#

# Annex A: Sustainable Development Safeguards (SDSs) assessment questionnaire

BioCarbon CertÒ

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The project/initiative holder shall carry out the SDSs assessment considering its project/initiative context and identify related risks and potential negative impacts. As a result of the assessment, the project/initiative holder shall provide answers to the following non-exhaustive assessment questions, accompanied by justifications for those responses, in accordance with the following guidance. provide answers to assessment questions, accompanied by justifications for those responses, in accordance with the following guidance.

| **Response** | **Meaning** | **Mitigation and/or preventive actions**  |
| --- | --- | --- |
| ‘Yes’ | The risk or expected impact identified during the assessment is imminent in the Project/Initiative and context. | The requirements are applicable, and compliance shall be demonstrated. Describe the measures taken to either reduce the severity and likelihood of a risk occurring in the first place or minimize the potential impact. All complementary information and evidence shall be incorporated into the Monitoring & Reporting Plan and subsequent monitoring periods. |
| ‘Potentially’ | The risk or expected impact may exist at some point in the Project/Initiative’s cycle but is not necessarily present now and/or may never arise. | The Project/Initiative may justify with evidence why these requirements do not need to be demonstrated as being met. The project shall update information on any assessment questions answered ‘Potentially’ for each monitoring report. |
| ‘No’ | The risk or expected impact is not present in the Project/Initiative. | Justification shall be provided to support this conclusion, with evidence provided where required. |
| ‘N/A’ | The question is not relevant to the project/initiative and its potential impact. | No action is required |

[**Land use: Resource Efficiency and Pollution Prevention and Management**](#_6.1_Land_use:)

In accordance with the aspects and requirements highlighted in section 6.1, project/initiative holders shall, in their question assessment, consider risks and potential impacts related to resource efficiency and pollution prevention and management.
The following table shows the minimum aspects that must be addressed as a result of the assessment.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions**  |
| --- | --- | --- |
| Land degradation or soil erosion, leading to the loss of productive land? | [ ] Yes[ ] Potentially[ ] No |  |
| Contaminating soils and aquifers with pollutants, chemicals, or hazardous materials? | [ ] Yes[ ] Potentially[ ] No |  |
| Air and water pollution resulting from project-related emissions, discharges, or improper waste disposal practices? | [ ] Yes[ ] Potentially[ ] No |  |
| Detrimental excess of nutrients caused by the use of fertilizers and/or pesticides? | [ ] Yes[ ] Potentially[ ] No |  |
| Inadequate waste management practices, leading to the improper disposal of project-related waste and potential environmental harm?  | [ ] Yes[ ] Potentially[ ] No |  |
| Inefficient resource use, including energy, water, and raw materials, leading to increased environmental footprint? | [ ] Yes[ ] Potentially[ ] No |  |
| Losing productive agricultural land to urban expansion, impacting local food production, rural livelihoods, and overall food security? | [ ] Yes[ ] Potentially[ ] No |  |
| Urbanization, leading to the urban heat island effect, impacting local climates and potentially contributing to higher energy consumption for cooling? | [ ] Yes[ ] Potentially[ ] No |  |
| Disrupting natural drainage systems, leading to increased vulnerability to floods, soil erosion, or other hydrological issues? | [ ] Yes[ ] Potentially[ ] No |  |
| Inadequate recycling and reuse of project-related resources, leading to unnecessary waste and environmental impact? | [ ] Yes[ ] Potentially[ ] No |  |
| Deforestation or degradation of forested areas impacting carbon sequestration, biodiversity, and ecosystem services? | [ ] Yes[ ] Potentially[ ] No |   |
| Changes in agricultural practices, such as intensive monoculture, leading to soil degradation, loss of biodiversity, and increased vulnerability to pests? | [ ] Yes[ ] Potentially[ ] No |   |
| Urbanization or infrastructure development leading to changes in land use patterns and potential habitat fragmentation? | [ ] Yes[ ] Potentially[ ] No |   |

[**Water**](#_6.2_Water)

