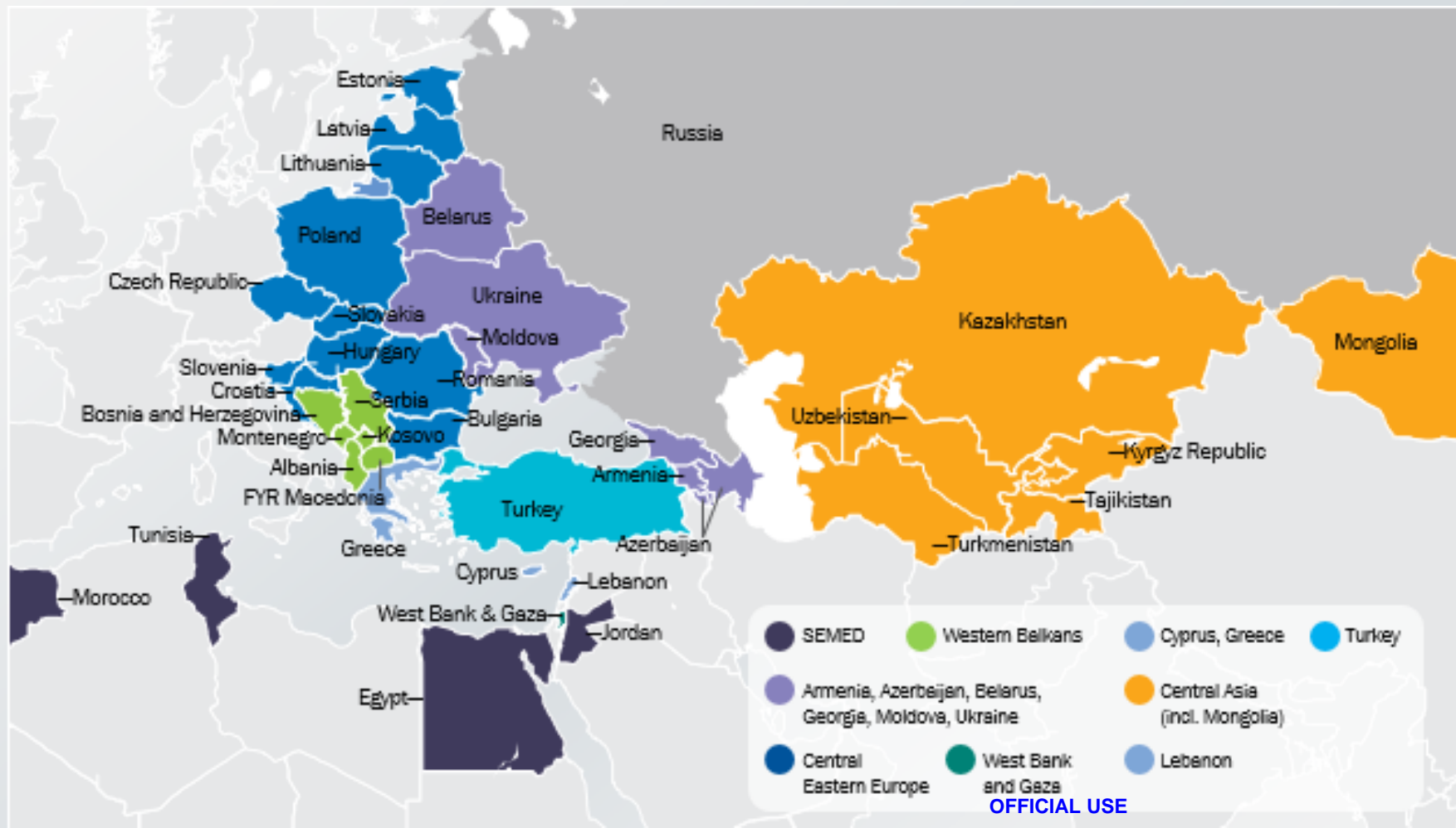


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Who we are and where we work

EBRD is an international financial institution supporting the development of sustainable well-functioning market economies

Owned by 69
countries and 2
inter-governmental
institutions
(the EU and EIB)



- 1991 Established
- 1992 Russia and 11 other members of the former Soviet Union join
- 2007 / 08 Czech Republic first country to “graduate”; Turkey becomes Country of Operations
- 2012 Starts investing in Egypt, Jordan, Morocco and Tunisia
- 2016 25th anniversary; China becomes 67th member
- 2017 Starts investing in Lebanon and the West Bank and Gaza

