



BESF

BARBADOS ENVIRONMENTAL
SUSTAINABILITY FUND



ENVIRONMENTAL AND SOCIAL POLICY AND EXCLUSION LIST

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**BESF ENVIRONMENTAL AND
SOCIAL POLICY AND
EXCLUSION LIST**

2024 Version I

1.0 THE BESF'S ENVIRONMENTAL AND SOCIAL POLICY

1.1 Introduction

This Environmental and Social Policy of the BESF (the “**ES Policy**”) aligns with the BESF’s mission to source and provide financial resources and technical support to enable environmental conservation and sustainability in Barbados. It also supports the BESF’s vision of a Barbados where citizens are environmental stewards for the sustainability of the nation’s marine and terrestrial heritage.

The Policy applies to all of the BESF’s grants and projects (each an “**Activity**” and together the “**Activities**”) financed through any of its facilities, including the Endowment (as defined in the BESF’s articles of association which it may amend from time to time), and any other facility or financial mechanism that the BESF may establish in the future (each a “**Facility**” and together the “**Facilities**”). In addition, the Policy applies to BESF Activities funded totally and partially by the BESF¹.

The Policy also applies to grants and activities that involve sub-grants and sub-activities to be awarded by the direct recipient of the BESF’s funding (the “**Principal Grantee**”). In these cases, the Principal Grantee will be responsible for ensuring that sub-grantees satisfy all of the Policy requirements.

All BESF’s stakeholders must abide by the ES Policy. These include the BESF’s Board of Directors, committees—including the Finance Committee, Executive Committee and any other committee the BESF may establish in the future (each a “**BESF Committee**” and together the “**BESF Committees**”)—secretariat, staff, consultants, suppliers, contractors, and subcontractors. The ES Policy also applies to other organisations (any other grantee) implementing any Activity funded by the BESF.

The purpose of the ES Policy is to ensure that the Activities yield significant environmental and social benefits and avoid negative environmental and social impacts. The ES Policy entails the early identification of environmental and social risks and potential negative impacts. It requires the adoption of measures to mitigate these risks and avoid these potential negative impacts, and, when total avoidance is not possible, mitigate and manage the remaining potential negative environmental and social impacts.

¹ In cases where other funders have Environmental and Social Policies and functional ESMSs, the BESF’s environmental and social framework may be applied in conjunction with the other organization ESMSs or similar systems, if they comply with the BESF’s environmental and social framework and management system. The Precautionary and Most Stringent Principle (see section 1.2.4) must be always respected.

1.2 Principles

Principle of *Doing Good and Do No Harm*: Establishes that all the Activities must produce tangible benefits for the environment and communities and none must cause harm to the environment nor communities.

Principle of the *Mitigation Hierarchy*: Establishes that, first, it is required to anticipate and avoid environmental, social, and climate change-related risks and potential adverse impacts; second, it is required to minimize the remaining risks and impacts; third, it is required to mitigate any residual risks and impacts; and, finally, when total avoidance is not possible and residual impacts remain, as a last resort, it is required to compensate or offset these residual adverse impacts.

Principle of *Respect of Human Rights*: Enshrines the value of human rights as a guide of the Activities and specially protects the rights of vulnerable communities, groups, individuals, and indigenous peoples.

Precautionary and Most Stringent Standard Principle: Establishes that when in doubt of an Activity's environmental and social risk classification, the higher environmental and social risk classification must be assigned, and when there is a juxtaposition between BESF's standards and any other organisation's (or a country's national standard), the most stringent standard must apply.

Principle of *Safeguarding the Environment and Communities*: Establishes that (a) all Activities must be classified in terms of their environmental and social risk level and (b) Environmental and Social Safeguards must be applied to all Activities as per their risk-level classification to protect the environment and communities from harm.

1.3 Safeguards

All Activities supported by the BESF—including those in the grantees' work plans, which are then presented to the BESF for approval, and the applicants' proposals to sub-grantees or other collaborators—must comply with the BESF's Environmental and Social Safeguards (the “**ESS**”). The following nine (9) environmental and social safeguards reflect those of the World Bank:

- Assessment and Management of Environmental and Social Risks & Impacts
- Labour and Working Conditions
- Resource Efficiency and Pollution Prevention and Management
- Community Health, Safety, and Security
- Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources

- Indigenous Peoples and Local Traditional Communities
- Cultural Heritage
- Stakeholder Engagement and Information Disclosure.

