



GOOD PRACTICE NOTE

Contextual Risk Screening for Projects

Linking National-Level Risks to the Local-Level Project Risks in Fragile and Conflict-Affected Situations and Beyond

DRAFT FOR PUBLIC CONSULTATION - April 2022

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ACRONYMS

ACLED	Armed Conflict Location and Event Data Project
AfDB	African Development Bank
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPIA	country policy and institutional assessment
	contextual risk framework
CSO	civil society organization
DDR	disarmament, demobilization, and reintegration
E&S	environmental and social
EM-DAT	International Disaster Database (of the Centre for Research on the Epidemiology of Disasters - CRED)
FAO	Food and Agriculture Organization
FCS	fragile and conflict-affected situations
FCV	fragility, conflict, and violence
GIS	geographic information system
GPN	good practice note
IDMC	Internal Displacement Monitoring Center
IDPs	internally displaced persons
IFC	International Finance Corporation
ILO	International Labour Organization
IOM	International Organization for Migration
IUCN	International Union for the Conservation of Nature
NGO	nongovernmental organization
OECD	Organisation for Economic Cooperation and Development
OHCHR	United Nations Office of the High Commissioner on Human Rights
SCAD	Social Conflict Analysis Database
UCDP	Uppsala Conflict Data Program
UN	United Nations
UNDRR	United Nations Office for Disaster Risk Reduction
UNHCR	United Nations High Commissioner for Refugees
UNODC	United Nations Office of Drugs and Crime
UN-REDD	United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation
U.S.	United States
WBG	World Bank Group
WHO	World Health Organization
WWF	World Wildlife Fund

SECTION 1:

INTRODUCING THE CONTEXTUAL RISK FRAMEWORK AND THE CONFLICT- AND FRAGILITY-SENSITIVE LENS

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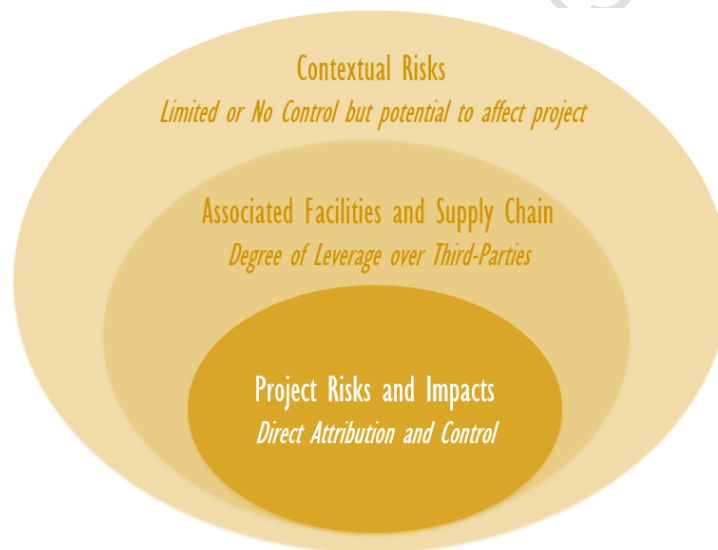
CONTEXTUAL RISK FRAMEWORK

INTRODUCTION

1. The International Finance Corporation (IFC) 2012 Policy on Environmental and Social Sustainability requires that IFC consider, as part of the categorization process, the “inherent environmental and social risks related to a particular sector as well as the context of the business activity’s setting.” In 2017, IFC developed internal guidance to help environmental and social (E&S) specialists identify, screen, and document contextual risks in direct investments, financial intermediary investments, and public-private partnership projects. For the purposes of IFC’s E&S due diligence, the following definition applies:

“Contextual risks—from a private sector, E&S perspective—are defined as risks in the external environment (at a country, sector, or subnational level) that the client does not control but which could negatively impact a project’s or private sector client’s ability to meet IFC’s E&S requirements.”

- IFC Contextual Risk Definition for E&S



2. This Good Practice Note (GPN) outlines an approach for systematically analyzing country risks to identify the highest risk areas, and translating them into potential E&S risks at the subnational and project level and/or at the sector-level. The results of the analysis can be used to develop programmatic measures and actions to address the potential risks of a given business activity. At the center of this approach is the Contextual Risk Framework (CRF), comprised of nine thematic dimensions covering a broad range of cross-cutting issues: 1. Security and Conflict; 2. Political Risk, Governance, and Civil Liberties; 3. Labor and Workforce; 4. Health and Population; 5. Biodiversity, Ecosystem Services, and Climate Change; 6. Land and Access to Natural Resources; 7. Social Cohesion; 8. Gender; and 9. Reprisals. Each dimension has a set of indicators, numbering 33 in total.

3. The audience for this GPN is practitioners working in the area of private sector development, which may include development finance institutions, financial institutions, E&S consultants, and private sector companies (“project sponsors”). The GPN also acknowledges other stakeholders, such as civil society groups

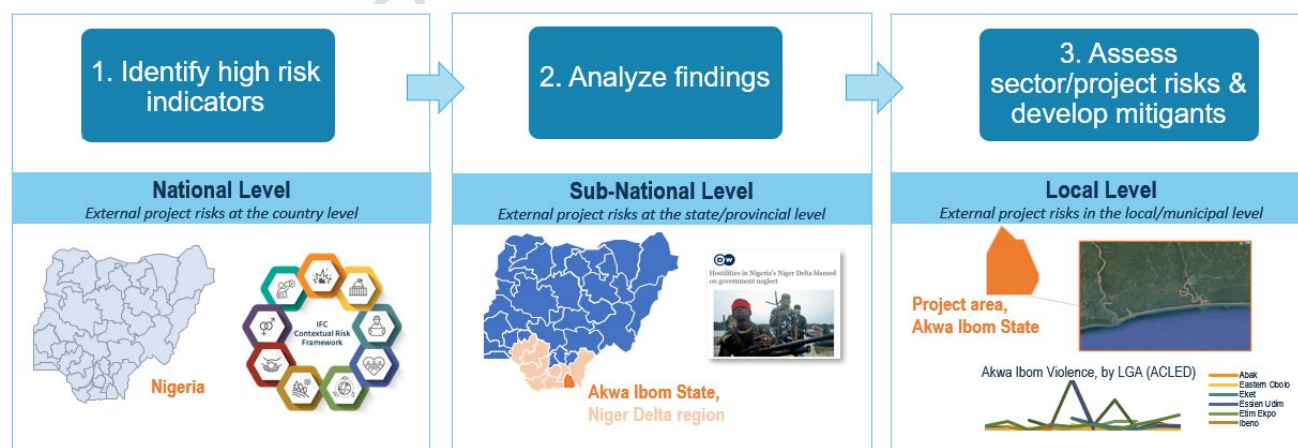
that play an important role in influencing sustainable business practices and also have significant on-the-ground knowledge in many of the contextual risk areas that should be considered in high-risk projects. For this reason, Section 2 of the GPN refers in general terms to project practitioners (“practitioners”) for follow-up in projects, whether that is as investors, companies, third-party consultants, or other stakeholders working on sustainable private sector development.

4. A range of well-established country, thematic, fragility, and resilience risk metrics exists, including the Sustainable Development Goals. A mapping exercise of various risk metrics and the IFC Performance Standards was undertaken, as part of developing the CRF, to identify the metrics most relevant to IFC for early E&S screening, due diligence and supervision. Inherently, many of the indicators and themes outlined in this GPN can intersect in a given context, and should be viewed through a systems analysis lens;² for example, climate vulnerability, resource competition, land access, group-based grievance, and conflict are often interlinked. **The CRF is also a useful approach for structuring analysis and inquiry into country and regional fragility and resilience.**

5. Not all aspects of the CRF will apply equally to all project environments. Practitioners should seek to prioritize the highest risk aspects for a given country to support their due diligence, leveraging the E&S risk assessment process. There are many publicly available indices, data sets and tools that analyze themes closely aligned with the CRF dimensions and indicators, for example, metrics for state fragility, transparency, security and conflict, gender representation in business and the law, and civic space.³ **This GPN focuses on how to apply each indicator to the project context and identify potential risks and impacts** through a set of suggested questions that can be used during due diligence and engagements with project sponsors, as well as desktop resources that can help identify further information relevant to the project area.

6. In some instances, risks at the national level, such as high levels of conflict, may directly affect some parts of the country more than others. The analysis and “ground-truthing” through engaging with project sponsors, local stakeholders, civil society, and other experts is key to understanding if and how those risks of conflict may apply to a project in another part of the country, as outlined in the example in the graphic below.

Application of the CRF from National to Local Project Level



² Organisation for Economic Cooperation and Development (OECD), [States of Fragility](#).

³ There is a wide range of publicly available data sets and indices that can help practitioners triage and analyze relevant CRF themes, such as [IFC's Fragile States Index](#), [Bertelsmann Transformation Index](#), [World Bank's Women, Business and the Law](#), [EU's INFORM disaster risk](#), [Yale Environmental Performance Index](#), [GIWPS Women Peace and Security Index](#), as well as country-specific data sets such as the [UN SDGs](#) and [World Bank Open Data](#). More specific data and information sources relevant to CRF indicators is outlined in Section 2 of the GPN.

7. **Contextual risk screening should not be mistaken for project-level risk assessments**, but seen rather as a precursor to risk assessments. A deeper understanding of contextual risk in the broader project context will help inform the risks and impacts identification process and define the scope of the project risk assessment, to capture those risks for which mitigation and management measures will be needed, such as for E&S risks.

8. Contextual risks are always evolving, especially in Fragile and Conflicted-Affected Situations (FCS),⁴ which can be characterized by different conflict dynamics, political instability, natural disaster shocks and population movement. Identifying and **monitoring these risks in a systematic manner and adapting** project-level mitigation measures is critical, not only during project due diligence but throughout the project life cycle.

UNDERSTANDING A PROJECT'S CONTEXTUAL RISK LANDSCAPE

9. **Even the most remote development projects do not occur in isolation. Projects operate in a system, and practitioners must understand the relationship of the project to and within that system.** By their very nature, development projects are likely to affect and be affected by the social, political, cultural, economic, and environmental dynamics that exist within the setting of the project, at the local, regional, and/or country level. These dynamics or effects may be positive, negative, neutral, or a combination. To manage risks effectively and in accordance with the IFC Performance Standards, practitioners should assess how these dynamics may affect the project and, conversely, how the project may affect the various dynamics with which the project intersects. This is crucial for conflict sensitivity, to avoid exacerbating existing dynamics or creating new ones.

10. **Within these dynamics are structural vulnerabilities that may negatively affect the project and pose barriers to its success. Contextual risk looks at the event-driven factors that emerge from these structural vulnerabilities.** For example, poor justice systems and rule of law (structural vulnerabilities) may lead to widespread incidents of vigilante and/or mob justice, with people taking the law into their own hands (event-driven risks). By IFC's definition, while contextual risks are outside the project's control, they can significantly affect its operations, thus it is important to understand these risks. Contextual risks related to poor governance around land tenure (structural vulnerability), in another example, may lead to communal tensions over land access and boundaries (event-driven risk). A project may lease a land concession for its operations through the relevant government and community leadership channels, but this may inadvertently trigger new power dynamics around competition for land and access to resources among communities in the area.

11. **In FCS environments, structural vulnerabilities are even more salient**—for example, weak governance structures; social divisions along sectarian, ethnic, or political lines; or lack of public services, such as education, policing, health, or sanitation. Projects in complex environments will inevitably face exacerbated levels of contextual risks—such as security risks associated with historical dynamics of communal violence and conflict, population movement due to internal displacement, adverse environmental pressures to which the government lacks capacity to respond, or a lack of access to food and water by local communities in a project area.

12. Identifying contextual risk factors, especially conflict drivers and dynamics, which may translate into risks to/from a project's operations and hinder a project's ability to fulfil its business requirements, enables

⁴ The terms Fragile and Conflict-Affected Situations (FCS) and Fragility, Conflict and Violence (FCV) are used interchangeably in this publication.

practitioners to understand the risks that surround a project and mitigate potential negative impacts where possible.

13. When assessing contextual risks, the outcome of the exercise should be geared toward development of practical mitigation strategies where feasible. In high-risk and FCS environments, the risk for unintended project consequences is high and could potentially trigger conflict, thus mitigation strategies must be tailored and context specific. The CRF provides a gateway to understanding how the broader dynamics in the country manifest at the subnational and local levels and how such risks may affect the project and, conversely, how the project may affect or exacerbate these risks. This information can help practitioners to not only address risks but also minimize the project's negative impacts and maximize its positive ones.

A FOCUS ON FRAGILITY AND CONFLICT SITUATIONS

14. Systematically screening for contextual risks is particularly important in FCS, where risks to business practices, integrity, and E&S aspects can be higher. The World Bank Group committed to systematizing conflict-sensitive approaches for private sector investments in FCV, building on country-level contextual analysis and pilot project-level conflict analysis, as part of its Strategy for Fragility, Conflict, and Violence 2020:

“The IFC Performance Standards reflect good international industry practice and offer an effective framework for environmentally and socially sustainable private sector outcomes in FCV settings. However, ESG risks are heightened in these settings because many of the contextual risks are systemic—for example, security, gender-based violence, and land rights—while others are outside the control of private sector actors. Private sector investment can also unintentionally exacerbate conflict and violence if the allocation of benefits and jobs sparks tensions among conflicting groups. IFC continues to develop new tools and guidance to assist teams working in FCV settings.”

- WBG FCV Strategy, 2020

15. **FCS countries present unique challenges, and even the best designed interventions may produce unintended consequences.** Complex political, economic, and social dynamics in FCS may contribute to negative impacts and projects can be adversely affected by these interlinked dynamics.

16. Through its Conflict-Affected States in Africa (CASA) program⁶ and now successor program the Africa Fragility Initiative (AFI),⁷ IFC has been developing an approach for applying a fragility- and conflict-sensitivity lens to private sector investments in FCS environments. A focus on FCS is more important than ever to contribute to sustainable development, and enable conditions for responsible private sector investment and for greater peace and stability to take root.

17. However, where contextual risks that include conflict and insecurity may be higher, practitioners should consider:

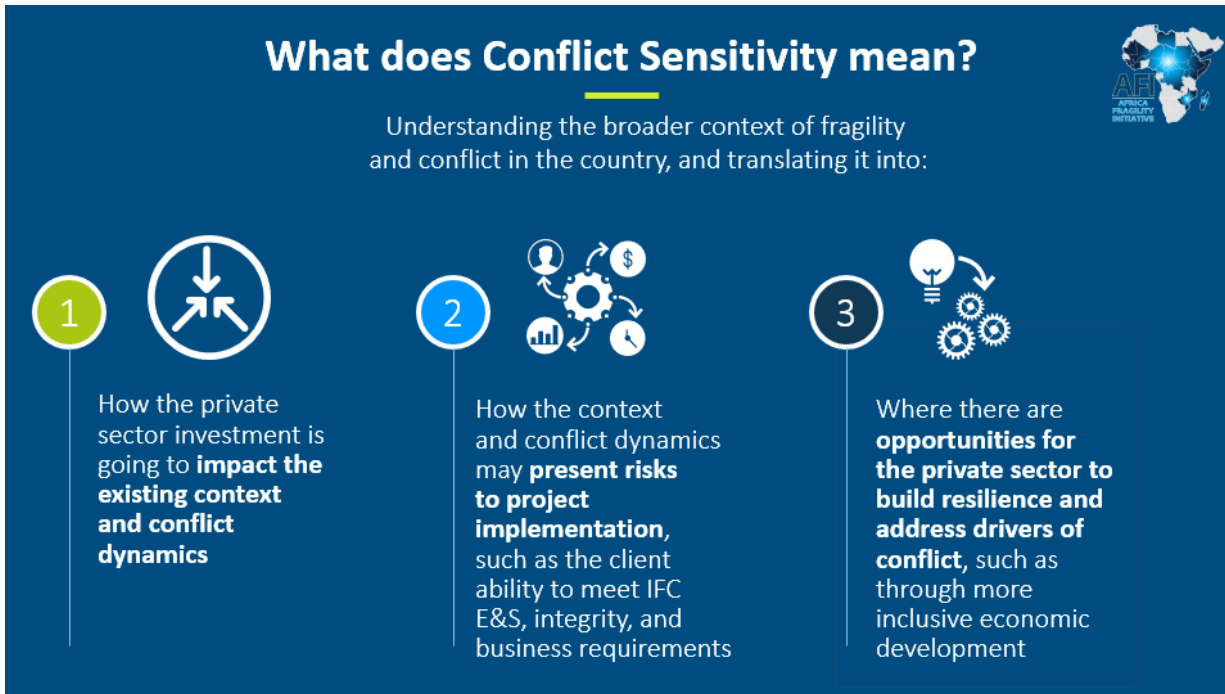
- (i) how the project may impact the conflict and power dynamics;
- (ii) how conflict risks may impact the project’s implementation; and
- (iii) if there are opportunities for the project to positively impact the context by addressing fragility issues and building resilience.

