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ESG SAFEGUARDS AND FIDUCIARY CONTROL FRAMEWORK (SLUC)

BINDING ENVIRONMENTAL, SOCIAL, GENDER-INCLUSION, ANTI-CORRUPTION, GRIEVANCE, FIDUCIARY-RISK, AND COMPLIANCE-MONITORING STANDARDS

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ESG Safeguards and Fiduciary Control Framework (SLUC)

Preamble

This Framework constitutes the binding environmental, social, and governance (ESG) standard for all SLUC-implemented programmes and projects across regions, including those delivered in concert with DESA, PCPP, and PCGG. It operationalises Agenda 2074's separation-of-functions doctrine by assigning implementation to SLUC while reserving external assurance, compliance oversight, and public-interest transparency to GSEA and the independent validation architecture. The Framework is calibrated to equivalency with the UN 2030 Agenda (SDGs) (link), Paris Agreement (link) and AU Agenda 2063 (link), and adopts safeguards and responsible-business baselines aligned to the World Bank Environmental and Social Framework (ESF) (link), IFC Performance Standards (2012) (link), the OECD Guidelines for Multinational Enterprises (2023 Update) (link), and the UN Guiding Principles on Business & Human Rights (UNGPs) (link). Social-responsibility and continuity capacities are referenced to ISO 26000 (link) and ISO 22301 (link), with operational management-system options including ISO 14001 for environmental management (link) and ISO 45001 for occupational health and safety (link). Risk-management, anti-bribery and sustainable-procurement practices may be further strengthened through ISO 31000 (link), ISO 37001 (link) and ISO 20400 (link) where proportionate.

This instrument applies to SLUC global, regional, and country units, to their contractors and grantees, and to co-financed operations. It does not derogate from host-country law; where host standards exceed this Framework, the stricter rule prevails.

Chapter 1 — Environmental and Social Standards

1.1 Policy and Equivalency.

SLUC shall maintain an Environmental and Social Policy that commits to Paris-consistent, do-no-significant-harm implementation and to rights-respecting practice consistent with the UNGPs and OECD Guidelines (2023). Project-level safeguards are structured for equivalency to the World Bank ESF and IFC Performance Standards (2012), ensuring portability across DFIs and private co-financiers.

1.2 Screening, Categorisation, and Due Diligence.

All activities undergo early-stage screening and risk categorisation proportionate to potential impacts. High and substantial-risk operations trigger full Environmental and Social Impact Assessment (ESIA) and the preparation of Environmental and Social Management Plans (ESMPs); moderate-risk operations adopt targeted assessments; low-risk activities document good-practice controls. Screening shall explicitly test for labour conditions (ESF ESS2 / IFC PS2), resource efficiency and pollution prevention (ESS3 / PS3), community health and safety (ESS4 / PS4), land acquisition and involuntary resettlement where relevant (ESS5 / PS5), biodiversity and ecosystem services (ESS6 / PS6), Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (ESS7 / PS7), cultural heritage (ESS8 / PS8), and stakeholder engagement (ESS10 / PS1).

1.3 Climate Consistency and Resource Efficiency.

Projects shall evidence Paris-alignment, including greenhouse-gas accounting and transition-risk assessment, and shall prioritise energy efficiency, circularity, and sustainable water use consistent with ESF/IFC resource-efficiency expectations. Where material, continuity of essential public-purpose services is planned and tested in accordance with ISO 22301.

1.4 Stakeholder Engagement and Disclosure.

Each project shall maintain a Stakeholder Engagement Plan documenting meaningful consultation with affected communities, with particular attention to vulnerable and marginalised groups. Engagement processes, information disclosure, and grievance access shall meet ESF ESS10 and IFC PS1 principles, with public summaries made available through SLUC transparency channels subject to legitimate confidentiality constraints.

1.5 Labour and Working Conditions; Community Health and Safety.

Contractual instruments shall incorporate labour standards consistent with ESS2/PS2, including non-discrimination, occupational health and safety, and accessible worker grievance mechanisms; community health and safety controls shall reflect ESS4/PS4 and include emergency preparedness, traffic and road safety where relevant, and responsible security conduct. Projects with public-health interfaces shall align with host-country regulation and recognised international guidance.