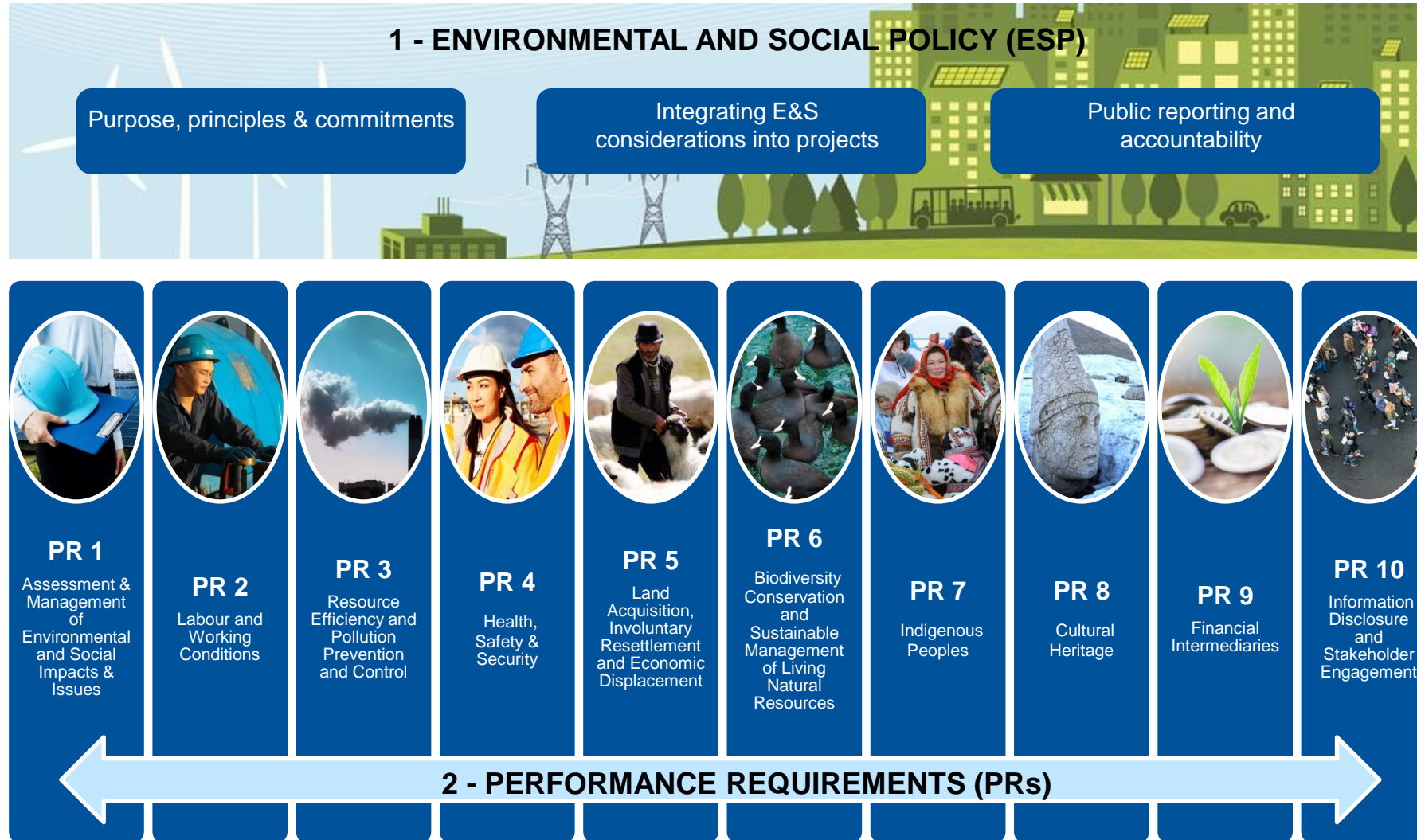
Sustainable Development Goals



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- United Nations led
- Blueprint for peace and prosperity for people and the planet, now and into the future - universal
- 17 SDGs to be met by 2030
- Partnership of governments, private sector, civil society and citizens
- **In line with the EBRD's work to bring positive change in people's lives throughout the economies where we invest.**