The table below outlines the essential criteria that shall be addressed (not exclusively) as an outcome of the assessment in line with the aspects described in section 6.2.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| Exacerbating water scarcity or depleting water resources? | [ ] Yes[ ] Potentially[ ] No |   |
| Water pollution, including contamination of rivers, lakes, oceans, or aquifers as a result of project-related activities such as emissions, spills, or waste disposal? | [ ] Yes[ ] Potentially[ ] No |   |
| Disrupting aquatic ecosystems, including marine life, river ecosystems, or wetlands, due to changes in water quality, temperature, or flow patterns? | [ ] Yes[ ] Potentially[ ] No |   |
| Altering coastal dynamics, including erosion, sedimentation, or changes in sea levels? | [ ] Yes[ ] Potentially[ ] No |   |
| Displacing or negatively impacting wetland habitats, affecting the unique biodiversity and ecosystem services provided by wetlands? | [ ] Yes[ ] Potentially[ ] No |   |
| Altering river flow patterns, potentially leading to downstream impacts on water availability, sediment transport, and ecosystems? | [ ] Yes[ ] Potentially[ ] No |   |
| Depleting aquifers and groundwater resources as a result of the project's activities, impacting local water supplies and ecosystem sustainability? | [ ] Yes[ ] Potentially[ ] No |   |
| Mountainous terrains, including changes in snowmelt patterns, glacier dynamics, or alterations in water runoff? | [ ] Yes[ ] Potentially[ ] No |   |
| Disrupting lake ecosystems, including changes in water quality, nutrient levels, or habitat disturbance? | [ ] Yes[ ] Potentially[ ] No |   |
| Contributing to ocean acidification, with potential consequences for marine life and coral reef ecosystems? | [ ] Yes[ ] Potentially[ ] No |   |

[**Biodiversity and ecosystems**](#_6.3_Biodiversity_and)

The table below outlines the minimum risks and related impacts described in section 6.3. Projects and initiatives shall consider their own local context and activities when conducting the Sustainable Development Safeguards assessment.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| Habitat destruction or fragmentation, impacting biodiversity by reducing available habitats for various species? | [ ] Yes[ ] Potentially[ ] No |   |
| Introducing invasive species, which could negatively affect native flora and fauna and disrupt local ecosystems? \* | [ ] Yes[ ] Potentially[ ] No |   |
| Altering ecosystem dynamics, including changes in species composition, trophic interactions, or nutrient cycles on the environment? | [ ] Yes[ ] Potentially[ ] No |   |
| Disrupting migration patterns for wildlife species, such as birds, mammals, or aquatic organisms? | [ ] Yes[ ] Potentially[ ] No |   |
| Chemical contamination or pollution negatively impacting biodiversity in soil, water, or air? | [ ] Yes[ ] Potentially[ ] No |   |
| Overexploiting natural resources, such as timber, water, or other materials, leading to declines in biodiversity and ecological balance? | [ ] Yes[ ] Potentially[ ] No |   |
| Overharvesting species at rates faster than they can actually sustain themselves in the wild? | [ ] Yes[ ] Potentially[ ] No |   |
| Climate change-induced impacts on biodiversity, including shifts in species distributions, changes in phenology, or increased vulnerability to extreme weather events? | [ ] Yes[ ] Potentially[ ] No |   |
| Negatively impacting endangered or threatened species within the project area, either directly or indirectly through habitat changes or other disturbances? | [ ] Yes[ ] Potentially[ ] No |   |
| Reducing genetic diversity within populations, potentially leading to decreased resilience and adaptability of species in the face of environmental changes? | [ ] Yes[ ] Potentially[ ] No |   |
| Inadequate monitoring and assessment of biodiversity within the project area, making it Challenging to identify and address changes over time? | [ ] Yes[ ] Potentially[ ] No |   |
| Pressure on vulnerable ecosystems? | [ ] Yes[ ] Potentially[ ] No |   |