1.6 Land, Biodiversity and Cultural Heritage.

Where land acquisition or economic displacement is unavoidable, projects shall prepare plans consistent with ESS5/PS5 prioritising avoidance, minimisation, compensation at replacement cost, livelihood restoration, and participatory monitoring. Biodiversity-sensitive projects shall assess critical habitat risks (ESS6/PS6) and adopt mitigation hierarchies. Cultural heritage shall be identified, protected, and managed with chance-find procedures in accordance with ESS8/PS8.

1.7 Indigenous Peoples and Traditional Communities.

Where ESS7 applies, SLUC shall ensure culturally appropriate engagement and, where required by law or lender policy, obtain Free, Prior and Informed Consent (FPIC) before implementation. Plans shall recognise customary rights, traditional knowledge, and benefit-sharing.

1.8 Digitalisation, Data Rights and AI-Enabled Operations.

Digital components under DESA shall integrate privacy-by-design and data-minimisation controls consistent with the EU GDPR or demonstrably equivalent regimes, and adopt information-security and privacy management aligned with ISO/IEC 27001 and ISO/IEC 27701. AI-enabled functions shall be risk-assessed for bias, explainability, and human oversight, consistent with the OECD AI Principles.

1.9 Monitoring, Corrective Action and Disclosure.

E&S performance shall be monitored against ESMPs and disclosed through SLUC's transparency portal. Material non-conformities trigger time-bound corrective actions and escalation to the GSEA Compliance & Ethics Function. Summaries of audits and management responses are published in line with Agenda 2074.

Chapter 2 — Gender and Inclusion Safeguards

2.1 Purpose and Normative Alignment.
SLUC commits to gender equality, non-discrimination, and inclusive access across all programmes, consistent with SDG 5 and SDG 10 under the UN 2030 Agenda, with operational safeguards mapped to World Bank ESF (notably ESS2, ESS4, ESS7, ESS10) and IFC PS (PS1–PS2, PS4, PS7). Corporate-conduct expectations follow the OECD Guidelines (2023) and rights-respecting practice under the UNGPs.

2.2 Intersectional Risk Screening and Design.
All projects shall conduct an intersectional gender and inclusion assessment at design stage, identifying differentiated risks and barriers across sex, age, disability, ethnicity, indigeneity, and socio-economic status. Measures shall be integrated into ESMPs and Stakeholder Engagement Plans, with targets for participation, employment, and benefit-sharing that are realistic, time-bound, and budgeted.

2.3 Prevention and Response to GBV/SEAH.
Where the risk of gender-based violence or sexual exploitation, abuse and harassment (GBV/SEAH) is non-trivial, projects shall adopt a GBV/SEAH Action Plan incorporating survivor-centred response, confidential reporting, trained focal points, codes of conduct for workers and security personnel, safe recruitment and supervision, and vetted referral pathways. Good-practice guidance from MDBs (including World Bank GBV resources associated with ESF implementation) and IFC materials shall inform proportional controls.

2.4 Labour Equality, Safe Work and Accessibility.
Contractual obligations shall prohibit discrimination and promote equal remuneration for work of equal value, maternity protection, and reasonable accommodation for persons with disabilities, consistent with ESS2/PS2 and, where applicable, national law implementing the UN Convention on the Rights of Persons with Disabilities (CRPD). Occupational health and safety measures shall reflect ISO 45001. Facilities and digital services shall adopt universal-design principles to maximise accessibility.

2.5 Indigenous Peoples, Minorities and Traditional Communities.
In contexts engaging Indigenous Peoples or traditional communities, inclusion strategies shall be culturally appropriate, recognise customary institutions, and ensure that engagement is undertaken in the appropriate languages and formats. Where FPIC is required under ESS7/PS7 or national law, it shall be sought and documented prior to material commitments.