18. The CRF can be a valuable entry point to understand what the underlying sources of grievance and group-based divisions may be in FCS countries, how these are manifested at a subnational level, and how/if they intersect with the project. Regional spillover effects from neighboring instability, and operation of cross-border armed groups can also be highly relevant to this analysis, particularly where a project is in a border area. In the context of Africa FCS countries, the AFI program seeks to apply this conflict-sensitive lens to high-risk projects and working with project sponsors to develop practical mitigation measures to avoid exacerbating conflict and minimize project risks, while also identifying opportunities to maximize positive impact, such as enhancing economic and social inclusiveness.

⁵ WBG, [World Bank Group Strategy for Fragility, Conflict, and Violence 2020-2025](#), 2020.

⁶ IFC, [IFC Africa’s ‘fragility lens’](#) (Washington, DC: IFC, n.d.).

⁷ AFI, <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26856>



Source: Africa Fragility Initiative, IFC 2022

19. IFC's E&S Performance Standards reflect conflict drivers such as land tenure, use of armed security forces, labor relations, and management of natural resources. Through the CRF dimensions, this GPN guides practitioners in identifying and understanding national, subnational, and local contextual risks as well as conflict drivers and dynamics. Often conflict, communal violence, and criminality are driven by complex, cross-cutting factors, such as resource competition, group-based grievance, poverty, and unemployment. Using a systematic approach to identify structural dynamics (such as governance, population, and climate), practitioners are able to make the interlinkages to identify potential risks and how they may manifest in insecurity and conflict. This information can be used to engage with project sponsors and local stakeholders during due diligence and monitoring and when defining mitigation and management programs aligned with Good International Industry Practice.

20. More broadly, undertaking a contextual risk analysis of a project's operating environment can help practitioners apply a conflict- and fragility-sensitivity lens to their assessments.⁸ This lens does not focus solely on identifying risks; it can provide insights into creative ways to mitigate risks. For example, applying a conflict and fragility lens can help a project sponsor create robust and conflict-sensitive solutions for its community engagement, stakeholder dialogue, grievance mechanisms, and social project design. Understanding the different structural and event-driven dynamics that drive conflict and state fragility through this contextual risk framework, alongside more in-depth country analysis, can help identify entry points for further improvements by project sponsors and in sector/value chains. See following box for suggested desktop research sources on conflict-sensitive approaches.

⁸ Note that assessing whether a project will increase fragility and/or conflict or be affected by it goes beyond the scope of E&S due diligence.

Conflict-Sensitive Approaches: Suggested Desktop Sources

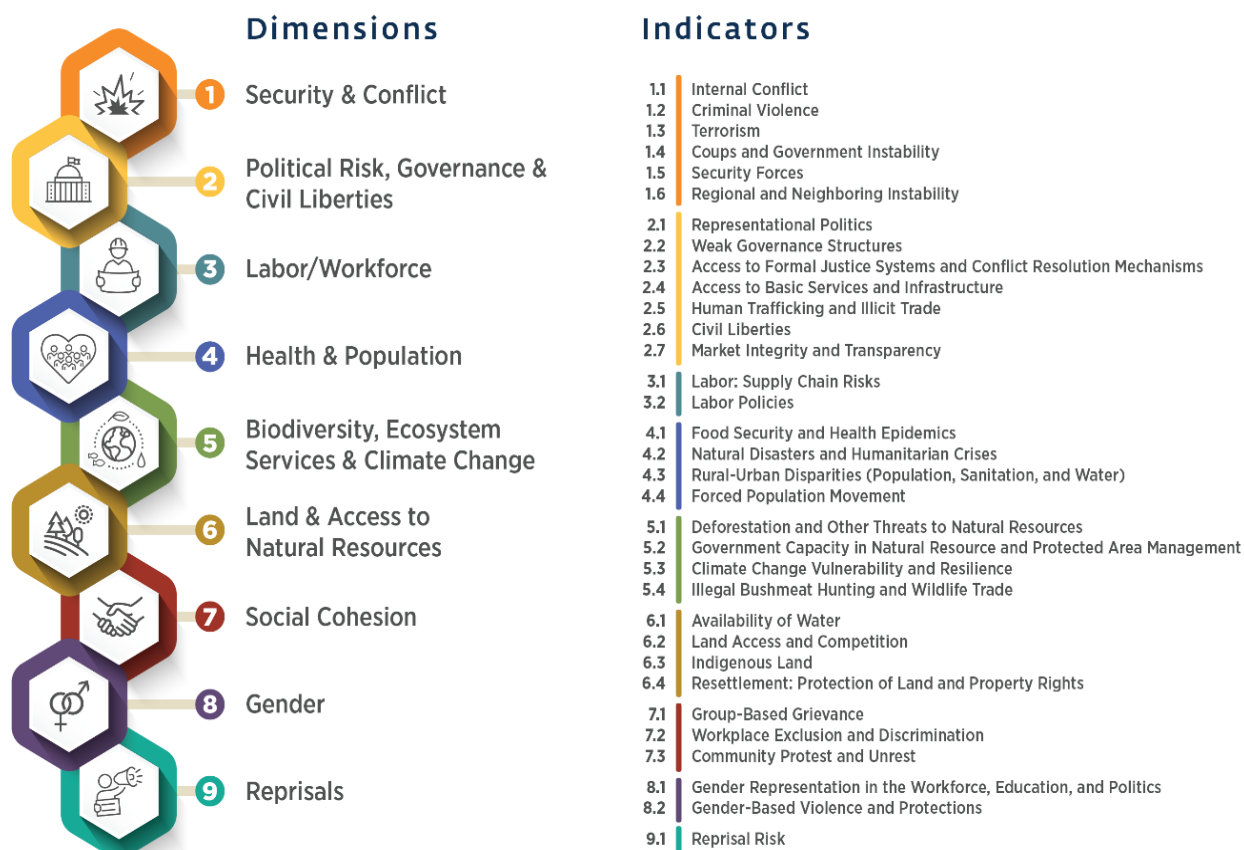
There is a range of publications on the application of conflict-sensitivity approaches in the aid and development spheres that practitioners can consult:

- [IFC FCS Africa](#) Fragility Lens Factsheet
- [WBG](#) Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict
- [Organization for Economic Cooperation and Development \(OECD\)](#). 2010. *Conflict and Fragility: Do No Harm—International Support for State Building*. Paris: OECD.
- [CDA](#). n.d. “Conflict-Sensitivity and Do No Harm.” Website. Cambridge, MA: CDA.
- [Conflict Sensitivity Consortium](#). n.d. “Do No Harm.” Website.
- [International Alert](#). 2004. “Conflict-Sensitive Approaches to Development, Humanitarian Assistance, and Peacebuilding.” London: International Alert.

FRAMEWORK DIMENSIONS AND INDICATORS

21. The framework contains nine dimensions and thirty-three indicators.

IFC Contextual Risk Framework



SECTION 2:

APPLICATION OF THE CONTEXTUAL RISK FRAMEWORK

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Dimension 1: Security and Conflict



Assessing the peace and security landscape helps practitioners understand how a project site may negatively affect or exacerbate conflict dynamics or, conversely, contribute to peace and security. This dimension explores the following:

- 1.1 Internal conflict and recent history of conflict within a country, such as prevalence of battle-related deaths, militancy, riots, protests, and so forth.
- 1.2 Criminal violence, such as the number of homicides per capita, which can be a trigger for conflict.
- 1.3 Terrorism, such as the number of terrorist-related incidents and fatalities.
- 1.4 Coups and government instability, such as unexpected changes in government.
- 1.5 Security forces, including any history of misconduct or alleged human rights abuses.
- 1.6 Regional and neighboring instability, with spillover effects from bordering countries creating security or demographic pressures.

Case Example:

In 2013, terrorists attacked a remote plant in Africa, taking hundreds of workers as hostages. The hostage situation continued for several days before the Government security forces freed the majority of the hostages. However, there were significant company casualties during the raid. The incident highlights the risk of doing business in an area of instability that is vulnerable to terrorism. Even though the risk of terrorism for the nation was assessed to be lower, the risk was much higher for the area of the incident. This was in part due to its remote location and proximity to porous border regions—neighboring countries that had poor law-and-order capacities because of ongoing civil unrest, which created an enabling environment for criminality and the establishment of terrorist cells.

1.1 Internal Conflict



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Few salient issues of conflict or collective violence.	⇒ May have pockets of violence: for example, communal unrest, criminality, or other group-based violence.	⇒ Significant group-based violence, with the risk of civil conflict and/or a history of civil war or insurgency.



What should practitioners ask?

Try to understand the dynamics at the subnational and local levels and how these may affect project operations. If the country does have significant risks, identify the hotspots of violence/conflict in the project area. Consult with relevant stakeholders that have local knowledge and/or use event data or research reports to conduct inquiries (see right-hand box).

- Is there **historical or current violent conflict** in the project country?⁹
- What are the **geographical hotspots of conflict or violence**?
- Are there **areas of post-conflict transition** (where tensions may still be high)?¹⁰

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- What are the potential **project impacts on conflict dynamics**? (For example, can the project potentially introduce new resource competition between groups due to land take, restriction of access, or change of security arrangements in the area?)
- What is the **role of public security forces** in the current conflict? Will it affect the project's security arrangements (and those of the surrounding communities)?¹²

Consult with relevant stakeholders that have local knowledge, and/or use event data or research reports to conduct inquiries (see right-hand box).

Suggested Desktop Sources

Event data

- [Uppsala Conflict Data Program \(UCDP\)](#) (worldwide snapshots of key conflicts and groups)
- [Armed Conflict Location and Event Data Project \(ACLED\)](#) (comprehensive event data for Africa and Asia)
- [Social Conflict Analysis Database \(SCAD\)](#) (event data for Latin America and Africa)

Context, drivers, and impacts

- Think tanks can be a great source of information for specific countries, such as [Clingendael Institute](#), [Council on Foreign Relations](#), [Brookings Institute](#), [Center for Strategic & International Studies](#), [Stimson Center](#), [International Institute for Strategic Studies](#), among others
- International institutions are also good sources, such as the United Nations (for example, [Peace Keeping Mission Fact Sheets](#)), the World Bank (for example, [Fragility, Conflict & Violence publications](#))

⁹ For many fragile or conflict-affected countries, there may be pockets of insecurity that affect only a small geographical area. For example, in Nigeria, the insurgency in the northeast differs significantly from more peaceful areas in the southwest or the militancy and gang violence common in the Niger Delta. Subnational dynamics are important to research when contextualizing the project operations and location in the country.

¹⁰ *Post-conflict transition* often refers to states that have been in a civil war or protracted conflict situation, but which are now transitioning into a state of peace, for example through implementation of a peace agreement; shifting from military- to civilian-dominated state institutions; establishing a disarmament, demobilization, and reintegration (DDR) program for former combatants, and so forth. For more information on post-conflict transitions, see [World Bank Postconflict Transitions](#).

¹¹ For example, disputes over land, access to resources, group-based divides.

¹² See *Indicator 1.5, Security Forces* for further details.

1.2 Criminal Violence



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Some crime, but it tends to be low-level, petty crime.	⇒ Some serious property and violent personal crime, but it tends to be sporadic.	⇒ Pervasive organized crime, “no-go” areas, and severe risk to property and personal safety.



What should practitioners ask?

Try to understand the dynamics at the subnational and local levels and how these may affect project operations. If the country is at higher risk of criminal violence, identify the hotspots of crime in the project area. Consult with relevant stakeholders that have local knowledge and/or use event data or research reports to conduct inquiries (see right-hand box).

- Do crime levels differ between the project area and the surrounding areas, including between the project site and transportation routes?¹³
- What types of crime are prevalent in the project area?
 - Is the crime petty and opportunistic in nature, or is it more serious, organized crime? Consult with the project sponsor and use event data or research reports to conduct inquiries (see right-hand box).
 - Are women and girls targeted by criminality?¹⁴
- What are the impacts of crime on the project (for example, on staff, property, or production)?
- Will the project have an impact on existing crime networks or dynamics in the area? For example:
 - Could an influx of workers result in increased drug or sex trafficking?
 - Could a project interrupt existing criminal networks?
- What is the role of public security in the area?
 - Will they affect the project’s security arrangements (and those of surrounding communities)?¹⁵

Suggested Desktop Sources

Event data

- The same sources as those for the internal conflict data can be used to examine criminal violence, such as [UCDP](#), [ACLED](#), and [SCAD](#)
- [United Nations Office of Drugs and Crime \(UNODC\) Crime Statistics](#)

Context, drivers, and impacts

- [Insight Crime](#) provides reports on organized crime in Latin America and the Caribbean
- [UNODC Global Study on Homicide](#) is a comprehensive global study
- National and local newspapers, searchable through Google News or platforms like Factiva, can provide good information

¹³ For example, some urban areas, particularly major cities, may have significant crime rates, while rural areas may be comparatively peaceful. Conversely, some countries may have relatively secure cities, while banditry may be a serious concern in rural areas.

¹⁴ Criminality can often disproportionately affect, or target, women, for example, through rape and gender-based violence. This issue is particularly acute in conflict and post-conflict settings.

¹⁵ This may have implications for Performance Standard 4 if security forces are deployed in or around the project site. See Indicator 1.5, Security Forces for further details.

1.3 Terrorism



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Few, if any, terrorist-related events.	⇒ Sporadic terrorist events in the past, or events may be small-scale.	⇒ Heightened risk of terrorist attack based on credible threats or recent history.



What should practitioners ask?

Locate the type and scope of terrorism incidents and try to understand the dynamics at the subnational level and how these may affect project operations. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

Suggested Desktop Sources

Event data

- [Global Terrorism Database](#)

Context, drivers, and impacts

- U.S. State Department [Country Reports on Terrorism](#)
- UN Security Council [Counter-Terrorism Committee](#) research reports
- Country-level think tanks and NGOs produce reports useful for the context of criminal violence: for example, [Search For Common Ground](#) and the [Clingendael Institute](#)

- Are **terrorist threats specific to a geographical area** or are they a nationwide issue?¹⁶
 - Where is the project located relative to the terrorist threat?
- What are the **drivers of the terrorist activity**?
 - Are the incidents related to specific domestic grievances (such as separatism) or perpetrated as part of broader regional or international activity?¹⁷
- Who are the **targets of the terrorist incidents**?
 - Are the incidents aimed at military or civilians?
 - Are they aimed at government institutions or private sector assets (including pipelines and so forth)?¹⁸
 - How might a terrorist attack threaten the project's staff, property, production, and surrounding communities?
- Could the **project affect existing dynamics**?
 - Does the terrorist threat lead to the public security forces being placed on higher alert, and, if so, how will that affect the project's security arrangements?

¹⁶ For example, where terrorism may be linked to separatist movements, attacks may be more focused in the separatist region or the national capital.

¹⁷ Understanding the underlying drivers and dynamics for the terrorist incidents greatly affects how one assesses the contextual risk for a project. Terrorist incidents may be related to very specific domestic conflict issues or may be perpetrated as part of regional or international ideological groups. For example, in Côte D'Ivoire in 2016, there was a terrorist attack targeting civilians at a popular beachside town, with responsibility claimed by the regional groups Al-Qaeda in the Islamic Maghreb and Al-Mourabitoun, which perpetrated other attacks in the region ([CEP](#)). This contrasts with the militancy and violence in the Niger Delta, Nigeria, in the 1990s and early 2000s. Groups under the banner of the Movement for the Emancipation of the Niger Delta targeted the oil industry in southern Nigeria, with attacks on oil infrastructure, kidnappings, and violence linked to specific group-based domestic grievances around adverse impacts of the sector on communities ([Wilson Center](#)).

¹⁸ If there has been terrorist activity aimed at private sector assets, this presents a higher risk for a project, particularly if the nature of the terrorist attacks is to attract publicity by targeting high-profile targets.

1.4 Coups and Government Instability



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong institutions, generally stable government, and orderly transitions of government.	⇒ May not necessarily have experienced recent instability, but institutional weakness makes it more likely.	⇒ Weak institutions and a history of illegitimate changes of government.



What should practitioners ask?