\*The BCR Standard requires GHG projects to demonstrate the no presence of invasive species as a result of the project activities.[[1]](#footnote-1)

[**Climate Change**](#_6.4_Climate_Change)

The table below outlines the minimum risks and climate-related impacts. Projects and initiatives are called to reflect in their SDSs assessment the technical inputs described in section 6.4 and assess at least the following questions.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| increasing greenhouse gas emissions? | [ ] Yes[ ] Potentially[ ] No[ ] N/A |   |
| changes in habitat suitability for species due to climate change impacts, leading to shifts in species distributions or loss of critical habitat? | [ ] Yes[ ] Potentially[ ] No |   |
| disrupt ecosystem services provided by biodiversity, such as pollination, water purification, and carbon sequestration, affecting overall ecosystem functioning? | [ ] Yes[ ] Potentially[ ] No |   |
| the spread of invasive species, leading to competition with native species and alteration of ecosystem dynamics? | [ ] Yes[ ] Potentially[ ] No |   |
| increased frequency or intensity of extreme weather events, such as storms, droughts, or floods, which can damage habitats and threaten species survival? | [ ] Yes[ ] Potentially[ ] No |   |
| alteration of the phenology and behavior of species, affecting reproductive cycles, migration patterns, and interactions with other species, disrupting ecosystem dynamics? | [ ] Yes[ ] Potentially[ ] No |   |
| reducing genetic diversity within species populations due to climate change-induced habitat loss or fragmentation, compromising the adaptive capacity of populations to environmental stressors? | [ ] Yes[ ] Potentially[ ] No |   |
| exacerbation the prevalence of diseases and pathogens among wildlife populations, leading to population declines and ecosystem destabilization? | [ ] Yes[ ] Potentially[ ] No |   |
| weakening the resilience of ecosystems to disturbances, making them more susceptible to collapse or regime shifts, with cascading effects on biodiversity and ecosystem function? | [ ] Yes[ ] Potentially[ ] No |   |
| new challenges in effectively incorporating climate change considerations into biodiversity conservation planning, such as identifying climate-resilient habitats and prioritizing species and ecosystems for conservation action? | [ ] Yes[ ] Potentially[ ] No |   |
| habitat loss, pollution, and overexploitation, amplifying the impacts on biodiversity and complicating conservation efforts? | [ ] Yes[ ] Potentially[ ] No |   |

[**Labor and Working Conditions**](#_7.1.1_Labor_and)

The table below outlines the minimum aspects linked to human rights defined in section 7.1.1. Projects and initiatives are called to reflect on their SDSs assessment at least the following questions.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| forced labor, or human trafficked labor | [ ] Yes[ ] Potentially[ ] No |   |
| child labor or forced labor practices during the project, either directly or within the project's supply chain? | [ ] Yes[ ] Potentially[ ] No |   |
| unsafe working conditions, exposing project stakeholders to potential hazards or accidents before, during and after the implementation of the activities? | [ ] Yes[ ] Potentially[ ] No |   |
| exploitative labor practices, such as inadequate wages, excessive working hours, or poor working conditions for the personnel engaged during the project activities? | [ ] Yes[ ] Potentially[ ] No |   |
| discrimination in employment, including unequal opportunities, biased hiring practices, or unfair treatment based on factors such as gender, ethnicity, or other characteristics? | [ ] Yes[ ] Potentially[ ] No |   |
| violating workers' rights, including issues related to freedom of association, collective bargaining, or other fundamental labor rights during the project's activities? | [ ] Yes[ ] Potentially[ ] No |   |
| unfair treatment, exploitation, or inadequate protections for contractual workers or migrant laborers? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate grievance mechanisms, making it challenging for workers to address concerns, report issues, or seek resolution for labor-related problems? | [ ] Yes[ ] Potentially[ ] No |   |
| insufficient social welfare support, such as healthcare, insurance, or other benefits for workers engaged in project activities? | [ ] Yes[ ] Potentially[ ] No |   |
| displacement or negative impacts on local communities due to labor-related issues, including challenges related to employment opportunities and livelihoods? | [ ] Yes[ ] Potentially[ ] No |   |
| lack of training | [ ] Yes[ ] Potentially[ ] No |   |

