



European Bank
for Reconstruction and Development

Environmental and social eligibility criteria for hydropower sub-projects/sub-investments

Environmental and social risk management
toolkit for financial intermediaries

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

This note sets out the specific E&S criteria that FI sub-projects/sub-investments involving hydropower need to meet in the context of an environmental and social management system (ESMS) aligned with Environmental and Social Requirement 9 (ESR 9). The criteria, therefore, correspond to the need to consider the level of environmental and social risk associated with sub-projects and investments, including size, type, socioeconomic context, location and sector sensitivity to such risks.¹ Prior to approval for receipt of EBRD proceeds, all hydropower projects are subject to review against these criteria by the EBRD's Environment and Sustainability Department, with reference to the EBRD's *Environmental and social good practice note: Small hydropower projects*,² as the case may be.

In this note, the term "sub-project/sub-investment" refers to the hydropower project or investment being considered for financing, including all its associated facilities, as defined by the EBRD 2024 Environmental

and Social Policy (ESP).³ This typically includes, but is not limited to, transmission lines, access roads, temporary sites, quarries, spoil disposal areas and other elements identified during the first stages of the due diligence process. The term "developer" refers to the sub-borrower/investee that owns the hydropower sub-project/sub-investment and receives indirect EBRD financing.

The sub-project/sub-investment includes four temporal elements: (i) planning and siting of the facility, (ii) construction, (iii) operation and maintenance, and (iv) decommissioning. All four elements are discussed here. This note is specific to new or "greenfield" sub-projects/sub-investments and extensions to or remodelling of existing facilities.

The eligibility criteria below are organised with reference to the EBRD ESRs, as defined in the 2024 EBRD ESP. The key issues identified are typical of activities and technologies used in constructing a hydroelectric power plant, but may not be exhaustive. Proposed sub-projects/sub-investments in high-risk contexts may require additional evaluation.

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

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
ESR 1: Assessment and management of environmental and social risks and impacts	The sub-project/sub-investment, or proposed sub-project/sub-investment, may not have all the necessary permissions and permits required under national law.	- The sub-project/sub-investment must comply with all requirements of national environmental, health and safety, and labour laws. - 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.	- The developer has undertaken an environmental impact assessment (EIA) where required by the national authorities and that EIA has been disclosed to the public in accordance with national requirements. - The developer has undertaken all other studies required by national or local authorities. - The developer has obtained the required licences and permits to build and operate the sub-project/sub-investment. - In case of encroachment or anticipated impact of the sub-project/sub-investment (the plant or its grid connection) on a Natura 2000 site, it must be demonstrated, through an appropriate assessment

¹ See EBRD (2025).

² See EBRD (2024a).

³ See EBRD (2024b).

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
			in line with the Birds Directive (2009/147/EC), ⁴ the Habitats Directive (92/43/EC) ⁵ and the Bern Convention (June 1979) ⁶ , that the project will not result in significant adverse effects on the integrity and conservation objectives of the site.
ESR 1: Assessment and management of environmental and social risks and impacts	When already operational, the sub-project/sub-investment (the plant or its grid connection) may not comply with applicable requirements.	The facility will comply/complies with the requirements of national laws on the environment, health and safety and labour, the requirements set out in the EBRD <i>Environmental and social good practice note: small hydropower projects</i> ⁷ and, in the case of Category A projects, with the applicable EBRD ESRs 1-8 and 10.	• The developer has undertaken a review of compliance gaps and has taken corrective action where gaps were identified. • The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.⁸ • The developer has undertaken an environmental and social assessment (ESA) proportionate to the project's nature, scale and risks. • The developer has undertaken a full environmental and social impact assessment (ESIA) where required under relevant European Union (EU) directives or Annex B of the EBRD ESP 2024; that ESIA follows EU standards and has been disclosed to the public in accordance with EU requirements and EBRD ESR 10.
ESR 1: 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 Annex B of the EBRD ESP 2024.	• The sub-borrower/investee has assessed and demonstrated that the sub-project/sub-investment: • does not create a "large dam" as defined by the International Commission on Large Dams (ICOLD) • is not planned to have or likely to have a perceptible impact, including cumulative impact, on sensitive locations of international, national or regional importance (see ESR 6 below) • will not result in significant adverse social impacts on local communities or other sub-project-/sub-investment affected parties (see ESR 4 below) • will not involve significant involuntary resettlement or economic displacement (see ESR 5 below).	• The developer has undertaken a full ESIA where required under relevant EU directives or the EBRD ESP 2024 (Annex B);⁹ that ESIA follows EU standards and has been disclosed to the public in accordance with EU requirements and EBRD ESR 10. • Under EBRD ESR 9, FI financing of any Category A sub-project/sub-investment is subject to referral to the EBRD