Try to understand the dynamics at the subnational level and how these may affect the operations. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is there a **recent history of coups or attempted coups**?
 - Did this lead to violence or conflict?
- Is there **political competition or instability** that could threaten the state's ability to govern?
 - How does political instability affect the project (i.e., inability to manage violent outbreaks, poor public service provision, high levels of criminality, etc.)?
- Does the **central government hold influence in the project area**?¹⁹
 - Is the project located in an area "favored" by the government?²⁰
 - Could the project affect the dynamics of government instability, and if so, how?
- What has been the **role of public security forces** in the government instability?
 - How does government instability affect oversight and accountability for public security forces?
 - How does that affect the project's security arrangements?

Suggested Desktop Sources

Event data

- [Jonathan Powell Coups Dataset](#)
- [Systemic Peace Coups d'Etat dataset](#)
- [Fund For Peace Fragile States Index](#), Fractionalized Elites indicator scores
- World Bank [Worldwide Governance Indicators](#)

Context, drivers, and impacts

- National and local newspapers, searchable through Google News or platforms such as Factiva
- Country-level think tank and NGO reports for context of the political and governance environment that may lead to a coup, such as those from the [Council on Foreign Relations](#) and the [Brookings Institution](#)

¹⁹ In some contexts, weak governments may have limited impact or influence outside the capital. In regional areas, local government may have a more direct impact on a project.

²⁰ In some contexts, if a region is an opposition stronghold, it may suffer neglect or hostility from the central government, exacerbating local grievances. If there is an unscheduled leadership change, this can also complicate the position of the project, based on whether or not it is in an area that supports the change.

1.5 Security Forces



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Professional security forces that perform their duties according to law.	⇒ Some reported incidents of abuses by security forces.	⇒ Poorly trained and unaccountable security forces who are often accused of human rights abuses.



What should practitioners ask?

Try to understand the general scope and presence of security forces in the project area, and how these may affect project operations. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is there an **increase of public security deployed** because of the project (such as extra police or military)?²¹
- Are the **security forces representative of the local population**?²²
- Is there a **history of misconduct or alleged human rights abuses** by the police and/or military in the area?²³
 - Do people (especially women and other vulnerable groups) feel intimidated by or scared of the security forces?
 - Are there avenues (in practice) for people to report misconduct?
- Are the **police and/or the military trusted** in the local area?
 - Are they seen as well trained and disciplined?
 - Do they have a reputation for engaging in illicit activities or corruption?
 - Do people regularly report crimes to the police? If not, why? If yes, do the recourse mechanism and judicial system effectively address such crimes?
- Is there a disarmament, demobilization, and reintegration (DDR) **process ongoing or recently finished**?
 - If so, how does this process affect the project area?²⁴

Suggested Desktop Sources

Event data

- The same sources as for the conflict data can be used to look at civilian clashes with security forces, such as [UCDP](#)

Conflict drivers, and impacts

- [University of Denver Private Security Monitor](#)
- [Afrobarometer](#) African perceptions data—population surveys on topics such as perceptions of safety
- [Amnesty International](#) Country Profiles
- [Human Rights Watch](#) World Reports
- DDR Processes by [UN Peacekeeping Operations](#)

²¹ If the military instead of police is deployed, the level of response to an incident may be more severe, and thus the potential risk of abuse or harm to the community may be greater.

²² In some contexts, security forces that are not representative of the local ethnic, religious, or cultural group may be resented by the local community. This may exacerbate tensions with the community.

²³ If local news articles or reports by international NGOs don't have relevant information but this is a potential area of concern, key informant interviews with the client, local communities and/or CSOs during site visits can provide useful insights.

²⁴ DDR processes can have wide-ranging impacts on local dynamics, for example, reintegration of former combatants into civilian populations, which can contribute to insecurity as combatants transition back into civilian life, stoke grievances between "haves" and "have-nots" if there are DDR program incentives, and have gender-based violence implications for vulnerable community groups. This may also affect security arrangements of the client, with vetting of security personnel as part of Performance Standard 4.

1.6 Regional and Neighboring Instability



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are limited population movements or illicit trade and criminality across country borders, no major crises or conflict situations in the region that affect the country, and no disputes with neighboring countries.	⇒ Porous borders result in some illicit trade and movement of people. The country has been susceptible to shocks from a neighboring country or regional effects such as disasters or conflict in the past. Geopolitical tensions with neighbors may be present but are largely managed.	⇒ Active conflict or disasters/epidemics in the region or a neighboring country have caused populations to seek refuge, putting pressure on social cohesion, services, and access to resources. Flows of armed groups or combatants may pose security threats. Geopolitical tensions with neighbors can result in violence.



What should practitioners ask?

If the project is in a border area, contextual risks from spillover effects should be carefully considered. Try to understand the dynamics at the subnational and local levels and how these may affect project operations. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Does the country have a **history of tension or conflict with its neighbors?**²⁵
- Are there risks related to **cross-border security?**²⁶
 - Is the border area porous with limited enforcement?
 - Is criminality and illicit trade (e.g., drugs, human trafficking, weapons) common?
- Are there **ongoing conflicts or disasters in neighboring countries or the subregion?**
 - Are fighters, armed groups, or former combatants coming over the border?
 - Are refugees coming over the border seeking shelter and resources?²⁷

Suggested Desktop Sources

Regional Conflict

- The same sources as for the conflict data can be used to look at cross-border and regional conflict trends, such as [UCDP](#) and [ACLED](#)

Population and goods flows

- [UN High Commissioner for Refugees \(UNHCR\)](#) reports and data on refugee and internally displaced persons flows
- [World Health Organization \(WHO\)](#) weekly bulletins on outbreaks and other emergencies
- Regional economic communities (e.g., [Economic Community of West African States](#)) and continental unions (e.g., [African Union](#), [European Union](#), [Association of Southeast Asian Nations \(ASEAN\)](#)) information on transborder and regional issues
- Various [African Development Bank \(AfDB\)](#) knowledge products on trade and other topics

²⁵ Poor relations between countries can increase the difficulty of doing business, perhaps making it more expensive or logistically burdensome for projects to import equipment or export production through the most efficient trade routes. At the extreme, poor relations devolve into transnational conflict. Although outright conflict may be rare, neighboring countries with poor relations may engage in lower-level measures that seek to undermine each other's politics and security.

²⁶ Even in countries that have relatively stable governance and strong institutions, the presence of an unstable neighbor can pose a serious challenge. Cross-border crime (for example, smuggling) may be carried out with impunity in poorly governed spaces.

²⁷ Regional conflict or disasters in neighboring countries can result in population influx. At the project level, influx may present challenges related to natural resources, benefits from projects, employment, land issues, and so forth.



The political, governance, and civic landscape provides critical insights into the potential underlying tensions in a community or society at large.²⁸ This can directly affect a project, as higher political risk can lead to issues of liability and tension with the community. This dimension considers those underlying, systemic, political, and social issues that can give rise to community tension. This dimension explores the following:

- 2.1** Representational politics: authoritarian regimes that do not provide citizens with the right to vote or express views can vastly affect project operations.
- 2.2** Weak governance: coupled with corruption, poor governance can fuel conflict or affect a project's ability to meet the Performance Standards due to weak regulations or weak enforcement of regulations.
- 2.3** Access to formal justice systems and conflict resolution mechanisms: where there is poor access to justice systems or mechanisms for conflict resolution, grievances may remain unresolved and can lead to heightened tensions in the community.
- 2.4** Access to basic services and infrastructure: low capacity of a government may lead to gaps in the provision of basic medical, water, sanitation, and education services.
- 2.5** Human trafficking and illicit trade: where human trafficking and illicit trade are prevalent, there is an increased risk of general lawlessness, increased criminality, corruption, and elevated risks to a project and its supply chain.
- 2.6** Civil liberties: Curbing of civil liberties could affect project considerations such as resettlement, public security arrangements, and rule of law and governance.
- 2.7** Market integrity and transparency: Weak regulatory environment for public procurement, anticorruption law and implementation, and lack of judicial independence can affect a project's ability to operate.

Case Example

A mining project was established in a remote, marginalized region in Southeast Asia that lacked basic infrastructure such as roads, potable water, education, or medical facilities.

The project came under intense pressure from the local community to fill the gaps, and over time became a “substitute government” in the region, as the community began increasingly to expect that the project would provide and maintain basic services.

These expectations were soon shared by the government. In meeting expectations, the company expended significant resources and was unable to scale back those services for fear of community backlash.

²⁸ Integrity teams or a similar function within companies can be a good resource, as it may have already conducted some analysis or can incorporate some of the aspects in this section to its analysis related to political risk and governance.

2.1 Representational Politics



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Robust structures and practices recognize diverse interests and ensure that all voices are heard.	⇒ Structures and practices provide the population with some level of representation but may prioritize political allies and special interests.	⇒ Structures and institutions ignore (or exploit) the interests of the population, particularly outside their own constituency.



What should practitioners ask?

Try to understand the dynamics at the national and subnational levels and how these may affect project operations at the local level. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- How well are **regional interests represented at the national government level?**²⁹
- Do people feel they **can talk freely about politics and the government?**³⁰
- Does the project area's **local population feel represented in municipal, regional, and national government?**
 - In practice, do people feel like they can vote freely and fairly in elections?
- Are there **power imbalances** between local communities, local government, and the project, or within communities?
- Are there **contentious elections** coming up that could affect the project?
- Are there **community perceptions of project bias toward government interests?**

Suggested Desktop Sources

Quantitative data

- [Economist Intelligence Unit Democracy Index](#)
- [Freedom House Freedom in the World](#) country reports
- [Inter-Parliamentary Union](#) research reports and data on democracy and representation by country
- [Ibrahim Index of African Governance](#), indicator on Participation and Human Rights for African countries

²⁹ In some contexts, regional representation may be a proxy for certain groups holding more power in politics than others, leading to local grievances and unequal distribution of services and resources.

³⁰ See Indicator 2.6, Civil Liberties, for more suggested questions.

2.2 Weak Governance Structures



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong and trustworthy institutions and good levels of official accountability and transparency.	⇒ Some corruption or weaknesses, but there are some mechanisms for accountability and transparency, even if inconsistent.	⇒ Higher levels of corruption and difficulty in enforcing contracts, regulations, or rule of law.



What should practitioners ask?

Try to understand the strength of governance structures at the national level and how that might manifest in governance at the local level. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- How **present and effective is the government** in the project area?
 - Are regulations enforced at the local level to the same degree as at the national level?³¹
 - Are there government institutions like police stations and courts in the project area? If not, what are the local mechanisms that are present?
- Do **government institutions and/or regulators have sufficient resources to carry out their jobs effectively**?³²
- Is there **effective regulation of environment, land, and cultural heritage** by the government?
- Are **key stakeholders perceived as being “above the law”** or corrupt (politicians, government, and/or institutions)?³³

Suggested Desktop Sources

Quantitative data

- Country Policy and Institutional Assessment (CPIA): [World Bank](#) and [AfDB](#)
- [Ibrahim Index of African Governance](#), indicator on Safety and Rule of Law for African countries
- World Bank [Worldwide Governance Indicators](#)
- Fund For Peace [Fragile States Index](#), indicators for State Legitimacy and Public Service

Qualitative analysis

- The World Bank's [Rapid Results Approach](#) helps institute practical change and capacity building with government partners. This includes country case studies

³¹ For example, in the context of land acquisition, are there perceptions that the process is flawed?

³² For example, do the relevant government entities have enough resources and capacity to undertake monitoring? If the environmental protection agency has a legal mandate to monitor compliance, but in practice doesn't have the resources to undertake the monitoring, the project may need to consider third-party monitoring.

³³ For complex operating environments where governance institutions, polarized politics, and limited transparency is common and may directly affect the project and its engagement with key stakeholders, additional in-depth research and stakeholder mapping from experts may be required.

2.3 Access to Formal Justice Systems and Conflict Resolution Mechanisms



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong access to justice with mechanisms to address grievances and de-escalate tensions.	⇒ Some access to justice, but it may be inconsistent or not seen as independent.	⇒ Unresolved grievances potentially leading to heightened tensions that can manifest in violence.

Suggested Desktop Sources

Quantitative data

- World Justice Project [Rule of Law Index](#)
- Fund For Peace [Fragile States Index](#), indicator for Human Rights and Rule of Law
- World Bank [Worldwide Governance Indicators](#), indicator for Rule of Law
- World Bank [Women, Business, and the Law](#), reports and data



What should practitioners ask?

Try to establish the nature of justice mechanisms at the national and regional levels and how they manifest as grievance mechanisms and judicial processes at the local level.³⁴ Projects should focus on how they can work with local partners and communities to come up with practical solutions for addressing issues in an accessible and transparent way. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are the **court system and legal remedies accessible to ordinary citizens**, including vulnerable groups, and to local communities across the country, including in the region of the project site?³⁵
 - Are there courts near the project area?
 - Are court proceedings (civil and criminal) affordable to local communities, including vulnerable groups?
 - Do **informal justice mechanisms** exist, and how do they intersect with formal justice mechanisms in the project area? For example, do most community members report issues to traditional or community leadership for resolution rather than police?
- Are the **courts and judiciary perceived as being independent**?
- Is **vigilante or mob justice prevalent** in the project area?³⁶
- Are there **unresolved community grievances**, directed either at the government or the project?³⁷
- How are **gender-based and vulnerable group issues reported** in the community?³⁸
- How do people report and seek **redress for allegations of security force abuses** or poor conduct?
- Are there **initiatives or organizations working on rule of law** in the project area?³⁹

³⁴ This may require discussions with the client and other local stakeholders.

³⁵ If there is an absence of effective local justice mechanisms, project sponsors should focus on how they are going to address justice within the scope of the project in practical terms, recognizing the importance of government's roles and responsibilities.

³⁶ In the absence of formal or effective justice mechanisms, communities may take the law into their own hands, presenting security risks.

³⁷ It can be difficult for a company to address legacy grievances; it is important to work with local partners and government to address concerns.

³⁸ In many contexts, there may be cultural norms that make gender-based violence difficult to report, and authorities may not take such reports seriously. Projects should be cognizant of these barriers when ensuring that grievance mechanisms and reporting processes are sensitive and accessible across the array of vulnerable groups.

³⁹ Existing programs by NGOs and CSOs, development institutions, or government may provide opportunities for partnership as part of risk mitigation efforts around rule of law.

2.4 Access to Basic Services and Infrastructure



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Good public service delivery, reaching both urban and rural areas.	⇒ Inconsistency in public services, such as strong delivery in the capital but not in rural areas.	⇒ Significant gaps in provision of basic services, including medical, water, and sanitation, among others.

Suggested Desktop Sources

Quantitative data

- [World Bank infrastructure data](#)
- CPIA: [World Bank](#) and [AfDB](#), indicators on Infrastructure and Regional Development
- World Bank [Logistics Performance Index](#), mapping and indices by country



What should practitioners ask?

Try to understand the level of access to basic services and infrastructure nationally and how that may affect the local level. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are **roads accessible and of good quality** in the region (connecting urban and rural areas)?
- Is **clean drinking water** readily available?
- Are **schools and hospitals accessible to all, including vulnerable groups**, and of reasonable quality?
- Are **basic services and infrastructure equitably distributed** across all areas? Are there certain groups or regions that have restricted access to public services? That is, are there urban versus rural divisions or political and government favoritism toward certain groups or geographical regions over others?
 - Are there any communities in the project region that have more services than others?⁴⁰
- Are there **expectations of the project's role in public service provision** at the local level (to fill existing gaps)?
- Are there **community grievances over public service delivery**?⁴¹

⁴⁰ This imbalance can create tension or even conflict between communities, especially if a new project affects existing dynamics.

⁴¹ Public services and infrastructure that are promised by politicians or by other public or private sector actors that don't materialize can create grievances over unmet expectations within communities.

2.5 Human Trafficking and Illicit Trade



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Low levels of human trafficking and illicit trade, with government capacity to deal with it effectively where it does occur.	⇒ Human trafficking and illicit trade flows in some areas (such as border areas), with mixed government effectiveness to deal with them.	⇒ Human trafficking and criminal networks operating freely and with impunity, posing risks to populations and businesses.

Suggested Desktop Sources

- [UNODC](#) data and reports on crime, drugs, and human trafficking
- [U.S. Department of State Trafficking in Persons Report](#)
- [International Atomic Energy Agency](#), publications related to nuclear trafficking



What should practitioners ask?