[**Gender equality and Women empowerment**](#_7.1.2_Gender_equality)

Projects and initiatives are called to include in their SDSs assessment the analysis of aspects a, b, c, d, and f mentioned in section 7.1.2, aimed at avoiding any gender discrimination and ensuring activities do not discriminate against women and girls, reinforcing gender-based inequalities and exclusion.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| gender-based discrimination in employment opportunities, recruitment processes, or access to leadership positions, hindering women's participation and advancement? | [ ] Yes[ ] Potentially[ ] No |   |
| unequal access to project benefits, resources, or decision-making processes, resulting in disparities between men and women in the distribution of project-related opportunities and rewards? | [ ] Yes[ ] Potentially[ ] No |   |
| limited participation and representation of women in project activities, consultations, or community engagements, potentially marginalizing their voices and perspectives? | [ ] Yes[ ] Potentially[ ] No |   |
| increasing unpaid care work burden on women, such as caregiving responsibilities or household chores, due to changes in community dynamics or time constraints resulting from project activities? | [ ] Yes[ ] Potentially[ ] No |   |
| limited access to education, training, or capacity-building opportunities for women and girls, inhibiting their ability to develop skills and pursue leadership roles within the project or related industries? | [ ] Yes[ ] Potentially[ ] No |   |
| gender-based violence or harassment occurring within project settings or project-affected communities, affecting women's safety, well-being, and ability to participate fully? | [ ] Yes[ ] Potentially[ ] No |   |
| inequitable access to land, natural resources, or economic opportunities, particularly disadvantaging women in rural or indigenous communities affected by land use changes? | [ ] Yes[ ] Potentially[ ] No |   |
| underrepresentation of women in decision-making processes, including planning, governance structures, or stakeholder consultations, leading to less inclusive and effective outcomes? | [ ] Yes[ ] Potentially[ ] No |   |
| gender-blind policies, interventions, or project designs that fail to consider the specific needs, priorities, and capacities of women and men, resulting in unintended negative consequences for gender equality and women empowerment? | [ ] Yes[ ] Potentially[ ] No |   |
| limited economic empowerment and livelihood opportunities for women, such as access to credit, entrepreneurship support, or income-generating activities, within project-affected communities? | [ ] Yes[ ] Potentially[ ] No |   |
| health and safety risks that disproportionately affect specific genders within the community, potentially leading to disparate impacts on men and women? | [ ] Yes[ ] Potentially[ ] No |   |
| cultural and social barriers that may hinder the advancement of gender equality and women empowerment within project settings or affected communities, such as stereotypes, norms, or traditional roles and expectations? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate gender analysis and monitoring mechanisms, resulting in a lack of understanding of gender dynamics and missed opportunities for promoting gender equality and women empowerment? | [ ] Yes[ ] Potentially[ ] No |   |

[**Land Acquisition, Restrictions on Land Use, Displacement, and Involuntary Resettlement**](#_7.1.3_Land_Acquisition,)