4 See EU (2009).

5 See EU (1992).

6 See EU (1982).

7 See EBRD (2024a).

8 Ibid.

9 EBRD (2024b).

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
ESR 1: 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. The sub-project/sub-investment must avoid significant cumulative impacts on a stretch of a river or the river basin as a whole arising from the development of several small and other hydropower developments and other schemes affecting the water availability and/or quality and continuity of the aquatic habitat for migratory species.	- Each new sub-project/sub-investment must consider the local conditions and baseline data, including existing, planned or permitted sub-project/sub-investments and programmes related to land or water use. - An assessment must be made of the cumulative impact of existing and planned hydroelectric plants in the same catchment area. Where a proposed hydroelectric plant is to be built as part of a cascade of hydropower plants, or in a river basin where other hydropower schemes and cross-river infrastructures exist or are planned, cumulative environmental and social risks and impacts need to be assessed and mitigated in compliance with the EBRD ESP.	The EIA demonstrates that the expected overall cumulative impact of developments in the water basin (including the sub-project/sub-investment) has been assessed and is or will be mitigated to an acceptable extent.
ESR 2: Labour and working conditions	Sub-project/sub-investment workers may not be employed in line with national legal requirements, treated fairly or adequately protected.	- 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. - These aspects should be considered for all sub-project/sub-investment workers, including staff of the sub-borrower/investee and staff of contractors, sub-contractors, intermediaries and service providers.	- The assessment of human resource and labour management processes for the sub-project/sub-investment has found no significant gaps. - Processes are in place to identify any emerging or ongoing issues and to monitor whether management measures are effective.
ESR 2: Labour and working conditions	The sub-borrower/investee 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.	- 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 (sub-borrower/investee, contractor, sub-contractor) are a party. - 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. - Worker grievance procedures are documented and tracked.	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.

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
ESR 3: Resource efficiency and pollution prevention and control	The developer may not have a plan to manage construction and operational wastes in compliance with national regulations and EBRD ESR 3.	• All the liquid and solid wastes generated during construction must be sorted, collected and disposed of/treated by authorised companies. • All the wastes captured at the intake of the hydropower scheme must be collected and disposed of to an authorised site.	• The developer has anticipated the volumes of waste to be managed and has a strategy to manage waste through authorised companies.
ESR 3: Resource efficiency and pollution prevention and control	Without adequate controls, the sub-project/sub-investment may not preserve water storage sites as a sustainable renewable resource for power generation, water supply or flood management in the long term.	The developer has a plan to minimise erosion risks and revegetate all temporary or disposal sites after construction, including: • maximising the re-use of spoils • minimising the number and size of borrow areas • appropriate collection and storage of topsoil • revegetation of all temporary or spoil disposal sites with native species at the end of construction.	• The developer has an erosion control plan as well as a site restoration and revegetation plan in place. • Sub-project/sub-investment contractors are contractually bound to implement the plan.
ESR 4: Health, safety and security	Sub-project/sub-investment implementation may give rise to significant workforce health and safety risks, which need to be identified and managed. These may include both exposure to physical hazards from over-exertion, slips and falls, working at height, moving machinery, dust, and confined spaces and excavations, as well as inadequate or unsafe worker accommodation.	• The workforce health and safety assessment includes all sub-project/sub-investment workers, including staff of the sub-borrower/investee and staff of contractors, sub-contractors, intermediaries, suppliers and service providers. • The sub-project/sub-investment ensures compliance with statutory and collectively agreed occupational health and safety requirements. • The sub-borrower/investee 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.	• An assessment has been undertaken of sub-project/sub-investment workforce health and safety issues, risks and management measures, including risks of inadequate or unsafe worker accommodation, with no significant gaps. • A sub-project/sub-investment-specific occupational safety and health plan is in place; where appropriate, the plan is integrated into the sub-project/sub-investment ESMS. • 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. • The developer 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.
ESR 4: Health, safety and security	The sub-project/sub-investment should not create or exacerbate any public health issues. Any ongoing or emerging public health issues associated with the sub-project/sub-investment are to be identified and addressed, as required, particularly regarding rapid flow variations. Commitments made by the sub-project/sub-investment to implement public health measures must be fulfilled.	• The developer identifies and assesses sub-project-/sub-investment-related risks and adverse impacts on the physical health and safety of sub-project-/sub-investment-affected communities and develops detection, protection, prevention and mitigation measures proportionate to the impacts and risks. • The assessment should include exposure to sub-project/sub-investment-related activities and	• A community health assessment, including needs, issues and risks for different community groups, has been undertaken with no significant gaps. • The developer has undertaken a comprehensive review of the possible rapid flow variation scenarios, evaluated the corresponding risks and put in place appropriate mitigation measures.