All Activities supported by the BESF must be classified in terms of their environmental, social, and climate change-related risks and potential adverse impacts in one of the following categories:

Category A (High Risk)

Activities with significant environmental, social, and climate change-related risks or potential adverse impacts that are diverse, extended, irreversible, or unprecedented.

Category B+ (Substantial Risk)

Activities with an environmental, social, and climate change-related risk or a potential adverse impact that is significant, irreversible, extended, or unprecedented.

Category B (Moderate Risk)

Activities with environmental, social, or climate change-related risks and potential impacts that are limited, largely reversible, generally site-specific, and readily addressed through mitigation measures.

Category C (Low Risk)

Activities with minimal or no adverse environmental, social, or climate change-related risks and/or impacts.

The risk category determines the type of required environmental and social measures, as these measures are commensurate to the risks and potential adverse impacts of the Activities.

The application of this ES Policy is the responsibility of all who intervene in or are in any way connected to or affiliated with approving, implementing, or evaluating BESF Activities, including, without limitation, the BESF's Board of Directors, committee members, secretariat, and grantees and sub-grantees implementing the Activities. All such persons must comply with this Policy and satisfy the requirements of the BESF's Environmental and Social Safeguards. Their roles and responsibilities with regards to the application of this Policy are established in the BESF's relevant operational manual approved by the BESF Board of Directors and further elaborated in the BESF Environmental and Social System Manual (the "**ESSM**") of June 2024.

2.0 THE BESF'S EXCLUSION LIST

The BESF's Exclusion List⁶ is divided into two parts: (2.1) Exclusions and (2.2) Conditional Activities. "**Exclusions**" refers to activities that will not be financed fully or partially by the BESF under any circumstance. "**Conditional Activities**" refers to activities that can only be

financed by the BESF (either fully or partially) if specific conditions are fulfilled.

2.1 Exclusions

The BESF does not finance projects nor make grants that involve:

- Activities that are (a) illegal under host country laws, regulations, or ratified international conventions and agreements or (b) subject to national or international phase-out or prohibition regulations or an international ban².
- Activities that involve adverse impacts on critical habitats, except for adverse impacts on a limited scale that result from conservation actions that achieve a net gain of the biodiversity values associated with the critical habitat.
- Projects classified by the BESF at the highest environmental and social risk classification (Category A), regardless of the potential environmental and social risk mitigation measures.
- Destructive fishing methods, bottom trawling, or drift net fishing in the marine environment and any other prohibited fishing methods outlined in the Fisheries Management Regulations.
- Large commercial monoculture activities.
- Large Involuntary Resettlement.
- Production, trade, or any other activity related to alcoholic beverages; tobacco; pornography, or prostitution; or gambling, casinos, and equivalent enterprises.
- Activities related to the production or trade of weapons of any kind, ammunition, and any other military goods/technology.
- Production or trade in asbestos and asbestos-containing materials for construction.
- Production, trade, storage, or transport of significant volumes of hazardous chemicals or commercial-scale usage of hazardous chemicals, including gasoline, kerosene, and other petroleum products³.
- Oil and Gas prospection, exploration, and production activities of any type.

² This includes (i) certain pharmaceuticals, pesticides, herbicides, and other toxic substances; (ii) ozone-depleting substances including Chlorofluorocarbons (CFCs) and Halons; (iii) protected wildlife or wildlife products; (iv) prohibited transboundary trade in waste.

³ This does not include purchase of gasoline and other petroleum products that are necessary for the regular activities of organizations financed by, or receiving grants from, the BESF.

- Activities involving harmful labour, forced labour⁴ or harmful child labour⁵.

2.2 Conditional Activities

The BESF finances projects/makes grants that involve the following activities only if the conditions stipulated hereafter are fully observed:

- Activities involving restrictions of access to natural resources to communities. These activities must be carried out following the BESF's Environmental and Social Safeguard on Impacts from Access Restrictions to Natural Resources, Livelihood Lost, & Limited Involuntary Resettlement.
- Activities that impinge on the lands owned, or claimed (under adjudication), by indigenous peoples, impact land under traditional use by indigenous peoples, affect indigenous peoples' access to resources, or commercialise indigenous knowledge. These activities must be carried out with documented free, prior, and informed consent of such indigenous peoples.
- Purchase of radioactive material, except the procurement of medical equipment, quality control equipment, or other equipment for which the source is insignificant and/or adequately shielded.

⁴ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty (from IFC Exclusion List).

⁵ Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development (from IFC Exclusion List – IFC PS2).