The following table describes the minimum aspects to be considered during the SDSs assessment related to principles and concepts defined in section 7.1.3.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| conflict over land resources and/or rights, such as competition for space between different land uses, communities, or stakeholders affected by the project? | [ ] Yes[ ] Potentially[ ] No |   |
| land acquisition, leading to changes in land ownership patterns and potential conflicts with local communities and landholders? | [ ] Yes[ ] Potentially[ ] No |   |
| imposing restrictions on traditional land use practices, affecting the livelihoods and cultural practices of communities in the project area? | [ ] Yes[ ] Potentially[ ] No |   |
| displacing communities or residents from their homes and lands, leading to social, economic, and cultural disruptions? | [ ] Yes[ ] Potentially[ ] No |   |
| involuntary resettlement or relocation of communities, impacting their access to resources, services, and community networks? | [ ] Yes[ ] Potentially[ ] No |   |
| communities losing their livelihoods and agricultural productivity as a result of land acquisition or restriction on land use? | [ ] Yes[ ] Potentially[ ] No |   |
| insufficient compensation and benefits for affected communities and individuals, leading to economic hardships and social discontent? | [ ] Yes[ ] Potentially[ ] No |   |
| lack of free, prior, and informed consent from affected communities, potentially resulting in conflict and challenges to project implementation? \* | [ ] Yes[ ] Potentially[ ] No |   |
| social and cultural disintegration within displaced communities, leading to the erosion of social cohesion and cultural practices? | [ ] Yes[ ] Potentially[ ] No |   |
| communities losing access to common resources, such as forests, water bodies, or grazing lands, due to land acquisition or use restrictions? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate resettlement plans, potentially leading to insufficient support, services, and infrastructure for resettled communities? | [ ] Yes[ ] Potentially[ ] No |   |

\*Due diligence for pre-established agreements with local communities is expected, as stated in the BCR Standard Section 12.

[**Indigenous Peoples and Cultural Heritage**](#_7.1.4_Indigenous_Peoples)

The following table describes the minimum aspects to be considered during the SDSs assessment related to principles and concepts defined in section 7.1.4.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| violating the right of indigenous peoples, including their right to land, resources, and self-determination? | [ ] Yes[ ] Potentially[ ] No |   |
| impacts on indigenous lands and territories, potentially leading to the displacement of indigenous communities and disruption and loss of livelihoods? | [ ] Yes[ ] Potentially[ ] No |   |
| negatively impacting the traditional livelihoods, such as hunting, fishing, or gathering, due to changes in land use or environmental conditions? | [ ] Yes[ ] Potentially[ ] No |   |
| losing sacred sites and cultural heritage, impacting the spiritual and cultural identity of indigenous communities? | [ ] Yes[ ] Potentially[ ] No |   |
| the lack of free, prior and informed consent from indigenous communities (FPIC), potentially resulting in conflicts and challenges to project implementation? \* | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate cultural impact assessments, potentially leading to insufficient understanding of the project’s impact on indigenous cultures and traditions? | [ ] Yes[ ] Potentially[ ] No |   |
| losing indigenous knowledge and practices related to land management, resource utilization, and traditional ecological knowledge? | [ ] Yes[ ] Potentially[ ] No |   |
| cultural disintegration and the erosion of social cohesion within indigenous communities? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate recognition and respect for indigenous governance systems, potentially leading to conflicts over land and resource management? | [ ] Yes[ ] Potentially[ ] No |   |
| insufficient benefit-sharing mechanisms, resulting in the unequal distribution of benefits derived from the project among indigenous communities? \*\* | [ ] Yes[ ] Potentially[ ] No |   |
| conflicts arising over land rights, particularly when the project involves changes in land use that may be contested by different stakeholders, including indigenous communities? | [ ] Yes[ ] Potentially[ ] No |   |

\*Due diligence for pre-established agreements with local communities is expected, as stated in the BCR Standard Section 12. *Carbon ownership and rights*.
\*\*Refer to Section [7.3 Economic Impact](#_ev7h3pp0qs6t) to know more about benefit sharing.

[**Community health and safety**](#_7.1.5_Community_Health)