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
		infrastructure; changes to water flows; community interactions with workers and security personnel; population migration into the sub-project/sub-investment area; and risks of gender-based violence and harassment (GBVH) to sub-project/sub-investment workers and sub-project-/sub-investment affected persons and communities.	
ESR 4: Health, safety and security	Public safety risks relating to sub-project/sub-investment infrastructure must be recognised and addressed to a justifiable level of residual risk. All national legal requirements and design standards for the infrastructure, as well as the risks, should be identified, documented and met.	Sub-project/sub-investment design should consider the following dam failure risks at a minimum: • overtopping • foundational defects • seepage-induced erosion • structural failure of construction materials • inadequate monitoring and maintenance. Appropriate expertise must be used for infrastructure safety-related assessments.	Dam and other infrastructure safety management plans and processes have been developed for sub-project/sub-investment implementation and operation in conjunction with relevant regulatory and local authorities. They establish that: • public safety measures are communicated • emergency response plans include awareness and training programmes • dam safety is independently reviewed.
ESR 4: Health, safety and security	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.	• The sub-borrower/investee will assess sub-project/sub-investment related risks of GBVH to sub-project/sub-investment-affected persons and communities. • 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.	• The assessment of GBVH safeguarding processes for the sub-project/sub-investment has found no significant gaps. • Processes are in place to identify any emerging or ongoing GBVH-related issues and monitor if safeguarding measures are effective. • All site-specific GBVH risk assessment and mitigation strategies have been implemented by recognised GBVH experts.
ESR 5: Land acquisition, restrictions on land use and involuntary resettlement	The sub-project/sub-investment (the plant or its grid connection) 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) as a result of sub-project/sub-investment-related	• The sub-borrower/investee will identify whether land acquisition and/or restrictions on land use for the sub-project/sub-investment, its components or any associated facilities¹⁰ will result in physical displacement, economic displacement or loss of access to assets or resources. • The sub-project/sub-investment avoids any involuntary physical resettlement, including through alternative design. If needed, the	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹¹ • An assessment of the resettlement implications of the sub-project/sub-investment is undertaken early in the sub-project/sub-investment preparation stage (covering the plant and its grid connection).

¹⁰ 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.

¹¹ See EBRD (2024a).