Discern whether human trafficking or illicit trade (such as narcotrafficking, poaching, and smuggling of goods, weapons, or nuclear material) is prevalent nationally and how that may apply at the subnational and local levels. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is the **illicit drug trade prevalent** in the country and/or project region; is it an exporter, importer, or transit point for drugs?
 - Is the project located in a region with significant levels of narcotrafficking? If so, what could be the impacts of illicit trade on the project? Is the project vulnerable to intimidation or sabotage by narcotraffickers? What could be the impacts of the project on illicit economies in the area?
- Is **human trafficking prevalent**⁴² in the country and/or project region?
 - Is the country or region a source, destination, or transit point for human trafficking?
 - What types of human trafficking are common (labor, prostitution, others)? Are children involved in the human trafficking?
 - Is there a risk of trafficked labor being engaged by a project, including by contractors? Are there civil society or other partners that may be working on these issues that the client could work with as part of risk mitigation of human trafficking?
- Who are the **key actors involved in trafficking and illicit trade**?
 - Is the trade linked to larger criminal enterprises and/or government officials?
- How effective are the **government resources and mechanisms for combatting trafficking and illicit trade**?
 - What is the level of interest and capacity by the government (such as in providing public security forces) to address trafficking in the project area?

⁴² See also IFC, [“Good Practice Note on Addressing Modern Slavery in the Private Sector”](#) (Washington, DC: IFC, December 2018).

2.6 Civil Liberties



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Open and inclusive civil society space enables the population, civil society organizations (CSOs), and media to discuss their views (including opposition to government or companies) without fear of persecution. The government effectively protects the rights of its population.	⇒ While media and civil society may be present, there may be some limitations as to what people feel comfortable talking about. The government may, in general, seek to protect the rights of the population, but lacks the resources or effectiveness to always do so.	⇒ Expressing views in opposition to government or companies can place people at risk of persecution, particularly critics or human rights defenders. Media and civic space are tightly controlled by the government. Certain groups within the population may enjoy government protection over others, which can lead to violence.

Suggested Desktop Sources

Country reports

- [UN Office of the High Commissioner on Human Rights \(OHCHR\)](#) human rights resources by country
- [Amnesty International](#) country profiles
- [Human Rights Watch](#) country reports
- U.S. Department of State [Human Rights Reports](#)



What should practitioners ask?

Establish the extent of curbed civil liberties nationwide and at the local level.⁴³ Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Can people **speak freely about the government**?
- Can people **freely voice opposition to the project**?
- Are **protests allowed** in the country or region?⁴⁴
- Are the **protections of certain citizen groups limited**, based on geography, political affiliation, or other divisions? Are any groups excluded or targeted because of a group-based divide?⁴⁵
- Have any **companies been implicated in abuses** of citizens in the area in contravention of country laws or international norms?
- Is there an **active civil society** in the country and the project area?⁴⁶
- Can the **media report freely** on sensitive actors and topics, such as security issues and company or government conduct?

⁴³ See Indicator 9.1 for implications on reprisals. See also IFC, [“UN Guiding Principles on Business and Human Rights and IFC Sustainability Framework”](#) (Washington, DC: IFC, January 2012).

⁴⁴ If protests are frequently stopped or prohibited by the government, this can become a source of tension and conflict escalation, particularly if there are government security force crackdowns. See Indicators 1.5 and 7.3 for more questions.

⁴⁵ See Indicator 7.1 for further questions.

⁴⁶ CSOs, including human rights defenders, are an important stakeholder group to engage throughout the project life cycle. During site interviews, they can be helpful in presenting community perspectives and grievances, as well as suggesting risk mitigation approaches.

2.7 Market Integrity and Transparency



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk	Suggested Desktop Sources
Open competition and no undue government intervention. Independent judiciary and effective regulatory authorities with frameworks and mechanisms that are transparent and enable public accountability. Reliable open data sources and easy access to public records. A well-regulated and transparent financial system, with good transparency and accountability to the public.	A mixed economy with limited government intervention but some barriers to market entry. Some public accountability and transparency mechanisms, with a regulatory framework and financial system that still needs to mature. Access to open data sources and reliable public records are inconsistent. Judiciary may be subject to interference.	A market heavily controlled by government and public officials or their proxies. A regulatory framework and government agencies that systematically protect vested interests. No transparency or accountability to the public. Restricted access to public records, controlled media, and opaque financial system. The judiciary is subject to interference.	<ul style="list-style-type: none"> Basel Institute on Governance research reports Transparency International country analysis BTI Transformation Country Reports, including issues related to democracy, anticorruption, and judicial independence IDEA Political Finance Database including country-specific data on how money in politics is regulated GW Law lists, including a range of International Anti-Corruption Resources, such as country anticorruption authorities Google, news, and NGO/think tank online searches for country-specific information



What should practitioners ask?

Integrity due diligence can assist in contextual risk screening, focusing on risks to the project's and sponsor's ability to meet integrity and business practices. As part of integrity due diligence, review the regulatory framework of the relevant sector and assess the competitive landscape and potential government interference. Assess the level of transparency and accountability in the public sector and determine the ability of regulators/government agencies to address risks of corruption and market manipulation. Consult with the project sponsors, local experts, and stakeholders familiar with the public sector in the country, and review reports and studies (see right-hand box).

- Are there **high barriers to entry or distortion in the market**?
 - Is there significant control by government, public officials, or government-controlled entities?
 - Does the regulatory framework increase the burden on market entry? Or arguably allow market manipulation, collusion, or corruption?
- Is there a **culture of accountability** in the public sector and government transactions?
 - Is there evidence pointing to diversion of public funds or manipulation of public procurement?
 - Are regulatory/administrative approval processes opaque, without regular and transparent public reporting?
- Is there **transparency on how the stakeholders operate in the market**?
 - Are open data sources readily available, reliable, and free of government interference?
 - Are public and court records, and company/market data, reliable and easily accessible?

- Are **financial and banking systems transparent** and regulated in accordance with international standards? What are their rankings and ratings when assessed against international standards?
- Does the country have **strong and independent regulatory, legal, and judicial frameworks**?
 - Are there laws and regulations in place to combat fraud, corruption, tax evasion, bribery, money laundering, and terrorist financing?
 - How effectively are they enforced? How well resourced are the regulators and judiciary?

Dimension 3: Labor and Workforce



Labor is a key issue for all commercial operations, and while companies will naturally be concerned about aspects such as wages, organizing, a skilled labor pool, and local content, there are other aspects of labor that give rise to contextual risks. This dimension considers the risks emanating from the following:

- 3.1** Supply chain risks: widespread, systemic, forced labor, modern slavery, child labor, or significant health and safety violations can expose the project to increased legal liability and a higher due diligence burden.
- 3.2** Labor policies: poor regulatory frameworks and/or enforcement of those policies may result in systematic poor working conditions, which can be a significant liability for a project.

Case Example

During the 1990s, a major garment manufacturing brand came under severe criticism after it was revealed that child labor had been used in the manufacture of garments and sporting equipment by its suppliers, primarily in Cambodia and Pakistan.

Although the company did not directly hire children to work in its suppliers' factories, the effect—both from a legal and public relations standpoint—was largely equivalent to the response the company would have received had it been the direct employer.

Even decades later, the company is still widely associated with the legacy of child labor issues, demonstrating that a project can be subject to severe risks, as well as a higher burden of due diligence and monitoring—even of its supply chain—if it proposes to do business in a country where the contextual risk of illegal labor practices is higher.

3.1 Labor: Supply Chain Risks



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong laws exist governing supply chain risks such as human trafficking. In practice, human trafficking and associated illicit labor supply chain risks are limited. Workplaces are generally safe for workers and well regulated. Child labor is not prevalent.	⇒ Some laws governing supply chain risks such as human trafficking exist. In practice, these laws are not closely enforced, leading to some illicit labor supply chain risks. Gaps in enforcement lead to some incidents of unsafe workplaces and child labor.	⇒ There are very limited legislative protections or enforcement of supply chain risks such as human trafficking. In practice, illicit labor supply chain risks are high. Workplaces have no protections in practice for workers, and child labor is widespread.

Suggested Desktop Sources

- FM Global [Resilience Index](#)
- World Bank [Doing Business Report](#)
- [UNICEF](#) reports and data on child labor
- [International Labour Organization \(ILO\)](#) supply chain research reports
- [U.S. Department of State Bureau of International Labor Affairs](#) reports
- [Modern Slavery Map](#), mapping initiatives between organizations and private sector



What should practitioners ask?

Understand the nature of supply chain issues and how that manifest at the project site and in the supply chain.⁴⁷ Consult with the project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is **human trafficking** (for example, for sexual exploitation or forced labor) prevalent in the country?
- Are reports of **workplace injuries or deaths** common in the local region (for example, factory fires, or mine collapses)?
- Is there a history of local **companies or suppliers being implicated in forced labor** (for example, withholding identity papers, debt manipulation, threats of violence)?
- Have there been issues of **child labor** in the country?
- Have local companies (and, in particular, local suppliers) been implicated in **labor rights violations**?
- Are **labor laws adequately enforced** in the local region?
- Do **labor associations (such as unions)** exist in the local region?

⁴⁷ Also see IFC, [“Good Practice Note: Managing Contractors’ E&S Performance”](#) (Washington, DC: IFC, October 2017).

3.2 Labor Policies



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong health and safety regulations, enforcement, and an entrenched safety culture.	⇒ Poorly or inconsistently regulated, enforced, or implemented health and safety practices.	⇒ Poor safety standards; may experience high numbers of worker injuries and fatalities.

Suggested Desktop Sources

- OECD [Indicators of Employment Protection](#), mapping of legislation by country
- ILO [Labor Law](#)
- World Bank [Women Business, and the Law](#), review of gender discrimination legislation in the workplace by country



What should practitioners ask?

Understand the nature of labor issues and national regulations and enforcement, and how they manifest at the project level. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are there policies and mechanisms in place to **adequately regulate and monitor workplace safety**?
 - Are **labor inspections** a routine part of doing business in the project area?
- Are there known issues at the country or industry level regarding **poor occupational health and safety practices**?
- Does the project sector have **nationwide unions**?
 - If so, how **active** are they?
 - Do workers perceive unions as being **legitimate and representative** of their interests?
- Is there a large **migrant workforce** in the country?
 - If so, are there any past or present tensions or conflicts with local communities around **competition for jobs**?

Dimension 4: Health and Population



This dimension helps to flag key areas where demographic pressures and gaps in provision of critical services can affect a project's operations and its engagement strategies with local communities and the government. Population pressures in a country can drive a range of contextual risk factors for a project, which cannot easily be mitigated by the project sponsor, so it may be critical to engage with government and communities. Examples include external factors, such as internally displaced persons (IDPs) or refugees from conflict, natural disasters, or epidemics, which can put pressure on access to resources, land, food security, and public services, and potentially cause tension with local communities. Structural vulnerabilities, such as poor availability of health services, especially in rural areas, can increase disease prevalence and heighten the risk of epidemics spreading. Limited resources and government planning for emergency management and response can prolong impacts from humanitarian crises and natural disasters on populations and businesses. This dimension highlights the following risk areas:

- 4.1** Food security and health epidemics: issues such as food insecurity and disease outbreak can be a major barrier to project operations and affected communities, and raise community expectations with respect to provision of support by a company.
- 4.2** Natural disasters and humanitarian crises: natural disasters and epidemics—and lack of government emergency management and planning capacity—can have crippling impacts on communities and businesses, such as illness or death, economic losses, and destruction of land or the environment. In countries with low levels of planning, prevention, and response capacities, damage to people, property, and businesses from natural hazards is worsened and can have significant implications for the roles a company may play in emergency response and recovery.
- 4.3** Rural-urban disparities (population, sanitation and water): for projects based outside of urban areas, this is a useful point of entry to assess whether there are significant disparities between the urban and rural areas. Many communities that are based outside of more developed capitals can experience geographic, economic, and social isolation. This perceived isolation can lead to strong grievances within the population, which can drive potential conflict and violence. This can also create significant expectations about the role of businesses in filling gaps in development and service provision in these areas.
- 4.4** Forced population movement: an influx of refugees from neighboring countries or forced displacement within a country as a result of natural disasters or humanitarian crises can put pressure on public services, local economies, natural resources, and the environmental ecosystem.

Case Example

A mining project was situated in an isolated area of West Africa. During an Ebola crisis, the local public health infrastructure rapidly collapsed, leaving local communities without health services and frightened as to the consequences. As the only developed infrastructure for hundreds of miles, the project became a magnet for locals hopeful of obtaining health services from the mine's tiny medical clinic. Although the guards worked to keep trespassers out of the project, the desperation of the local community led to the situation rapidly escalating and the small guard force fearful of being overrun, with the staff at the site therefore risking exposure to a deadly, highly contagious disease. The project had failed to recognize the risk posed by an epidemic, the collapse of basic services in the area, and the immediate consequences for site safety and security. It also underscored the discordance between communities and the company over unmet expectations for provision of public services and health infrastructure in the area, leading to security risks.

4.1 Food Security and Health Epidemics



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Populations are food secure and the government can contain disease if outbreaks occur.	⇒ There has been a history of food insecurity and/or disease, but the government has shown some level of capacity to respond.	⇒ There is currently (or a recent history of) food insecurity and/or disease, with the government unable to adequately respond, putting populations at risk.



What should practitioners ask?

Understand the recent history of food insecurity and disease outbreak, and implications at the subnational and local levels for the project. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Has the country **recently experienced a disease outbreak** or similar public health challenge? If so, how quickly and effectively was it contained?
- Is there sufficient **government capacity and resources to respond to food insecurity and disease outbreaks**?
- Is **health care easily accessible** for the public in the project area, including vulnerable groups?⁴⁸
- Is **food insecurity and malnutrition** an issue in the country and the project region?
 - Are prices of food fluctuating, making it difficult to get basic food staples (for example, maize, rice, and wheat)?
- Does the country have **safeguards in place for widespread crop failure**?
- Are there **expectations for the project to fill gaps in public healthcare or food security**, held either by the government or the community?

Suggested Desktop Sources

Food security

- [World Food Programme](#) Food Security Monitoring System, providing country-specific bulletins on high-risk areas
- [AfDB](#) data for all African countries on food and agricultural production over time

Health

- [Health Map](#), aggregation of different sources to map emerging public health threats all over the world
- [WHO](#) national-level data on health and disease indicators, as well as monitoring of outbreaks as part of its Media Center

Population

- [Population Reference Bureau](#) portal, mapping key population data stats from the UN and other sources
- [Statoids](#) for subnational population data, which can be difficult to find on many national statistics bureau websites and which can be helpful for looking at per capita trends relevant to a project region
- Central Intelligence Agency [World Factbook](#) for snapshots of national-level statistics

⁴⁸ At the time of the Ebola outbreak in 2014, Liberia had less than 100 doctors in the country. These limited public health resources meant that the country struggled to contain the outbreak and had to rely on external aid resources to manage the emergency. Understanding the project area population's access to physicians, hospitals or clinics, and medicine (in terms of geography, availability, and cost) is important for understanding contextual risks posed by shocks such as a health epidemic.

4.2 Natural Disasters and Humanitarian Crises



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ The country may experience natural disasters or disease outbreaks but has adequate government capacity and resources to respond.	⇒ The country has a recent history of natural disaster or disease outbreak but has some level of capacity to respond.	⇒ The country has a recent history of natural disasters or disease outbreak and lacks the capacity to adequately respond.



What should practitioners ask?

Understand the recent history of natural disasters or epidemics in the country and potential risks at the subnational and local level for the project. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Have there **been major natural disasters** in recent years in the country and project region?
 - Is the project located in an area prone to natural disasters?
- Are there sufficient **government resources and capacity to coordinate and respond to natural disasters**?
 - Does the country rely on development aid or other external resources to respond to natural disasters?
 - Does the government have resources dedicated to disaster management planning and risk reduction?
 - How does the government coordinate response to disasters (for example, is there an agency that communicates/coordinates with other agencies, the private sector, and others)?
 - Is there coordination at the subnational and local levels with authorities about disaster response?
- Are there **expectations for the project to fill gaps in natural disaster response**, held either by the government or the community?

Suggested Desktop Sources

Disaster and emergency monitoring

- [Relief Web](#) tracks major humanitarian disasters and crises worldwide
- [Emergency and Disaster Information Service](#) provides feeds of real-time subnational-level disasters and emergencies
- [Global Disaster Alert and Coordination System](#), a UN portal, tracks events such as earthquakes, floods, and cyclones and measures impacts on populations

Emergency management and disaster risk reduction

- [Prevention Web](#) provides profiles for both natural disaster data and disaster risk reduction efforts by each country
- [EM-DAT \(International Disaster Database\)](#) provides detailed annual data on natural, technological, and complex disasters in each country, including financial cost, injuries, and fatalities
- [UN Office for Disaster Risk Reduction \(UNDRR\)](#) provides country-level reports, working group updates, and international efforts to strengthen disaster prevention efforts

4.3 Rural-Urban Disparities (Population, Sanitation, and Water)



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Basic service provision is accessible in both urban and rural areas, with limited regional disparities in resource allocation.	⇒ There are more services in urban areas, which can present challenges for rural or isolated populations. However, these disparities haven't resulted in violence or conflict.	⇒ Rural populations are distinctly disadvantaged compared with urban provision of services, resulting in isolated and aggrieved communities or regions. These disparities can be a fault line for outbreaks of violence or conflict.