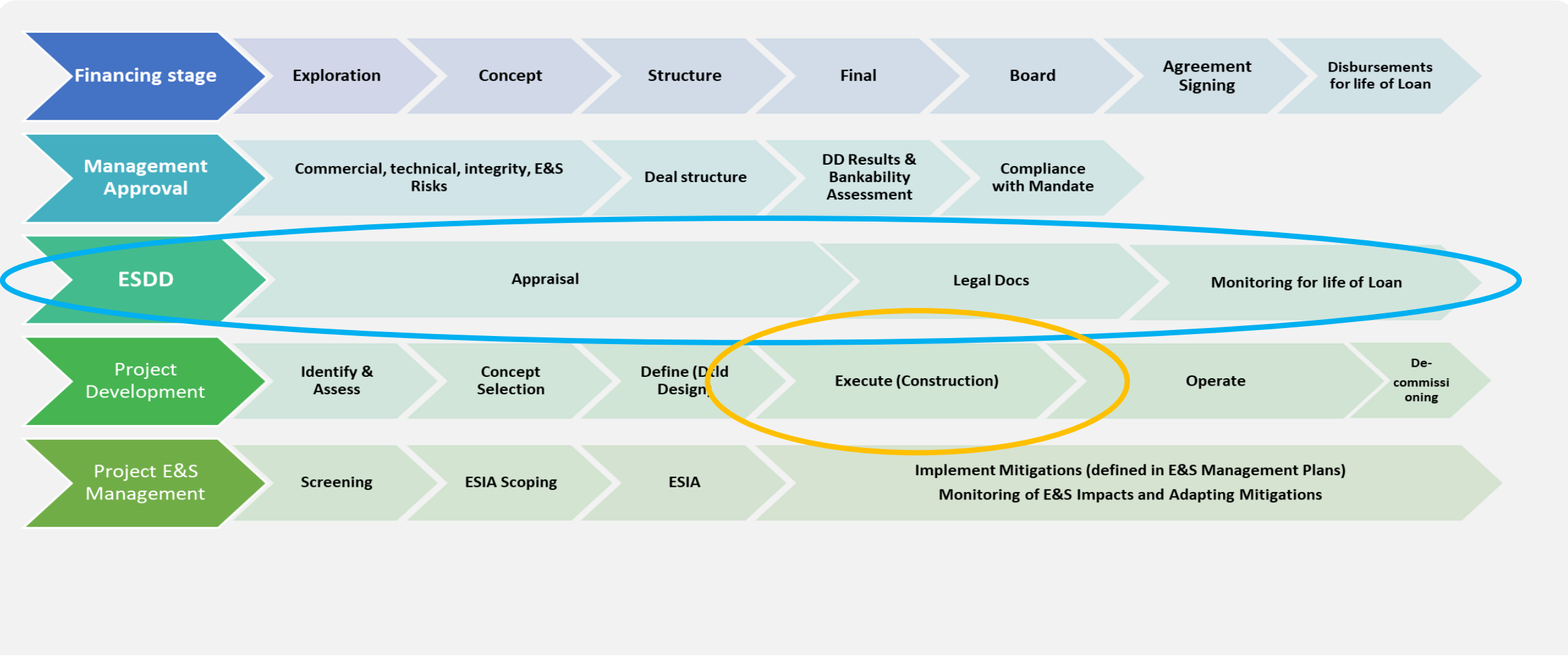




Project and Financing Life Cycle



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Performance Requirement's – Contractor Implications



PR1 Assessment and Management of E&S Impacts

- Design E&S considerations
- Construction Phase ESMS
- E&S Organization
- Supply Chain Requirements (Sub-contractors and suppliers)



PR2 Labour and Working Conditions

- HR Policies and Procedures including Workforce Grievance Mechanism
- Child and Forced Labour
- Workforce Accommodation
- Security



PR3 Resource Efficiency, Pollution Prevention and Control

- Resource Efficiency
- Pollution Prevention
- Waste and Wastewater Management



PR4 Health and Safety

- Construction Phase HSMS
- Occupational and Community H&S Mitigations including Traffic and Road Safety
- Emergency Response

Performance Requirement's – Contractor Implications



PR5 Land Acquisition, Involuntary Resettlement Economic Displacement

- Acquisition of land
- Maintaining access and services
- Land Entry, Exit and Reinstatement



PR6 Biodiversity Conservation & Sustainable Management of Living Natural Resources

- Pre-construction surveys
- Temporal or spatial working constraints
- Reinstatement and Ecological Restoration



PR8 Cultural Heritage

- Spatial or working practice restrictions
- Chance finds procedure



PR10 Information Disclosure and Stakeholder Engagement

- Stakeholder engagement activities
- Community Grievance Mechanism
- Monitoring and Reporting

Procurement Policies and Rules including ESHS



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- Based on the fundamental principles **of non-discrimination, fairness and transparency**
- Designed to promote **efficiency** and **effectiveness** and to **minimise risk** in the implementation of the Bank's lending and investment operations
- Procurement for public sector operations – apply to acquisition of goods, works and services. Detailed requirements for the procurement **process**; standard procurement documents are available but alternatives accepted
- Procurement in private sector – “use appropriate procurement methods.... sound selection of goods and services at fair market pricesin a cost effective manner.”
- E&S requirements currently integrated into:
 - Pre-Qualification/Qualification Criteria
 - Technical Proposal – ESHS Plan
 - Employer’s Requirements – (E&S Management and Mitigation Provisions; ESAP)
 - Contract Terms and Conditions

The World Bank *“is driving change by:*

- *promoting and enabling good ESHS practice through procurement documents and procedures*
- *supporting Borrowers in setting appropriate ESHS policies, standards, measures, and requirements*
- *requiring bidders/proposers to address ESHS risks and impacts associated with the project*
- *assessing bidders/proposers to determine if they have sufficient ESHS capacity and capability to perform to the required standards*
- *proactively managing project delivery and quickly addressing ESHS performance deficits”*

Considering feedback from the WB on how this is working in practice; EBRD are in the process of reviewing tender documentation to also enhance ESHS provisions and will consider WB experience

Project Case Studies



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