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
	land acquisition and/or restrictions on land use.	physical resettlement of households should be carried out through a negotiated settlement.	• An alternatives analysis has been conducted to identify alternative sites and transmission routings. • If involuntary physical resettlement is planned, an alternative design or a negotiated approach to avoid involuntary resettlement is provided. • Monitoring is undertaken of the implementation of the resettlement plans, 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.
ESR 5: Land acquisition, restrictions on land use and involuntary resettlement	The sub-project/sub-investment must not reduce local community use of or access to either the river or the surrounding lands.	• The sub-project/sub-investment does not stop or limit local communities' ability to use the river to provide a livelihood, as a leisure amenity or to use the land around the river where they may rely on the river for irrigation purposes. • The sub-project/sub-investment avoids any reduction in water availability or quality of available water to the extent that water is used by local communities as drinking water, or for activities sustaining their livelihoods or that have cultural, historical or significant recreational value to the local communities.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹² • Local community uses of the river have been identified. • The locally affected community has been notified and consulted in a meaningful way, prior to the development of the sub-project/sub-investment. • Local communities have been informed of the risks associated with the construction and operation of the hydropower scheme, and adequate mitigation measures have been agreed to ensure that eligibility criteria are met.
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The siting and construction of the hydropower plant and related transmission lines could adversely impact designated national or international protected areas. Designated areas are typically listed as such because they contain threatened, rare or sensitive fauna and flora, and the construction and operation of hydropower sub-projects/sub-investments in such areas may be detrimental to those species. Protected or conservation areas are based on official sources and include: • legally protected areas (including candidate or adopted "Emerald" sites) • areas proposed for protection by the national government • internationally recognised areas, including key	• The sub-project/sub-investment must avoid impacts on designated national or international protected areas to the greatest extent possible. • The developer 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. • Where the sub-project/sub-investment is planned to be carried out or is likely to have a perceptible impact, including a cumulative impact with other relevant past, present or reasonably foreseeable developments, on a sensitive location of international, national or regional importance, it should be categorised as "A" and subject to an ESIA and formalised and	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹³ • The developer has identified national or international protected areas that may be affected by the sub-project/sub-investment. • An initial screening report records distance. If the sub-project/sub-investment (or any of its components) is located inside, next to or functionally connected to a conservation area, the developer identifies the extent of the additional assessments required to meet EBRD ESR 6. If the project might affect a protected or conservation area, the entity in charge of that area should be consulted and the project's risks to the conservation objectives understood before the initial screening can be passed.

¹² Ibid.

¹³ Ibid.

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
	biodiversity areas, important bird areas and “Ramsar” sites.	participatory public consultation process.	• An alternatives analysis is conducted to identify alternative sites and minimise current and future impacts on national or international protected areas. • Where impacts cannot be avoided, the developer establishes a mitigation strategy to limit the effect of the development on national or international protected areas and a full ESIA is conducted as per Category A (see ESR1).
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The sub-project/sub-investment's economic viability must be based on the water flow required for the river to sustain existing environmental and social needs.	• An inventory of water users that might be impacted by the sub-project/sub-investment and an aquatic biodiversity baseline are undertaken. On this basis, the flow regime required to preserve other water uses and aquatic biodiversity is defined, and the sub-project/sub-investment is designed to maintain this flow regime. • Maintain a minimum wetted channel perimeter at all control structures, with a flow in the river that satisfies environmental and social needs throughout the year.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹⁴ • Justification must be provided considering the requirement to provide an adequate flow for fish, wildlife and water quality.
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The sub-project/sub-investment must not contribute to a deterioration in water quality during construction, commissioning or operation.	• The sub-project/sub-investment has minimal impact on water quality in the head pond, bypassed reach and the reaches downstream of the tailrace and diversion dams and dykes.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹⁵ • The sub-project/sub-investment has not contributed to a deterioration in water quality post-construction.
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The sub-project/sub-investment should have minimal impact on local fish populations, providing effective fish passage for local and migrating fish species, and protect fish from entrainment.	• There should be minimal loss of fish or fish habitat. • Sub-project/sub-investment preserves resident fish communities. • Sub-project/sub-investment preserves the ability of the fish population to reproduce and feed. • Fish passage structures will be designed to meet the swimming capacity of the species identified during the baseline. Naturalised fish path options will be studied first before concrete structures are proposed. • Flows in the bypassed reach and downstream of the tailrace are adequate to support aquatic and riparian species at pre-sub-project/sub-investment ranges.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹⁶ • Information has been gathered on both the local and migrating fish populations. • The sub-borrower/investee understands the structure and needs of the fish within the area of the sub-project/sub-investment. • The sub-borrower/investee has provided adequate mitigation measures to ensure that the eligibility criteria are met.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The sub-project/sub-investment must not negatively affect environmental conditions in the watershed.	• The sub-project/sub-investment does not affect the integrity of the existing ecosystem, either upstream or downstream of the sub-project/sub-investment. • Additional components of the sub-project/sub-investment and its associated facilities, such as access roads, powerlines and generation facilities, have minimal impact on the riparian environment.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹⁷ • An assessment of impacts associated with additional components has been made when evaluating sub-project/sub-investment site selection and alternatives. • An assessment of upstream and downstream impacts has been made, including risks of poor environmental management of catchment areas by third parties, such as deforestation. • Adequate mitigation measures have been provided to ensure the eligibility criteria are met.
ESR 6: Biodiversity conservation and sustainable management of living natural resources	The sub-project/sub-investment must not negatively impact any threatened or endangered species (at the regional, national or international level), nor any areas designated for their protection.	• The sub-project/sub-investment is not constructed on a protected or sensitive river. • The sub-project/sub-investment does not threaten or harm the habitat or migration patterns of endangered species, threatened species or species of regional concern. • The sub-project/sub-investment has no significant impact on existing wildlife habitat and populations.	• The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.¹⁸ • Sensitive or protected areas on or around the river have been identified. • Endangered or threatened species present in, or downstream from, the sub-project/sub-investment have been identified, with reference at least to national regulations and to International Union for the Conservation of Nature (IUCN)¹⁹ and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) lists.²⁰ • The developer has assessed the potential impact of the sub-project/sub-investment on any such areas or species. • The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met.
ESR 6: Biodiversity conservation and sustainable management of living natural resources	During the construction and operational phases, auxiliary facilities – such as roadways to access the plant, and equipment for the transmission of electricity – can create impacts on fauna, flora and people.	• Access roads, the site(s) and facilities for distribution of electricity are designed, constructed and operated to avoid adverse environmental impacts or, where avoidance is impossible, to mitigate such impacts. • The potential biodiversity risks of high-voltage overhead power lines that connect the plant to the substation must be assessed. This	• Auxiliary facilities have undergone appropriate impact assessment and any significant environmental or community impacts have been identified. • Any such impacts have been considered during siting decisions to preferably avoid or, where this is not possible, mitigate such impacts. Grid connections must be sited underground or rerouted to avoid