The SDSs assessment shall consider at least, but not exclusively, the following questions related to the principles, concepts, and safeguards to be implemented aligned with section 7.1.3.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| exposure to hazardous materials, chemicals, or pollutants, potentially leading to adverse health effects or life-threatening risks? | [ ] Yes[ ] Potentially[ ] No |   |
| degrading air quality in the project area due to emissions, dust, or other airborne pollutants? | [ ] Yes[ ] Potentially[ ] No |   |
| water contamination, including pollution of water sources or reduced access to clean water, affecting community health and well-being? | [ ] Yes[ ] Potentially[ ] No |   |
| increased noise levels or vibrations resulting from project operations, potentially causing disturbances and health impacts for nearby communities? | [ ] Yes[ ] Potentially[ ] No |   |
| traffic accidents or road safety hazards associated with increased traffic flow or transportation activities related to the project? | [ ] Yes[ ] Potentially[ ] No |   |
| workers exposure to hazardous conditions, physical attacks or inadequate safety measures? | [ ] Yes[ ] Potentially[ ] No |   |
| increased prevalence of vector-borne diseases or pest infestations as a result of changes in environmental conditions or habitat disruption? | [ ] Yes[ ] Potentially[ ] No |   |
| community displacement or involuntary resettlement, leading to social disruption, stress, and negative health outcomes? | [ ] Yes[ ] Potentially[ ] No |   |
| community mental health and well-being, including stress, anxiety, and social isolation resulting from changes in living conditions or community dynamics? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate emergency preparedness and response mechanisms, leading to challenges in managing and mitigating potential health and safety emergencies? | [ ] Yes[ ] Potentially[ ] No |   |
| changes in land use patterns, such as increased exposure to disease vectors or decreased access to natural resources essential for health? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate health infrastructure and services in the project area, leading to challenges in addressing community health needs and emergencies? | [ ] Yes[ ] Potentially[ ] No |   |

[**Corruption**](#_7.2_Corruption)

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| funds allocated for the project/initiative being misappropriated or embezzled through fraudulent practices or kickbacks? | [ ] Yes[ ] Potentially[ ] No |   |
| bribery or kickbacks being solicited or offered to secure contracts, permits, or other project-related approvals? | [ ] Yes[ ] Potentially[ ] No |   |
| nepotism or favoritism in the selection of contractors, suppliers, or project personnel, compromising the integrity and fairness of procurement processes? | [ ] Yes[ ] Potentially[ ] No |   |
| fraudulent reporting or manipulation of project data, such as inflating project costs or overstating achievements, to obtain additional funding or meet performance targets? | [ ] Yes[ ] Potentially[ ] No |   |
| conflicts of interest among project stakeholders or personnel, such as individuals with financial interests in project outcomes or decision-makers with personal connections to project contractors? | [ ] Yes[ ] Potentially[ ] No |   |
| lack of transparency in project decision-making processes, budget allocations, or contract awards, leading to suspicions of corruption or malpractice? | [ ] Yes[ ] Potentially[ ] No |   |
| weak regulatory oversight or enforcement mechanisms, allowing for corrupt practices to go undetected or unaddressed within project/initiative activities? | [ ] Yes[ ] Potentially[ ] No |   |
| undue influence or pressure exerted by external parties, such as political figures or industry lobbyists, to sway project decisions or gain unfair advantages? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate accountability mechanisms or whistleblower protection, discouraging individuals from reporting instances of corruption or unethical behavior? | [ ] Yes[ ] Potentially[ ] No |   |
| corruption in the environmental permitting process, such as officials accepting bribes to overlook environmental violations or grant permits unlawfully? | [ ] Yes[ ] Potentially[ ] No |   |
| corruption within subcontracting relationships, such as subcontractors paying bribes to secure favorable terms or win subcontracting opportunities? | [ ] Yes[ ] Potentially[ ] No |   |