What should practitioners ask?

Determine inconsistencies between urban and rural areas, taking into consideration the subnational and local level disparities that may affect the project area. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Do rural areas receive the same access to basic services (such as water, sanitation, health care, or education) as urban areas?
- Do rural areas receive the same access to public services (police stations, courts) as urban areas?
- Do rural or isolated areas have equal representation and resource allocation from the national government?⁴⁹
- Are there community expectations for the project to fill gaps?
- Is there local community resentment over disparities, directed toward the government or those living in urban areas?
- Do rural or isolated communities identify with a neighboring country more than their own?⁵⁰

Suggested Desktop Sources

Rural versus urban populations

- [World Bank](#) agriculture and rural development indicators provide insight into national-level data on rural vs. urban populations
- [UN World Urbanization Prospects report](#), 2014, provides projections of trends, causes, and consequence of urban and rural population distribution, by country
- The Food and Agriculture Organization (FAO) [Dimitra Project](#) focuses on the visibility of rural communities, particularly their women, and provides resources on different issues affecting rural communities in Africa
- United Nations Development Programme [National Human Development Reports](#) provide a useful overview of country-specific issues, including rural-urban population challenges, for most FCV countries

⁴⁹ Inequitable distribution of services and resources between regions can sometimes be related to issues of political representation. See Indicator 2.1 for more questions.

⁵⁰ In some border regions, it can be common for communities to feel more closely connected to a neighboring country through shared culture, language, history, or geography, especially if there is resentment or grievances in relation to their own country government. This can create new conflict and contextual risk dynamics for the project to consider.

4.4 Forced Population Movement



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Population movement is regulated, and if there are influxes these can be managed by government resources and planning.	⇒ Pressures may exist from regional instability or internal disasters, but government has some capacity to manage.	⇒ There has been recent mass population movement, internally or cross-border, putting pressure on local resources with little or no government capacity to manage.



What should practitioners ask?

Understand the level of forced population movement in the country (in proximity to the project area) and whether the flows are coming from other countries or from refugees or IDPs originating in-country. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Has there been **recent influx of refugees or IDPs** in the country and project region?
- What are the **causes of the influx** (for example, natural disaster, climate change, land competition, economic circumstance, violence and conflict, and so forth)?⁵¹
 - Has population movement been largely internal or transborder with neighboring countries?
- Is there **adequate government planning and capacity to absorb influxes** (resources and public services)?⁵²
- What are the **impacts of influxes on the project area**?
 - Are there camps for refugees or IDPs in the local area, and if so, what effect has this had on public services, natural resource access, and land availability?
 - Does the presence of new populations in the area have implications for social cohesion?
 - Are there expectations that the project will provide services or support to these populations?

Suggested Desktop Sources

Refugees and IDPs

- [UNHCR](#) data portal provides a wealth of information on IDPs, refugee and other population flows, tracked by county of origin and asylum (see time series). This can be particularly useful for projects in border regions or operating in areas that may be affected by IDP flows from conflict or demographic pressures
- [International Organization for Migration \(IOM\)](#) provides useful reports, data, and analysis of migration trends by country
- [EM-DAT](#) has detailed annual data on disasters, including populations affected, which may affect migration
- [Internal Displacement Monitoring Center \(IDMC\)](#) provides country reports and IDP data useful for understanding migration over time in countries

⁵¹ UNHCR, IDMC and IOM (see box on right) offer useful analyses by country, which can help identify the root causes for population movement.

⁵² Refugees and IDPs can put significant pressure on public services (e.g., health, security apparatus), land, and resources. WHO produced a [toolkit](#) to assess country capacity to manage refugee flows, and UNHCR provides country-specific information about various refugee/IDP situations.



Biodiversity and ecosystem services continue to decline in every region of the world. As companies develop their management programs to contend with these issues, several contextual risks may impede their ability to carry out effective mitigation. Whether those risks play a role depends on the type and scale of the project, the biodiversity value of the area, the extent of ecosystem services in the area, how those services are being used by local communities, and the nature of the project's mitigation strategy.⁵³ This dimension flags key potential risk areas such as the following:

- 5.1** Deforestation and other threats to natural resources: project-related impacts are exacerbated by ongoing deforestation and other threats to natural resources, such as unsustainable harvesting of terrestrial, freshwater, and marine resources by third parties.⁵⁴
- 5.2** Government capacity in natural resource and protected area management: capacity to establish relevant regulatory frameworks and enforce them presents contextual risk issues. In addition, indirect impacts on biodiversity (such as induced access) and the successful implementation of biodiversity offsets makes government capacity especially important.⁵⁵
- 5.3** Climate change vulnerability and resilience: even small climatic changes can have significant implications for projects, communities, biodiversity, and ecosystem services. Rising temperatures and reductions in rainfall may affect the availability and quality of water resources and increase wildfires. Modifications to coastal habitats, such as mangroves, can exacerbate the adverse effects of natural disasters. The effects of climate change could undermine a well-intentioned mitigation strategy at a project site by affecting underlying provisioning and regulatory ecosystem services. This could manifest itself in any number of ways.⁵⁶
- 5.4** Illegal bushmeat hunting and wildlife trade: losses of threatened wildlife due to unsustainable hunting and the growing illegal wildlife trade both exacerbate project-related impacts and derail effective mitigation. This is especially pervasive in areas of high biodiversity value, where project land take is extensive and/or with respect to linear infrastructure, or in places where wildlife trade is particularly active.

Case Example

Expanding a railway will cause it to pass through a national reserve that is recognized for its importance for biodiversity conservation. The routing through the reserve cannot be avoided for geotechnical reasons. The company is aware that it will need to offset impacts to biodiversity. During the biodiversity assessment, the company learns that illegal bushmeat hunting has been increasing on the borders of the reserve. A major construction camp is planned to be built near the reserve. The company is unsure how to mitigate the potential use of the railway to transport illegal bushmeat. It is also concerned about the connection of the railroad to an international port and the increased number of telecommunication channels along the way. The country in which it is operating is known to be a place where illegal trade of threatened wildlife has taken place.

⁵³ Identifying relevant and comparable country-level indicators that cover biodiversity and ecosystem services contextual risks is challenging in many countries due to data gaps and inconsistencies. Four country-level indicators, one of which is overarching, are provided and described qualitatively. It is recommended that this guidance be utilized in combination with other site-specific information, notably, spatial data layers visualized using geographic information systems (GIS). Desktop data sources are provided for each indicator.

⁵⁴ Effectively managing project-related impacts, when there are ongoing, exogenous threats to those same resources, becomes problematic and the importance of establishing a valid baseline becomes essential. It is especially difficult to implement mitigation measures such as a biodiversity offset when natural resources are being harvested unsustainably by local communities, often as a result of poverty.

⁵⁵ Biodiversity offsets are often implemented in areas that are outside of the client's management control, where government has a role to play in their protection, just as they do for protected areas. With respect to indirect impacts on biodiversity, government capacity to exercise control over private sector-induced in-migration and associated development will influence the success of mitigation strategies, as with other social impacts.

⁵⁶ Examples include (i) unpredicted, increased water scarcity for projects that depend on water resources, for example, agribusiness, bottling facilities, hydropower, and water storage; (ii) increased natural disasters for coastal and offshore infrastructure, for example, ports, offshore oil and gas, and offshore wind, once shoreline habitat is modified; and (iii) extended periods of drought that may affect resettlement and livelihood restoration programs, and measures to compensate for loss of ecosystem services.

5.1 Deforestation and Other Threats to Natural Resources



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are low and/or decreasing deforestation rates due to adequate regulatory framework. Communities near the project site have multiple livelihood options, which do not result in overdependence on natural resources. Threats from other entities are also limited.	⇒ Some legal provisions for protecting forests and sustainably managing natural resources exist, but illegal logging does occur. Poverty in some areas has led some communities to unsustainably harvest natural resources. There are some threats from other entities.	⇒ There are high and/or sharply increasing rates of deforestation due to a weak regulatory framework. High levels of poverty in communities have led to the ongoing unsustainable harvesting of natural resources and threats by other entities.

Suggested Desktop Sources

Quantitative data and monitoring

- [Global Forest Watch](#) aggregated data portal
- [UN-REDD Programme](#) on reducing emissions from deforestation and forest degradation in developing countries, research, and programming

Research reports

- [FAO Global Forest Resources Assessments](#)



What should practitioners ask?

The deforestation country-level indicator will provide an estimation of the extent of deforestation within the country at large. This in turn is also an indicator of government capacity and the effectiveness of its regulatory framework to address deforestation (or to encourage it).⁵⁷ By obtaining a better understanding of the level of deforestation and/or other threats to natural resources, specialists will be able to consider how those threats might affect the success of the project's mitigation strategy.

- Is there a **history of extensive deforestation and/or unsustainable harvesting of natural resources** in the country and project area?
 - Is the project located downstream from an area that is experiencing high rates of deforestation and/or unsustainable extraction of other natural resources?
- How will **deforestation and unsustainable resource harvesting** affect the project's mitigation strategy?
- Are project area **communities largely dependent on natural resources for their livelihoods**?
- How will **high levels of poverty and unemployment** affect natural resource use?
 - How will these affect the project's mitigation strategy?

⁵⁷ Spatial data layers in GIS could be used to determine the historical extent of deforestation in and around the project area. The extent of natural resource-based livelihoods combined with known levels of poverty and unemployment in local communities near the project area might also provide an understanding of the potential extent of unsustainable harvesting of natural resources.

5.2 Government Capacity in Natural Resource and Protected Area Management



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Adequate regulatory framework and enforcement are in place. The government has capacity to plan strategically and has a relatively well-defined protected area management system. There is project oversight and monitoring. Countries may also be meeting or exceeding their Aichi targets. ^a	⇒ A regulatory framework is in place, with some areas of weakness. Some planning and enforcement take place, and there is partial management of certain protected areas. Project oversight and monitoring is spotty. Countries may also be working toward their Aichi targets.	⇒ There is a poor regulatory framework, and enforcement capacity is absent. There is a limited number of protected areas, and those that do exist are almost entirely unmanaged. There is no project oversight and monitoring.

^a The Aichi targets are a set of 20 global targets established by the Convention on Biological Diversity.

Suggested Desktop Sources

- [Environmental Performance Index](#), country assessments of ecosystem vitality
- World Bank data on the percentage of [terrestrial and marine protected areas](#)
- [IUCN Global Inventory of Biodiversity Offset Policies](#)
- [Natural Resource Governance Institute](#) country profiles on governance
- [Environmental Democracy Index](#), country rankings on access to environmental information and disclosure



What should practitioners ask?

Specialists should think about whether poor government capacity might (i) exacerbate project-related impacts on high biodiversity values and ecosystem services; and (ii) interfere with the success of mitigation measures. It should be noted, however, that although some higher risk FCV countries may have a large percentage of land covered by protected areas management designation, these areas are often not managed, and budget resources are extremely limited. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is there **effective government capacity to enforce environmental regulations** on neighboring developments that may affect the project?
- Does the **project rely on government control over key external factors** (for example, in-migration, associated development, and cumulative effects)?
 - Does the project involve the government in mitigation measures?
 - Does the project rely on shared infrastructure where the implementing agency may not have operational control, or on environmental oversight by government, which may be weak?
- Is there **government capacity for protected area management**?

5.3 Climate Change Vulnerability and Resilience



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are designated government resources, plans, and processes for combatting climate-related impacts and mobilizing disaster management resources to minimize harm to civilians and property.	⇒ Some resources and planning devoted to climate change vulnerability exist, but these are more reactive than preventive. Countries are more susceptible to natural disasters, with incidents affecting populations and livelihoods.	⇒ Only reactive plans and policies are in place to manage climate change impacts. Natural disasters such as droughts, floods, and extreme weather can have crippling impacts on populations and the economy, and there is a reliance on international disaster relief to respond to crises.

Suggested Desktop Sources

- [Open Data for Development Network](#) impact mapping for energy climate sector
- [World Resources Institute](#) resources on climate, including Aqueduct Water Risk Atlas
- [EM-DAT](#), detailed annual data on natural, technological, and complex disasters in each country, including financial cost, injuries, and fatalities
- [UNDRR](#) country-level reports, working group updates, and international efforts to strengthen disaster prevention efforts
- World Bank [ThinkHazard](#) natural hazard portal



What should practitioners ask?

Climate change-related impacts have the potential to exacerbate project-related impacts and interfere with the success of mitigation measures. This could manifest in ways such as (i) unpredicted, increased water scarcity for projects that depend on water resources (for example, agribusiness, bottling facilities, hydropower, water storage); (ii) increased natural disasters for coastal and offshore infrastructure (for example, ports, offshore oil and gas operations, offshore wind); and (iii) extended periods of drought that may affect resettlement and livelihood restoration programs, and compensation for loss of ecosystem services.⁵⁸ Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are the **available water resources dependent on changing or contested sources** (for example, glaciers, or river basins where tensions already exist over water use)?⁵⁹
- Is the project located in an area with **high rainfall, flood, and landslide risks**?
 - Is the project located in an area where land modification (such as deforestation) could exacerbate those risks?
- Is the project accounting for **resettlement on land with arid climate and water implications**?
- To what extent is there **government planning and resources for climate vulnerability** in the project area?

⁵⁸ See Indicator 4.2 for questions on government response capacities to natural disasters.

⁵⁹ See Indicator 6.1 for further questions on water scarcity.

5.4 Illegal Bushmeat Hunting and Wildlife Trade



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
<p>⇒ Greenfield project is located in a remote area that contains threatened wildlife that were not previously subjected to illegal hunting, and increased access is minimal.</p> <p>⇒ Or there is no wildlife to hunt.</p>	<p>⇒ Greenfield project will open access in a remote area with threatened wildlife that has some illegal hunting or trafficking. No connection to a linear corridor, but newly opened access roads will lead to an existing road network that is limited in its reach.</p>	<p>⇒ Greenfield project will open access in a remote area with threatened wildlife with ongoing illegal hunting or trafficking. Project contains a transport corridor, and access roads will lead to an extensive existing road network.</p>

Suggested Desktop Sources

- Wildlife trade websites such as [Traffic](#), [World Wildlife Fund \(WWF\)](#), and [Healthmap](#) wildlife trade
- WWF [Wildlife Crime Scorecard](#)
- Checklist of Convention on International Trade in Endangered Species of Wild Fauna and Flora ([CITES](#)) species
- [IUCN Red List of Endangered Species](#)



What should practitioners ask?

There is a growing level of concern globally about the threat of illegal killing and trafficking of wildlife, often for hunting and/or the international wildlife trade. Although there are no consistent country-level indicators on this topic, specialists should flag when this contextual risk may (i) exacerbate project-related impacts; or (ii) interfere with the success of mitigation measures. Specialists should focus on the extent to which project sponsors have effective Induced Access Management Plans to help mitigate risks. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Does the country or region have a **history of involvement in the illegal killing or trade and trafficking of wildlife and wildlife parts**?
 - Are species in the project area listed in the CITES I, II, or III appendices?
- Is the project in an area where there are **unsustainable levels of hunting of threatened wildlife**?
- Is the project region known for being near a **transport route for wildlife trafficking**?
- Does the broader area where the project is located contain **threatened wildlife, previously subjected to poaching**?

Dimension 6: Land and Access to Natural Resources



Availability and access to land and natural resources can be a major source of contextual risks stemming from conflict, the environment, and indigenous and land right issues, among others. Countries with finite resources (such as freshwater basins or arable land) and growing populations can experience competition for resources—a scenario with potential to become a driver for communal violence. This can be compounded by environmental pressures such as drought, which can increase competition for grazing lands between farmers and herder communities. Access to land can also raise protection issues for indigenous rights and land ownership, which can affect a project's engagement with government and communities over land and resettlement. This dimension focuses on four salient issues:

- 6.1 Availability of water:** limited access to water can affect food security for local communities and project supply chains, be a source of conflict, and be linked to broader issues of transboundary water disputes if a company is operating in a border region.
- 6.2 Land access and competition:** land issues can become a key security concern, especially in countries where weak governance or enforcement of land boundaries and ownership can drive communal conflict and enable population movement.
- 6.3 Indigenous land:** if there are gaps in the legal protections and/or recognition of Indigenous Peoples' land, this can complicate a project's engagement in relation to land titles, compensation, and protection of cultural heritage.
- 6.4 Resettlement: Protection of Land and Property Rights:** legal protections and enforcement of property rights in a country can be a key issue in a project's resettlement processes, especially if forced evictions by the government are common.