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ See IUCN (n.d.).

²⁰ See CITES (2024).

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
		assessment should inform the mitigation of identified risks.	the impacts to the extent possible, and bird flight diverters must be installed to mitigate residual impacts. There is evidence of public consultations for the associated infrastructure.
ESR 8: Cultural heritage	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.	- The developer has verified whether the project is expected to be within, be readily visible from or could otherwise impact the nearest cultural heritage sites, such as: United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage sites; religious or cultural sites of regional, national or international importance; or tourist sites or landscapes of regional, national or international importance. - If the project is readily visible from a cultural heritage site, its design should be agreed (and modified if needed) with the entity in charge of the cultural heritage site. - The sub-project/sub-investment complies with applicable national laws on cultural heritage, antiquities, planning and building permits, conservation areas, protected areas, and other laws and regulations governing built heritage.	- The sub-project/sub-investment is implemented in line with the EBRD <i>Environmental and social good practice note: Small hydropower projects</i>.²¹ - The developer has identified any potential tangible and intangible heritage that may be affected by the proposed development in accordance with national legislation and international treaties and obtained clearance for the sub-project/sub-investment from the relevant authority. - The developer 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.
ESR 10: Stakeholder engagement	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. 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.	- The sub-project/sub-investment has a systematic approach to stakeholder engagement that will help the sub-borrower/investee build and maintain a constructive relationship with its stakeholders. - 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. - The sub-project/sub-investment ensures that appropriate E&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. - The sub-project/sub-investment ensures that grievances from stakeholders are responded to and managed appropriately.	- The affected community has been identified, notified and consulted prior to development of the facility. - The sub-project/sub-investment has engaged with key stakeholders, notably: the local population, land and river or water users; civil society organisations that run activities in the sub-project/sub-investment area; and entities in charge of the potentially affected protected or conservation areas and cultural heritage sites. - For higher-risk sub-projects/sub-investments involving large-scale land acquisition or significant community concerns or complex issues, a stakeholder engagement and community liaison function have been established by the developer, with dedicated personnel. - Information on monitoring should be provided to the local stakeholders if necessary or as part of annual sustainability reporting.

²¹ See EBRD (2024a).

EBRD ESP 2024	Issue	Eligibility criteria	Evidence
		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.	- The developer publishes a nontechnical summary for the sub-project/sub-investment and makes it available to the local community. - 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, feedback on consultation and documentation, and access to the sub-project/sub-investment grievance mechanism. - An effective grievance mechanism has been developed and implemented by the developer 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. - Contractors' roles and responsibilities for receiving grievances, supporting the investigation, resolving grievances and abiding by the sub-project/sub-investment's grievance mechanism are clearly set out in the grievance procedure and stipulated in the contractor's contract.

References

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