**[Economic Impact](#_7.3_Economic_Impact)**

Aspects related to economic impacts described in section 7.3 shall be assessed. The following questions are linked to economic impact safeguards, which should be coherent with the project/initiative context.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| compromising healthy competition, resulting in unhealthy rivalry and undermining collaboration and cooperation essential for achieving project goals? | [ ] Yes[ ] Potentially[ ] No |   |
| loss of employment opportunities, particularly for vulnerable populations, as a result of changes in economic activities or restructuring? | [ ] Yes[ ] Potentially[ ] No |   |
| creating economic dependence, such as tourism or conservation initiatives, leading to vulnerability to fluctuations in project funding or market conditions? | [ ] Yes[ ] Potentially[ ] No |   |
| market distortions or increased competition, such as changes in land use patterns or shifts in supply and demand dynamics within local economies? | [ ] Yes[ ] Potentially[ ] No |   |
| increasing the cost of living for local communities as a consequence of project-related developments, such as infrastructure projects or influxes of external workers? | [ ] Yes[ ] Potentially[ ] No |   |
| inequitable distribution of benefits, leading to disparities in wealth, income, or access to resources among different segments of the population? | [ ] Yes[ ] Potentially[ ] No |   |
| losing traditional economic practices and knowledge systems, potentially undermining cultural heritage and resilience to economic shocks in communities? | [ ] Yes[ ] Potentially[ ] No |   |
| negatively impacting small-scale enterprises or informal economies that rely on natural resources or ecosystem services? | [ ] Yes[ ] Potentially[ ] No |   |
| financial uncertainties, such as project delays, budget overruns, or changes in funding sources, affecting investment confidence and economic stability? | [ ] Yes[ ] Potentially[ ] No |   |
| limited access to financial resources, such as credit or microfinance services, for entrepreneurs or smallholders affected by project-related changes in land use or economic activities? | [ ] Yes[ ] Potentially[ ] No |   |
| lack of economic resilience and adaptive capacity within project-affected communities, particularly in response to external shocks or long-term changes in market conditions? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate compensation or mitigation measures for economic impacts, such as loss of assets or disruptions to income streams, experienced by individuals or communities? | [ ] Yes[ ] Potentially[ ] No |   |

**[Governance and Compliance](#_Governance_and_Compliance)**

Section 8 encompasses the set of safeguards linked to governance and best practices for decision-making. The following table summarizes some of the aspects to be assessed by projects/initiatives.

| **Could the project/initiative activities potentially entail or result in:** | **Response** | **Mitigation and/or preventive actions** |
| --- | --- | --- |
| insufficient institutional capacity within project/initiative implementing agencies or partner organizations, leading to challenges in effective governance and project management? | [ ] Yes[ ] Potentially[ ] No |   |
| weak governance structures and mechanisms within the project/initiative, such as unclear roles and responsibilities, inadequate decision-making processes, and limited transparency and accountability? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate stakeholder engagement and participation in project/initiative decision-making processes, leading to governance gaps and reduced project legitimacy? | [ ] Yes[ ] Potentially[ ] No |   |
| ineffective or inadequate regulatory frameworks governing project activities, resulting in loopholes, inconsistencies, or gaps in environmental protection and governance standards? | [ ] Yes[ ] Potentially[ ] No |   |
| delays or challenges in obtaining necessary permits, licenses, and approvals for project activities due to regulatory complexities, bureaucratic inefficiencies, or legal requirements? | [ ] Yes[ ] Potentially[ ] No |   |
| political interference in project/initiative decision-making processes, such as pressure to prioritize certain projects or interventions based on political agendas rather than scientific or environmental considerations? | [ ] Yes[ ] Potentially[ ] No |   |
| non-compliance with relevant laws, regulations, permits, and international agreements governing GHG emissions, biodiversity conservation, environmental protection and land use management, leading to legal challenges and reputational risks? | [ ] Yes[ ] Potentially[ ] No |   |
| conflicts of interest among project stakeholders or decision-makers, such as individuals with personal or financial interests that may influence project outcomes or decision-making processes? | [ ] Yes[ ] Potentially[ ] No |   |
| limited access to justice for communities affected by project activities, such as barriers to legal recourse or remedies for grievances related to land rights, environmental harm, or social impacts? | [ ] Yes[ ] Potentially[ ] No |   |
| insufficient monitoring and evaluation mechanisms to assess project performance, impacts, and compliance with governance standards, leading to gaps in accountability and learning? | [ ] Yes[ ] Potentially[ ] No |   |
| inadequate capacity building and training for project stakeholders, such as government officials, local communities, and civil society organizations, to effectively participate in project governance and decision-making processes? | [ ] Yes[ ] Potentially[ ] No |   |

1. BCR Standard. Section 18.1. *Special categories components.* [↑](#footnote-ref-1)