Case Example

In offshore oil operations, the oil rig structures create artificial reefs that attract fish, creating rich fishing catchments and attracting fish away from surrounding waters.

As fishermen attempt to access these rich fishing waters, they come into conflict with the security vessels patrolling the safety exclusion zones around the rigs.

This denial of access encourages a belief among fishermen that the oil operations are depleting the fish stocks in the area, a situation made worse by the practice of security vessels cutting the fishermen's long trawling nets when they float too close to rigs. This scenario creates enormous risks of conflict.

6.1 Availability of Water



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There is good access to clean drinking water, including an abundance for livelihoods, agriculture, and so forth. Water-related resource conflict is not a salient risk factor.	⇒ There is sufficient water for drinking and to support livelihoods, but only in some parts of the country. Lack of access to resources in parts of the country can give rise to tensions. A project that uses significant water resources may have impacts on communities.	⇒ There are limited water reserves and even more limited clean and potable drinking water. This can be a source of conflict within and between communities, as well as a source of regional tension.

Suggested Desktop Sources

Quantitative data

- [Transboundary Freshwater Dispute Database](#)
- [World Resources Institute](#) data on water resources
- [United Nations Department of Economic and Social Affairs](#) Water for Life research portal
- [World Bank](#) data and projects on water



What should practitioners ask?

Understand the level of water availability at the subnational and local levels and how any lack of water availability may affect local populations in proximity to the project area. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is **water available for agriculture or farming**?
- Have the country and project area been **affected by drought** recently?
- Is there easy and widespread **access to clean drinking water**?
- Does water scarcity lead to **competition for land or resources**?
- Does a lack of clean drinking water affect **local public health**?
- How might water scarcity affect **community perceptions of the project**?
- Are there expectations within local communities that **businesses will provide water resources**?

6.2 Land Access and Competition



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are few issues with land disputes and, where they occur, they are effectively arbitrated.	⇒ Some land disputes occur, but there is some degree of capacity to arbitrate those disputes.	⇒ There are frequent land disputes that may result in violent conflict.

Suggested Desktop Sources

- [FAO Gender and Land Rights Database](#), national legislation by country
- [World Bank](#) land data (for example, arable land per person)
- [Land Matrix](#), international land transaction portal (agricultural acquisitions and so forth)
- [Disputed Territories Map](#), interactive map of territorial disputes



What should practitioners ask?

Understand the level of land competition at the subnational and local levels and how land competition may affect local populations in proximity to the project. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is **land speculation** or “**land grabbing**” common?
- Does the government recognize and protect the **rights of Indigenous Peoples as well as vulnerable groups**?⁶⁰
- Is there a **recent history of land disputes**, such as over tenure, ownership, or land use in the local region?
 - Have these disputes resulted in violence or conflict?
- Are there **effective institutions or processes** in place to resolve land disputes?
- Have **local resettlement initiatives** been responsible for conflict between communities and commercial projects, or between competing communities?⁶¹
- Have local resettlement initiatives affected **traditional livelihoods**?
- Has **in-migration** been responsible for increased land competition?
- Have **security forces** been engaged to enforce compulsory resettlement?

⁶⁰ See Indicator 6.3 for more guidance on this topic.

⁶¹ See Indicator 6.4 for more guidance on this topic.

6.3 Indigenous Land



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ The area lacks an indigenous population or has robust protections for such populations.	⇒ Some protections for indigenous populations exist but are inconsistently applied.	⇒ The government fails to recognize or protect indigenous rights or land claims.

Suggested Desktop Sources

- [FAO](#) Indigenous Peoples country data
- [Center for World Indigenous Studies](#) research reports
- [LandMark](#) indigenous and community land rights database
- [Global Forest Watch](#) mapping platform for Indigenous Peoples' land



What should practitioners ask?

Understand the recognition and protection of indigenous land rights at a national level and how these manifest at the local level for the project. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are **Indigenous Peoples recognized in law**, and are they **afforded protections under the law**?
 - Are these rights implemented and enforced in practice?
- Are **ancestral or traditional land rights** recognized in law?
- Are Indigenous Peoples permitted **land ownership** under the law?
- Is there **systemic discrimination** practiced by the government or other stakeholders against indigenous groups in the project area?
- Are there any **ongoing land disputes** in the project area between groups, or between groups and the government, over ownership and/or recognition?⁶²

⁶² Human rights defenders and environmental activists can play key roles in land rights and community representation in disputes. In some contexts, this can put them at risk of facing harassment, intimidation, violence, or even murder. See Indicator 2.6 for further questions related to civil liberties and protections, and 9.1 on reprisals/retaliation. More information also available in IFC/IDB-Invest's [Good Practice Note on the Private Sector: Addressing the Risks of Retaliation Against Project Stakeholders](#).

6.4 Resettlement: Protection of Land and Property Rights



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are few issues with resettlement, and where they do occur, due process and compensation are required.	⇒ Due process and compensation for resettlement exist, but they may be perceived by communities as nontransparent or biased toward government or commercial projects.	⇒ There is forced resettlement of populations without adequate (or any) compensation.

Suggested Desktop Sources

- [FAO Gender and Land Rights Database](#) (land tenure system by country)
- [LandMark](#) indigenous and community land rights database
- [Global Land Tool Network](#) research publications on land rights



What should practitioners ask?

Understand resettlement and property rights at the national level and how resettlement may affect local populations in the project area. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is there a recent **history of resettlement**, including forced eviction or displacement, near the project area?
- Have **security forces** been engaged to enforce compulsory resettlement?
- Have local resettlement initiatives affected **traditional livelihoods**?
- In land disputes, are the government and the courts perceived as **independent or as favoring government or business interests**?
- Where land acquisition has occurred in the local area, are there widespread **land-related legacy issues**?
 - Are there **disputes** related to land tenure and land records?
- Have resettlement initiatives in the project area led to **conflict between communities**?

Dimension 7: Social Cohesion

Gaps in social cohesion within a country can manifest as a wide range of direct or indirect risks for a project. Social divisions along lines such as ethnicity, geographic region, religion, economic class, or other group-based identity can have significant impacts on labor and hiring practices, site security considerations, and community engagement. Group-based grievances can be a salient driver of conflict in or around a project area, with the potential for a project to inadvertently affect existing group dynamics. For example, the company's resettlement and compensation of one community over another can incite conflict over access to resources; the hiring of staff of certain ethnic or regional identity groups over others can cause perceptions of favoritism and stoke grievances. These project considerations can also have broader geopolitical implications, especially if there are group identities aligned with certain political parties that may feed into existing conflict or post-conflict dynamics.⁶³ This dimension helps to flag potential flash points along group-based lines, including the following:

- 7.1 Group-based grievance:** this looks at broad levels of group-based divisions and violence within a country, such as religious, ethnic, or geographic fissures.
- 7.2 Workplace exclusion and discrimination:** certain groups, including women, Indigenous Peoples, or other vulnerable groups, may be discriminated against in the workplace through policy barriers or social norms.
- 7.3 Community protest and unrest:** where there are high levels of protest or social unrest in a country, there may be security implications for a project or potential workforce risks.

Case Example

In the Caribbean, an opposition protest against the government led to the community blocking an access road to a project site. The project requested police support to clear the blockade, but in doing so the police injured a number of protesters. The community directed its anger toward the project, as it was then believed that the project had asked the police to “rough up” the community, exacerbating a situation that had originally had little to do with the project.

Protests can pose major risks for a project, even when it is not necessarily the target of the protest. Communities may protest issues such as gaps in provision of public services and blockade roads to and from project sites. Often, especially in remote areas with low governmental presence, a project can be the closest approximation a community has to the presence of authority.

⁶³ See Dimension 1: Security and Conflict for further guidance on analyzing contextual risks associated with conflict dynamics.

7.1 Group-Based Grievance



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Group-based grievances are not a salient driver of tension or conflict. Differences along ethnic, tribal, religious, or other group-based lines rarely are a catalyst for violence or systematic discrimination in economic, business, or political spheres.	⇒ There is some evidence of group-based polarization, such as tension or hotspots of violence along ethnic, religious, regional, or other lines. Politics can often be polarized along group-based identities, which can sometimes be perceived as “winner takes all,” where the winning group is seen to have political power and access to economic and other resources to the detriment of other groups.	⇒ The country or area is highly polarized along group-based lines. This has been a major driver of tensions and violence, and in some cases led to civil conflict. Access to and control of resources and capital is often linked to group-based identities, stoking socioeconomic divides among groups. Politics are frequently linked to group identities, often complicating company engagements with host governments.

Suggested Desktop Sources

Quantitative data

- [Center for Systemic Peace](#) major incidents of political violence dataset
- [ETH Zurich](#) international conflict research datasets (including ethnic power relations)
- Fund For Peace [Fragile States Index](#) indicator for Group Grievance (trends over time by country)
- [Harvard University World Map Project](#) geographic information system mapping of ethnic groups



What should practitioners ask?

Assess whether group-based divides may be a salient risk factor in the country. Then identify whether group-based divides at the subnational and local levels may affect project planning and engagement. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is there any **history of group-based conflict or violence** in the surrounding region of the project and in the country as a whole?
 - Do **broader political dynamics** in the region contribute to conflict or tensions?⁶⁴
 - Are there **events or other sociopolitical factors** (such as national elections) that may affect local dynamics and tensions?
- Are there any major **divides along group-based lines** in the project area? (For example, is the project situated between two or more ethnic community groups that have ongoing tensions?)
- Has there been any **polarizing media coverage or political rhetoric** about the project that may stoke discords? (For example, are there perceptions of unequal sharing of resource wealth or biased hiring practices?)

⁶⁴ For example, if operations are located in an administrative region at odds with the ruling party or located where an ethnic group resides, this may cause rifts with other parts of the country if that ethnic group or region is being seen to “benefit” from a large-scale project.

7.2 Workplace Exclusion and Discrimination



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Strong workplace protections (legislation and effective implementation) are in place to deter discrimination.	⇒ There are gaps in laws and/or implementation for protecting against workplace discrimination.	⇒ Frequent discrimination or nepotism occurs in the workforce, with limited mechanisms for protection.

Suggested Desktop Sources

- World Bank [Women, Business, and the Law](#) data
- ILO [equality and discrimination research](#) and [workforce statistics](#)
- [Equaldex](#) global database on legal discrimination against the lesbian, gay, bisexual, transgender, queer/questioning (LGBTQ) community



What should practitioners ask?

Establish whether there are legal protections against workplace discrimination at the national and/or subnational levels and whether in practice these protections are enforced in the project area.⁶⁵ Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are there **legal protections against discrimination** in the workforce?
- Are **women and sexual minorities** legally protected from **harassment, including sexual harassment, or discrimination** in the workplace?
 - How well are these protections implemented and enforced in practice?
- Is there an **enforcement body or government ministry** that oversees enforcement of these laws?
- Are there any **groups that are excluded from working, or from working in certain jobs**, based on national laws or widespread cultural norms (for example, women, vulnerable groups, or others without citizenship or state rights)?
- Are there media reports or studies by nongovernmental organizations (NGOs) that detail **abuses, exclusion, or discrimination in the labor force** against certain groups, including vulnerable groups?
- In practice, do **women, youth, and minority groups** tend to be included in the **formal economy**?

⁶⁵ This indicator goes beyond labor issues and supply chain risks (covered in Dimension 3), with discrimination and group-based exclusion also relating to Performance Standards 1, 4, 7, and 8.

7.3 Community Protest and Unrest



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ There are infrequent incidents of violent protest, with clear laws and protections governing freedom of expression. Security forces are rarely implicated in reports of clashes or abuses related to protesters.	⇒ The country may experience regular protests by workers or communities to express grievances. This can result in violence, such as riots or clashes with public security forces.	⇒ The country frequently experiences violent protests, including clashes between groups and security forces. Such incidents frequently result in injuries, fatalities, and/or stoppages of business.

Suggested Desktop Sources

Event data

- [SCAD](#)
- [ACLED](#)

Legislation/Human Rights

- [Human Rights Watch](#) country reports
- [Amnesty International](#) freedom of expression research



What should practitioners ask?

Identify whether violent protests are a regular occurrence in the country, and more specifically within the project area. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Are **protests over issues such as governance and business** common?
- Are there often reports of **protests turning violent**, such as clashes with police or military?
 - Are there other impacts of protests (for example, closure of businesses, destruction of property)?
- Are there **recent protests that have involved fatalities or injuries** near the project area?
- Who are the **main groups that protest**? (For example, what roles do youth, men, and women play?)
- Are there any **government restrictions** on protests or freedom of assembly?
 - If so, what are the consequences of protests going ahead (that is, repression by security forces, arrests, reprisal attacks)?⁶⁶

⁶⁶ This information may be found in human rights-related reports by NGOs such as Human Rights Watch or Amnesty International (see box on right) or require further information from project sponsors or other local stakeholders. See Indicator 2.6 for further questions on civil liberties.

Dimension 8: Gender



Mainstreaming gender into project considerations represents not only an important part of adhering to E&S requirements, but also an opportunity to tap into the benefits that gender balance and women in leadership can bring to such areas as labor and employment, conflict mitigation and community engagement, environmental protection, and cultural practices. The extent to which women and girls experience legal protection in terms of violence, land inheritance, opportunities for education and employment, or representation in decision-making affects how a project engages in local employment, supply chain, land and resettlement, security, and community relations. At the national level, there may be equal protections in legislation for women and men. However, this doesn't mean laws are implemented effectively at the local level, especially if there are sociocultural norms that enable discrimination. This dimension highlights potential risk factors around gender inequality, such as the following:

- 8.1** Gender representation in the workforce, education, and politics: if there are gaps between the participation of women and men in education and in the formal workforce, this may affect how a project approaches recruitment and local hiring practices to promote equal opportunities for employment and training. Women's participation in political decision-making may also affect how a company approaches community engagement.
- 8.2** Gender-based violence and protections: if gender-based violence and sexual harassment is prevalent within a country, this can affect how a project approaches issues such as grievance mechanisms, risk mitigation, and employee training and management.

Case Example

In a hydropower project in Central America, the developers consulted with the community on their priorities as part of its community investment strategy.

Seeking to engage with those that it perceived represented the community, the project consulted only with the community leaders, who happened to be all men.

As a result, the project was asked to invest in a new football pitch for the community, contrary to the interests of the larger community (particularly women), who preferred that spending be targeted to community services such as education and health care, especially as the government was failing to adequately provide those services.

This led to tension within the community, and even within families, as the project was seen as failing to be inclusive in its strategic decision-making.

8.1 Gender Representation in the Workforce, Education, and Politics



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ The country has education and hiring practices that give equal opportunities to all regardless of gender. Women are well represented in decision-making positions at the local, regional, and national levels.	⇒ There is socially driven gender discrimination that contributes to employment, promotion, and pay disparities. Some women are represented in decision-making positions, but generally remain under-represented.	⇒ There are legal barriers to gender equality. Women are economically vulnerable, through barriers that prevent women from owning property or participating in employment and economic livelihoods. Women are rarely represented in decision-making positions.

Suggested Desktop Sources

Quantitative data

- World Bank [Gender Data Portal](#) includes economic, public life, agency, education, and health indicators
- World Bank [Women, Business, and the Law](#) has data and analysis on gender inequality in the law and workplace
- [UN gender statistics](#) include education, economic, occupational, health, violence, and other topics
- IFC [Unlocking Opportunities for Women and Business](#) is a toolkit on gender inclusion for oil and gas and mining companies



What should practitioners ask?

Identify the scope and severity of female underrepresentation in the workforce, education, and political decision-making and how these may affect the project operations.⁶⁷ Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- What role(s) do men and women play in the **formal and informal employment sectors** in the region of the project site?
- Are there **legal barriers** to female education and participation in the workforce?
- How are **women represented in the project workforce**? Consider at what level women are represented. For example, are there women in management roles, or are they primarily found in lower-level positions?
- Are there **cultural, religious, social, or familial norms or obligations** that limit female education or participation in the workforce in practice?
- Do women in the project site region face **sexual harassment, discrimination, or other barriers** that may discourage female workforce participation?⁶⁸
- What role do women and girls play in **decision-making in communities** in the project site region?
- To what extent are women represented in **political decision-making positions at the local, regional, and national levels**?

⁶⁷ As noted in the right-hand box, the World Bank's Women, Business, and the Law portal provides data on legislation on inequality pertaining to workplace discrimination.

⁶⁸ See Indicator 7.2, Workplace Exclusion and Discrimination for more guidance on this topic.

8.2 Gender-Based Violence and Protections



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ The country may lack full gender equality and representation, but all people generally enjoy protection and opportunity.	⇒ Pockets of gender-based violence and discrimination exist, often with impunity for the perpetrators.	⇒ There are chronic levels of targeted gender-based violence and discrimination, often against women and girls or sexual minorities.



What should practitioners ask?

Identify the scope and severity of gender-based discrimination and violence, using country-related data and project site information. Consult with project sponsors and use event data or research reports to conduct inquiries (see right-hand box).

- Is **sexual harassment or assault** a major threat to women or other gender identity groups (including sexual minorities) in the country and project region?
- What are the most prevalent **types of gender-based violence** in the country and project region (for example, intimate partner violence, harassment by security forces, assault in the course of violent conflict)?
- Are there **legal protections** against gender-based discrimination, harassment, and assault?
- How well are these legal protections **implemented and enforced in practice**?
- Is there **impunity** in cases of discrimination, sexual harassment, or assault?
- Are there **civil society groups working on gender-based violence** issues in the project area?⁶⁹

Suggested Desktop Sources

Quantitative data

- World Bank [Gender Data Portal](#) includes economic, public life, agency, education, and health indicators
- World Bank [Women, Business, and the Law](#) database identifies barriers to women's economic participation and encourages the reform of discriminatory laws
- [UN gender statistics](#) include education, economic, occupational, health, violence, and other topics
- [UN Women Global Database on Violence Against Women](#)
- [DHS Program](#) (Demographic and Health Surveys program of the U.S. Agency for International Development, USAID) gender indicator data, by country

⁶⁹ CSOs can be a source of resilience for clients and the government to partner with on combatting gender-based violence issues that may be prevalent in the project area. They can also be important stakeholders to interview during site visits.

Dimension 9: Reprisals



The 2018 IFC Position Statement on *Retaliation Against Civil Society and Project Stakeholders* underscores that IFC does not tolerate any action by an IFC client that amounts to retaliation—including threats, intimidation, harassment, or violence—against those who voice their opinion regarding the activities of IFC or its clients. CSOs and project-impacted stakeholders must be able to provide feedback, voice opposition, and raise concerns with IFC and its clients, when necessary, to ensure that E&S impacts in IFC-financed projects are avoided, minimized, or mitigated and that the project achieves its intended development impact.⁷⁰

In a broader context of shrinking civic space worldwide, CSOs, media, and project-level actors such as environmental activists or community representatives can be the targets of attacks or intimidation for raising opposition to development projects. In a context of weak rule of law (e.g., high levels of criminal violence, lack of trust/reliance on security forces, limited access to justice or conflict resolution mechanisms, etc.) there may be a higher risk of impunity for reprisals against project opposition. If civil liberties and freedom of the press are restricted, this may create higher risks for those voicing opposition to government or private sector projects. If there are existing issues related to indigenous land, workplace exclusion, or community unrest, this may exacerbate polarization between communities/CSOs, and project sponsors or government.

This Dimension explores:

9.1 Reprisal risk, based on enabling civic space, governance, security environment, and history of reprisals.

Case Example:

A large hydropower plant in Latin America, backed by several international investors, met with strong opposition from local communities and environmental activists over project impacts and lack of consultation.

The country had one of the highest per capita murder rates in the world, and a history of violence perpetrated by government security forces and criminal groups, contributing to a broader culture of impunity.

High numbers of environmental and civil society activists had been killed in the country for raising opposition to development projects in recent years.

The investment went forward without further consideration of the contextual risks, and opposition campaigns were staged by civil society.

A prominent local female activist reported receiving multiple death threats while staging the campaign and later was murdered.

International condemnation from governments, media, and civil society led to major investigations, litigation, and divestment by international investors from the project.

⁷⁰ See [IFC Position Statement on Retaliation Against Civil Society and Project Stakeholders](#), October 2018, and other resources such as the [Good Practice Note for the Private Sector: Addressing the Risks of Retaliation Against Project Stakeholders](#).

9.1 Reprisal Risk



What do the contextual risk levels look like?

Lower Risk	Medium Risk	Higher Risk
⇒ Open space for civil society to express concerns and opposition to development, environmental concerns, etc. Government supports freedom of speech and has capacity to investigate incidents. No recent history of reported attacks on project-affected stakeholders or CSOs.	⇒ Some recent history of non-lethal incidents related to reprisals against project level stakeholders or CSOs expressing opposition to development projects. Government may have limited focus on / capacity for protecting civil society actors or investigating incidents.	⇒ Multiple reports of incidents, including targeted killings of CSOs or project-affected stakeholders, especially in key development sectors. Poor rule of law and impunity undermine government ability to investigate incidents. High levels of criminal or collective violence make lethal incidents more likely.



What should practitioners ask?

Understand the extent to which CSOs and community members can express opposing views without fear of retribution from government or other stakeholders at the local level (e.g., via media outlets, social media, in community meetings). If there are high levels of organized criminality in the area, it might enable more impunity for targeting certain stakeholders. Broader opposition campaigns on key issues or industries in the country or region (e.g., palm oil, coal power energy, specific environmental or social causes associated with development projects) should also be considered. If there is already an adversarial relationship between civil society actors and government/security forces, for example, this may have contextual risk implications for the project. Consult with project sponsors, civil society and/or use event data or research reports to conduct inquiries (see right-hand box).

- Is there **history of civil society or project-affected stakeholders being targeted/killed or criminalized**⁷¹ for expressing opposition to development projects? (e.g., journalists, environmental activists, community figures)
- In the project area is there a general **perception that groups (e.g., NGOs, communities) can voice opinions and openly raise grievances about development projects?**
- Are there any **larger opposition campaigns related to the project sector** which have caused retaliation between civil society/communities and government/security forces or others?

Suggested Desktop Sources

Incident data

- [Business & Human Rights Resource Centre](#) database tracks incident reports of attacks, harassment, and killings of Human Rights Defenders (HRDs) working on corporate accountability issues

Key reports

- [Coalition for Human Rights and Development](#), reports, case studies, and tools related to reprisals, grievance mechanisms, and CSOs
- [Global Witness](#) sector- and country-specific reports on activists and reprisal incidents, and annual reports with watch list countries
- [Frontline Defenders](#), Annual Global Analysis Report tracks trends on HRDs
- [OHCHR](#) thematic reports and country profiles

⁷¹ Criminalization can be a common tactic as a deterrent to project opposition voices and can be a precursor to other types of reprisals, such as violence. For more information, consult CSOs reports such as [Global Witness](#).

APPENDIX 1: SITE VISIT INTERVIEW GUIDE

TIPS FOR CONDUCTING SITE VISIT INTERVIEWS

1. Conducting interviews with a range of stakeholders around the project site is an important way for practitioners to gain critical subnational and local insights and contextualize the findings from quantitative index and desktop research. As local and regional dynamics often differ from the national context, key informant interviews and focus group discussions can provide specialists with a deeper understanding of the project context as well as a better sense of local community perceptions, opinions, and positions toward the project.
1. When conducting site visit interviews, specialists should endeavor to engage a broad range of stakeholders. A *stakeholder map* is a useful tool for identifying interviewees, as well as for understanding the relationships between these individuals and organizations.
2. Once interviewees have been identified, there are a few tips and best practices to keep in mind while conducting the key informant interviews and focus group discussions:
 - **Consult with local partners first.** Local partners can help specialists identify key stakeholders, facilitate interviews, and provide critical information on local dynamics that could affect the site visit. While the project sponsor will be able to facilitate some of these interactions, it can also be useful to engage with external actors such as local NGOs or other stakeholders with expert knowledge who may be able to facilitate discussions with stakeholders beyond the sponsor's reach.
 - **Avoid raising expectations.** Specialists should be aware that their presence may inadvertently raise expectations within local communities of increased investment or new projects. Specialists should work closely with local partners, be careful not to make any promises, and be transparent and honest about the purpose of the site visit interviews. They should also attempt to keep a low profile and avoid having large teams composed mostly of foreigners, as this may affect local community perceptions.
 - **Be aware of gender, social, and political dynamics.** Particularly when discussing sensitive topics, specialists should be aware of the gender, social, and political dynamics of the local context. For example, in some contexts female interviewees may not feel comfortable speaking openly with male interviewers on sensitive topics. Similarly, in some contexts, interviewees may inadvertently be put in danger if they are seen discussing controversial topics with outsiders. Consultation with local partners can help specialists mitigate these risks and organize interviews in an optimal way for all concerned.
 - **Gain informed consent and voluntary participation.** Begin the interview by explaining its purpose. If applicable, explain to the participant that the interview will be anonymous and/or confidential.

Key Stakeholders to Interview

- Company management
- Local NGOs and civil society actors
- Women leaders
- Youth leaders
- Local government officials
- Local assembly representatives
- Affected community members
- Members of the security forces
- Other influential community actors (i.e., elders, religious leaders)

Answer any questions and address concerns the participant may have. If you are taking notes, photos, or using a recording device, obtain the consent of the participant first.

- **Adapt questions to the audience.** Phrase questions in a way that the participant will be able easily understand, avoiding technical language or jargon. For example, instead of asking about the “provision of public services,” ask, “Are there any hospitals or clinics nearby?” or, “What is the quality of the roads like in this area?” or, “How long does it take you to get to town?” Be mindful of how to start the interview; for example, begin with less contentious issues, rather than asking about security or politics.
- **Avoid “yes” or “no” answers.** Phrase questions in a way that yields detailed information, including information about *who*, *what*, *when*, *where*, *why*, and *how*. If the participant gives a “yes” or “no” answer, use follow-up questions (for example, “Can you give me an example?”) to elicit more detailed information.
- **Be aware of interviewer bias and remain neutral.** Interviewers should remain neutral and not express personal opinions or bias throughout the interview. Interviewers should also be aware of their body language and any physical signs that may unconsciously signal agreement or disagreement.

3. To guide practitioners in their site interviews, a summary of the key question topics for each indicator is provided in the table below. These key framing topics can then be operationalized in a way that makes most sense for the context and stakeholders being interviewed.

Interview Question Topics List

1	Security and Conflict	Key question topics
1.1	Internal Conflict	<ul style="list-style-type: none"> ○ Geographical hotspots of conflict or violence ○ Areas of post-conflict transition ○ Local-level drivers of violence ○ Project impacts on existing conflict dynamics ○ Role of public security forces
1.2	Criminal Violence	<ul style="list-style-type: none"> ○ Crime level differences between areas ○ Types of crime ○ Impacts of crime on the project ○ Project impact on existing crime networks and dynamics ○ Role of public security
1.3	Terrorism	<ul style="list-style-type: none"> ○ Terrorist threats specific to a geographical area, or nationwide ○ Drivers of the terrorist activity ○ Targets of the terrorist incidents ○ Project impact on existing dynamics
1.4	Coups and Government Instability	<ul style="list-style-type: none"> ○ Recent history of coups or attempted coups ○ Political competition or instability threatening governance ○ Central government influence in the project area ○ Role and oversight of public security forces
1.5	Security Forces	<ul style="list-style-type: none"> ○ Increase in deployment of public security ○ Security forces representative of the local population ○ History of misconduct or alleged abuses ○ Level of trust in police and/or military ○ Disarmament, demobilization, and reintegration process ongoing or recently finished
1.6	Regional and Neighboring Instability	<ul style="list-style-type: none"> ○ History of tension or conflict with neighboring countries ○ Cross-border security issues ○ Ongoing conflicts or disasters in neighboring countries or the subregion

2	Political Risk, Governance, and Civil Liberties	Key question topics
2.1	Representational Politics	<ul style="list-style-type: none"> Regional interests represented at the national government level Ability to talk freely about politics and the government Local population feeling represented in municipal, regional, and national government Power imbalances between company, community, and local government Upcoming contentious election cycles Community perceptions of project bias toward government
2.2	Weak Governance Structures	<ul style="list-style-type: none"> Presence and effectiveness of government in project area Sufficient resources for government institutions and/or regulators to carry out their jobs Effective regulation of environment, land, and cultural heritage Key stakeholders perceived as above the law
2.3	Access to Formal Justice Systems and Conflict Resolution Mechanisms	<ul style="list-style-type: none"> Legal remedy financially and geographically accessible to ordinary citizens Role of informal justice mechanisms Courts and judiciary perceived as being independent Vigilante and mob justice prevalence Unresolved community grievances Gender-based issues reporting availability Redress for allegations of security force abuses Existing initiatives or organizations working on rule of law
2.4	Access to Basic Services and Infrastructure	<ul style="list-style-type: none"> Road accessibility and quality Clean drinking water availability School and hospital accessibility Basic services and infrastructure equitably distributed Expectations of project role in public service provision Community grievances over public service delivery
2.5	Human Trafficking and Illicit Trade	<ul style="list-style-type: none"> Illicit drug trade prevalence Human trafficking prevalence (labor, prostitution) Key actors involved in trafficking or illicit trade Government resources and mechanisms for combatting trafficking and illicit trade
2.6	Civil Liberties	<ul style="list-style-type: none"> Free speech about the government Free speech about opposition to the project Protests allowed Any limited protections of certain citizen groups Companies implicated in abuses Active civil society Freedom of media reporting
2.7	Market Integrity and Transparency	<ul style="list-style-type: none"> High barriers to entry or distortion in the market Lack of accountability culture in the public sector Non-transparency on how stakeholders operate in the market Poor transparency in financial and banking systems Weak regulatory, legal, and judicial frameworks
3	Labor and Workforce	Key question topics
3.1	Labor: Supply Chain Risks	<ul style="list-style-type: none"> Prevalence of human trafficking, indentured or slave labor Common reports of workplace injuries or deaths Implications of companies and/or suppliers in forced labor Prevalence of child labor Labor rights violations by local companies and/or suppliers Enforcement of labor laws Existence of labor associations and unions
3.2	Labor Policies	<ul style="list-style-type: none"> Policies to regulate and monitor workplace safety Known issues with occupational health and safety standards Existence of labor unions in project sector Presence of large migrant workforce

4	Health and Population	Key question topics
4.1	Food Security and Health Epidemics	<ul style="list-style-type: none"> Recent disease outbreaks or other public health challenges Food insecurity and malnutrition prevalence Government capacity and resources to respond to food security and public health challenges Health care easily accessible Food insecurity and malnutrition prevalence Safeguards in place for widespread crop failure Expectations for the project to fill gaps in public health care or food security
4.2	Natural Disasters and Humanitarian Crises	<ul style="list-style-type: none"> Recent major natural disasters Government capacity and resources to coordinate and respond to natural disasters Expectations for the project to fill gaps in natural disaster response
4.3	Rural-Urban Disparities (Population, Sanitation, and Water)	<ul style="list-style-type: none"> Rural-urban equitable access to basic services (such as water, sanitation, healthcare, or education) Rural-urban equitable access to public services (police stations, courts) Rural-urban equal representation and resource allocation from the national government Community expectations for the project to fill gaps Local community resentment over disparities Communities identifying with a neighboring country more than their own
4.4	Forced Population Movement	<ul style="list-style-type: none"> Recent influx of refugees or internally displaced persons Causes of influxes (climate, conflict, land access, economy) Adequate government planning and capacity to absorb influxes Impacts of influxes on the project area
5	Biodiversity, Ecosystem Services, and Climate Change	Key question topics
5.1	Deforestation and Other Threats to Natural Resources	<ul style="list-style-type: none"> History of extensive deforestation and/or unsustainable harvesting of natural resources Deforestation and unsustainable resource harvesting impacts on project's mitigation strategy Communities largely dependent on natural resources for their livelihoods Impacts of poverty and unemployment on natural resource use
5.2	Government Capacity in Natural Resource and Protected Area Management	<ul style="list-style-type: none"> Effective government capacity to enforce environmental regulations Project reliance on government control over key external factors (in-migration, associated development and cumulative effects) Government capacity for protected area management
5.3	Climate Change Vulnerability and Resilience	<ul style="list-style-type: none"> Project and community water resources dependent on changing or contested sources (glaciers, river basins) High rainfall, flood, and landslide risks Project resettlement land with arid climate and water implications Government resources and planning for climate vulnerability
5.4	Illegal Bushmeat Hunting and Wildlife Trade	<ul style="list-style-type: none"> History of involvement in the illegal trade and trafficking of wildlife and wildlife parts Unsustainable levels of hunting of threatened wildlife Project proximity to known wildlife trafficking routes Prevalence of threatened wildlife, previously subjected to poaching, in project area New access to inaccessible areas in the region or project area

6	Land and Access to Natural Resources	Key question topics
6.1	Availability of Water	<ul style="list-style-type: none"> Water availability for agriculture and farming History of drought Access to clean drinking water Competition for land and resources due to water scarcity Effects on local public health Effects of water scarcity on perceptions of the project Expectations that businesses will provide water
6.2	Land Access and Competition	<ul style="list-style-type: none"> Land speculation Recognition and protection of indigenous rights Recent history of land disputes Land disputes resulting in violent conflict Institutions and processes for resolving land disputes Local resettlement initiatives resulting in conflict Effects of resettlement initiatives on livelihoods Impacts of in-migration on land competition Security force involvement in resettlement initiatives
6.3	Indigenous Land	<ul style="list-style-type: none"> Legal recognition and protection of indigenous rights Implementation and enforcement of indigenous rights in practice Legal recognition of ancestral and traditional land rights Land ownership by indigenous populations Systemic discrimination against indigenous group(s) in the project area Ongoing land disputes involving indigenous groups in the project area
6.4	Resettlement: Protection of Land and Property Rights	<ul style="list-style-type: none"> History of population resettlement Security force involvement in resettlement initiatives Effects of resettlement initiatives on livelihoods Perception of government independence or bias in land disputes Land-related legacy issues following resettlement Disputes related to land tenure or records Conflicts related to resettlement Harassment, intimidation, or violence toward human rights defenders and environmental activists
7	Social Cohesion	Key question topics
7.1	Group-Based Grievance	<ul style="list-style-type: none"> History of group-based conflict or violence Effects of political dynamics on conflict or tensions in project area Effects of upcoming events or other sociopolitical factors on conflict or tensions in project area Current divides along group-based lines in project area Polarizing media coverage and political rhetoric
7.2	Workplace Exclusion and Discrimination	<ul style="list-style-type: none"> Legal protections against discrimination Protections for women and sexual minorities (in law and in practice) Enforcement body to oversee antidiscrimination laws Groups excluded from working, or from working certain jobs Reports of abuses, exclusion, or discrimination in labor force Participation of women, youth, and minorities in formal economy
7.3	Community Protest and Unrest	<ul style="list-style-type: none"> Frequency of protests Level of violence of protests Other impacts of protests Recent protests involving fatalities or injuries Groups involved in protests Government restrictions on freedom of assembly

8	Gender	Key question topics
8.1	Gender Representation in the Workforce, Education, and Politics	<ul style="list-style-type: none"> Gender roles in formal and informal economies Level of female involvement in project sector workforce Legal barriers to female participation in education and workforce Cultural, religious, social, and familial barriers to female participation in education and workforce Sexual harassment and gender-based discrimination Role of women and girls in local community decision-making Representation of women in political decision-making positions
8.2	Gender-Based Violence and Protections	<ul style="list-style-type: none"> Types and levels of sexual harassment/assault Legal protections against gender-based discrimination, sexual harassment and assault Impunity for perpetrators in cases of sexual harassment/assault Presence of CSOs working on gender-based violence issues in the project area
9	Reprisals	Key question topics
9.1	Reprisal Risk	<ul style="list-style-type: none"> History of civil society/project-affected stakeholders being targeted/killed Perceptions that people can voice opinions/raise grievances openly about development projects Presence of broader opposition campaigns related to project sector with CSO/company or government adversarial relationships

APPENDIX 2: RAPID DESKTOP QUESTIONNAIRE – SUB-NATIONAL APPLICATION

This GPN has detailed a list of screening questions for each indicator that can be used to understand how contextual risks may intersect with the project. The list is comprehensive, with varying relevance depending on the nature of the project sector and location. For practitioners seeking a more rapid list of questions that can help screen risks at the desktop, for example for financial institutions considering risks across portfolios, the questions below represent a more synthesized list.

Questionnaire for Subnational Applicability to Project

1	Security and Conflict	Subnational Screening
1.1	Internal Conflict	<ul style="list-style-type: none"> 1.1a Are there regular incidents of lethal communal violence reported in the project region? 1.1b Is there a history of collective violence (e.g., civil conflict) in the project region in the past 10 years?
1.2	Criminal Violence	<ul style="list-style-type: none"> 1.2a Are there regular reports of violent criminality in the project region (e.g., armed robbery, kidnapping, sexual violence)? 1.2b Are there criminal groups or networks reported to operate in the project region (e.g., gangs, drug cartels)?
1.3	Terrorism	<ul style="list-style-type: none"> 1.3a Have there been any reported extremist incidents in the project region in the past 5 years (e.g., attack or attempted attack, foiled plots, people jailed for terrorist-related offences)?
1.4	Coups and Government Instability	<ul style="list-style-type: none"> 1.4a Has there been instability in the project region in the past 5 years triggered by national politics/government changes (i.e., new security force presence, violent reactions from population)?
1.5	Security Forces	<ul style="list-style-type: none"> 1.5a Has there been a DDR process undertaken in the project region in the past 15 years? 1.5b Have there been reports of security forces in the project region implicated in abuses (e.g., misconduct, corruption, rape, killings) in the past 5 years?
1.6	Regional and Neighboring Instability	<ul style="list-style-type: none"> 1.6a Has the project region been affected by insecurity from a neighboring country border in the past year (e.g., spillover of conflict or criminal violence from a neighboring country)?
2	Political Risk, Governance, and Civil Liberties	Subnational Screening
2.1	Representational Politics	<ul style="list-style-type: none"> 2.1a Are there regular protests and violence in the project region against the central government (i.e., are there perceptions that the government provides more access and resources to populations in certain regions than to the project region)? 2.1b Are local election cycles reported to be violent (e.g., clashes between supporters, kidnappings, assassinations)?
2.2	Weak Governance Structures	<ul style="list-style-type: none"> 2.2a In the project area, is there an operational police station (or other public security force, e.g., Gendarmerie) within 30 miles? 2.2b Does the central government have an active administrative presence in the project region (e.g., local government offices, services and regulatory authorities)?
2.3	Access to Formal Justice Systems and Conflict Resolution Mechanisms	<ul style="list-style-type: none"> 2.3a Is mob justice (e.g., lynching, communities attacking or killing alleged perpetrators) or vigilantism commonly reported in the project region? 2.3b Are there local justice systems in the project region (e.g., local courts, traditional justice mechanisms) that communities can easily access?
2.4	Access to Basic Services and Infrastructure	<ul style="list-style-type: none"> 2.4a In the project region, do local populations generally have access to basic services (e.g., health clinic, schools, electricity, water and sanitation facilities)? <i>*For projects with a diverse geographical footprint (e.g., railway) focus on highest risk areas relative to project footprint.</i> 2.4b Are there major accessibility issues in the project area (e.g., poor road infrastructure)? <i>*Per 2.4a, focus on where most of the project footprint is to answer this question.</i>

2.5	Human Trafficking and Illicit Trade	<ul style="list-style-type: none"> 2.5a Are there reports of human trafficking or illegal trade (e.g., drugs, small arms and light weapons) in the project region? 2.5b Is the project region located near a porous border area with poor border security (i.e., bordering another country with limited border security presence and regular informal flows of people/goods)?
2.6	Civil Liberties	<ul style="list-style-type: none"> 2.6a In the project region, are NGOs, community members or journalists commonly targeted for expressing opposition to government (e.g., arrests of journalists/bloggers/social media users, killing or violence against local opposition figures)? 2.6b In the project region, are community members or other local civil society members targeted for raising concerns about private sector project impacts (e.g., criminalization or slander of land rights activists, violence against communities for protesting environmental impacts)?
2.7	Market Integrity and Transparency	<ul style="list-style-type: none"> 2.7a In the project region, is there transparency on how the stakeholders operate in the market? 2.7b Is there a culture of accountability in the public sector and government within the project region?
3	Labor and Workforce	Subnational Screening
3.1	Labor: Supply Chain Risks	<ul style="list-style-type: none"> 3.1a Does the project region have any reports of labor-related human trafficking? 3.1b Is it commonplace in the project region for children to work in or around the project industry, instead of attend school (e.g., selling items to workers, working as laborers)?
3.2	Labor Policies	<ul style="list-style-type: none"> 3.2a Does the project region have a labor authority that goes out to projects to enforce regulations? 3.2b Are labor unions/workers associations common in the project sector in the country?
4	Health and Population	Subnational Screening
4.1	Food Security and Health Epidemics	<ul style="list-style-type: none"> 4.1a Has the project region suffered from significant food price fluctuations or shortages of basic foods/goods in the last five years? 4.1b Has the project region experienced any health epidemics/outbreaks in the past five years?
4.2	Natural Disasters and Humanitarian Crises	<ul style="list-style-type: none"> 4.2a Have there been any significant impacts (e.g., loss of life, populations displaced, physical destruction) caused by a natural disaster in the project region in the last 5 years?
4.3	Rural-Urban Disparities (Population, Sanitation, and Water)	<ul style="list-style-type: none"> 4.3a Does the project region generally have less wealth and access to public services compared to other parts of the country? (e.g., compared to urban populations, or neighboring areas)
4.4	Forced Population Movement	<ul style="list-style-type: none"> 4.4a Has the project region received any large population influxes (e.g., refugees, displaced people from other communities)?
5	Biodiversity, Ecosystem Services, and Climate Change	Subnational Screening
5.1	Deforestation and Other Threats to Natural Resources	<ul style="list-style-type: none"> 5.1a Is unregulated/informal use of natural resources (e.g., logging, use of waterways, mining) common in the project region?
5.2	Government Capacity in Natural Resource and Protected Area Management	<ul style="list-style-type: none"> 5.2a Does the project region have an environmental authority that goes out to projects to enforce regulations?
5.3	Climate Change Vulnerability and Resilience	<ul style="list-style-type: none"> 5.3a Does the project region have a government authority that is involved in emergency response planning and climate issues (i.e., at the subnational level, are there government resources that help communities respond to adverse climate impacts, such as rising sea levels affecting fishing communities, or climate affecting farming)?
5.4	Illegal Bushmeat Hunting and Wildlife Trade	<ul style="list-style-type: none"> 5.4a Are there reports of wildlife trafficking or hunting of local wildlife in the project region (e.g., poaching, ivory trade)?

6	Land and Access to Natural Resources	Subnational Screening
6.1	Availability of Water	<ul style="list-style-type: none"> 6.1a In the project region, do communities have continuous access to clean drinking water? <i>*For projects with a diverse geographical footprint (e.g., railway) focus on highest risk areas relative to project footprint.</i> 6.1b Have reports of water shortages been common in the project region in the last 5 years?
6.2	Land Access and Competition	<ul style="list-style-type: none"> 6.2a Are there reports of regular tensions or conflict over land access or ownership?
6.3	Indigenous Land	<ul style="list-style-type: none"> 6.3a Are there indigenous populations in the project region that have disputes over traditional lands (e.g., with government or companies)?
6.4	Resettlement: Protection of Land and Property Rights	<ul style="list-style-type: none"> 6.4a In the project region, have there been reports of any major conflicts/disputes over land resettlement in the past 10 years?
7	Social Cohesion	Subnational Screening
7.1	Group-Based Grievance	<ul style="list-style-type: none"> 7.1a Are there any major sources of group-based divisions that have led to violence in the project region in the past 5 years (e.g., clashes between groups along ethnic, religious, political lines etc.)?
7.2	Workplace Exclusion and Discrimination	<ul style="list-style-type: none"> 7.2a Are there government restrictions or cultural norms that prevent certain groups of people working in the project region (e.g., in practice women are excluded from certain employment)?
7.3	Community Protest and Unrest	<ul style="list-style-type: none"> 7.3a Are reports of violent protests common in the project region (e.g., between communities and companies, government)?
8	Gender	Subnational Screening
8.1	Gender Representation in Workforce, Education, and Politics	<ul style="list-style-type: none"> 8.1a In the project region, are women regularly elected to local government (e.g., local assembly)? 8.1b In the project region, do girls attend (and finish) school as much as boys. Is this true in both rural and urban areas?
8.2	Gender-Based Violence and Protections	<ul style="list-style-type: none"> 8.2a In the project region, is there a known GBV hotline, health center or social services office run by the local authorities that deals specifically with GBV? 8.2b Are there any specific reports from news, NGOs or other information that highlight issues of GBV in the project region (i.e., women or girls being targeted during protests or unrest, domestic violence, reports of rape)?
9	Reprisals	Subnational Screening
9.1	Reprisal Risk	<ul style="list-style-type: none"> 9.1a Have there been reports of people being targeted (e.g., journalists, community members, CSOs) for speaking up about issues in the project region in the past 5 years?

GLOSSARY

contextual risk	For IFC, contextual risks—from a private sector, E&S perspective—are defined as risks in the external environment (at a country, sector, or subnational level) that the client does not control but which could negatively affect a project's or private sector client's ability to meet IFC's E&S requirements.
event-driven risks	<p>In the context of this GPN, <i>risks</i> relate to any event-driven factor that has the potential to be a conflict trigger or have significant population impacts. Risk factors can include specific controversies or events that may occur, such as disasters, elections, incidents of violence, and so forth.</p> <p><i>Example:</i> Limited government planning for emergency and disaster management (structural vulnerability) may result in higher fatalities and population impacts during a flood (event-driven risk).</p>
fragile and conflict-affected situations (FCS)	<p>Classification⁷² used by the World Bank Group to capture the differentiated nature of fragility and conflict. The classification is based on methodologies that distinguish countries in the following categories:</p> <ul style="list-style-type: none"> • Countries with high levels of institutional and social fragility, identified based on public indicators that measure the quality of policy and institutions as well as specific manifestations of fragility. • Countries affected by violent conflict, identified based on a threshold number of conflict-related deaths relative to the population. This category distinguishes two further subcategories based on the intensity of violence: (i) countries in high-intensity conflict; and (ii) countries in medium-intensity conflict.
fragility, conflict, and violence (FCV)	<p>FCV challenges are context-specific, complex, and nuanced, requiring approaches tailored to the distinct geography, history, and conflict drivers of each setting. FCV is often the result of tensions that have evolved over years, decades, and even generations, yet its triggers can be immediate. The three elements—fragility, conflict, and violence—are often interrelated and mutually reinforcing:</p> <p><i>Fragility:</i> Countries with deep governance issues and state institutional weakness are identified through policy-based and governance indicators. Fragile situations tend to be characterized by deep grievances and/or high levels of exclusion, lack of capacity, and limited provision of basic services to the population. Fragile situations tend also to be characterized by the inability or unwillingness of the state to manage or mitigate risks, including those linked to social, economic, political, security, or environmental and climatic factors.</p> <p><i>Conflict:</i> Countries in active conflict are identified based on a threshold rate of conflict-related deaths. Violent conflicts occur when organized groups or institutions, sometimes including the state, use violence to settle grievances or assert power.</p> <p><i>Violence:</i> Countries with high levels of interpersonal and gang violence, with major destabilizing impact, are identified based on the per capita</p>

⁷² [Classification of Fragile and Conflict-Affected Situations](#), World Bank Group 2021.

	level of intentional homicides. Gender-based violence (GBV) and violence against children (VAC) are also integrated into this definition. ⁷³
fragility lens	The fragility lens ⁷⁴ is used to identify the conflict context, potential impacts of the conflict on investments, and the impact that investments could have on conflict.
group-based violence	Physical violence that is carried out by perpetrator(s) who identify as part of a group, which may be organized along identity or ideological lines, for example, ethnicity, religion, class, geography, and so forth. Also often referred to as collective violence. ⁷⁵
internally displaced persons	According to the United Nations Guiding Principles on Internal Displacement, IDPs are persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, and violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized state border. ⁷⁶
organized crime	Organized crime is a continuing criminal enterprise that rationally works to profit from illicit activities that are often in great public demand. Its continuing existence is maintained through corruption of public officials and the use of intimidation, threats, or force to protect its operations. ⁷⁷
structural vulnerabilities	In the context of this GPN, <i>vulnerabilities</i> refer to structural factors that have the potential to be a conflict driver. These can include such things as youth unemployment, poverty, inequality, climate, demographic factors, weak governance institutions, and so forth. <i>Example:</i> Poor land tenure laws (a structural vulnerability) may increase conflict between communities over land access (an event-driven risk).
subnational level	In the context of this GPN, <i>subnational</i> typically refers to the first administrative division of the country. <i>Example:</i> In Nigeria, the subnational level would refer to the state (for example, Borno State).
vulnerable groups	According to IFC Performance Standard 1, disadvantaged or vulnerable status may stem from an individual's or group's race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status. Other considerations may include gender, age, ethnicity, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources. ⁷⁸

⁷³ WBG, [World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025](#), 2020.

⁷⁴ IFC, [“Generating Private Investment in Fragile and Conflict-Affected Areas”](#), 2019.

⁷⁵ WHO, [Collective violence](#), 2002.

⁷⁶ UNHCR, [Internally displaced persons \(IDPs\) Definition](#), 2021.

⁷⁷ UNODC, [Defining organized crime](#), 2018.

⁷⁸ IFC, [Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts](#) (Footnote 18), 2012.