2.6 Gender-Responsive Budgeting and Inclusive Procurement.
Budgets shall allocate resources to implement gender and inclusion measures, including GBV/SEAH risk mitigation, accessibility adaptations, and capacity building. Procurement shall incorporate supplier-diversity criteria and due-diligence requirements consistent with the OECD Guidelines (2023) and ISO 20400 sustainable-procurement guidance.

2.7 Data Protection for Sensitive Information.
Gender and inclusion monitoring requires collection of sensitive personal data. Processing shall be minimised, consent-based where appropriate, and protected through privacy-by-design controls aligned with GDPR and ISO/IEC 27701. Publication shall rely on anonymised or aggregated data to protect individuals, particularly survivors of GBV/SEAH.

2.8 Indicators, Verification and Public Reporting.

Projects shall define disaggregated indicators for access, participation, employment, leadership roles, safety, and grievance resolution. Verification is conducted under the Unified MEL Framework and External Validation Protocol, with annual public summaries disclosed through SLUC transparency channels and aligned to Agenda 2074.

Chapter 3 — Anti-Corruption and Procurement Integrity

3.1 Policy Commitment and Normative Anchors.

SLUC adopts a zero-tolerance posture toward corruption, fraud, collusion, and coercive practices across all operations, consistent with the integrity expectations of the OECD Guidelines for Multinational Enterprises (2023) (link) and the due-diligence logic of the UN Guiding Principles on Business and Human Rights (UNGPs) (link). Anti-bribery controls shall be proportionate to risk and benchmarked against ISO 37001 Anti-Bribery Management Systems (link).

3.2 Governance and Independence.

An Anti-Corruption Compliance Officer shall be designated at global and regional SLUC levels, reporting directly to the GSEA Compliance & Ethics Committee. Independence safeguards include prohibition of dual roles in procurement and compliance, mandatory rotation, and cooling-off periods for staff transitioning from commercial functions to assurance roles.

3.3 Procurement Principles and Procedures.

All procurement shall adhere to documented procedures ensuring fairness, transparency, and value for money. Key principles include:

- **Open Competition:** Competitive bidding for contracts above defined thresholds.

- **Transparency:** Publication of tender notices, evaluation criteria, and award decisions on SLUC's transparency portal.

- **Conflict-of-Interest Screening:** Mandatory declarations by bidders and evaluators, with recusal protocols enforced.

- **Sustainable Procurement:** Integration of ESG criteria consistent with ISO 20400 (link) and Agenda 2074's value-chain stewardship obligations.

3.4 Due Diligence and Exclusion Lists.

Suppliers and contractors shall undergo integrity due diligence, including checks against international sanctions lists, politically exposed persons (PEPs), and adverse media screening. High-risk suppliers require enhanced due diligence and contractual anti-corruption undertakings.

3.5 Whistleblowing and Non-Retaliation.

SLUC shall maintain confidential reporting channels for corruption and procurement irregularities, accessible to staff, suppliers, and stakeholders. Non-retaliation guarantees align with the UNGPs and OECD expectations for responsible business conduct. Reports are logged, investigated under documented protocols, and subject to independent oversight.

3.6 Sanctions and Remedies.

Confirmed violations trigger proportionate sanctions, including contract termination, restitution, blacklisting, and referral to competent authorities. Public notices of sanctions are disclosed under Agenda 2074 transparency provisions, subject to legitimate confidentiality constraints.

Chapter 4 — Grievance Redress Mechanisms

4.1 Purpose and Normative Alignment.
Grievance mechanisms under SLUC provide accessible, predictable, and rights-compatible channels for individuals and communities to raise concerns related to environmental, social, labour, and fiduciary matters. Design and operation shall reflect ESF ESS10 (link), IFC PS1 (link), and the effectiveness criteria in the UNGPs (legitimacy, accessibility, predictability, equitability, transparency, rights-compatibility, and continuous learning).

4.2 Structure and Accessibility.
Grievance systems shall operate at three tiers:

- **Project-Level Mechanisms:** Managed locally, providing early resolution and culturally appropriate engagement.

- **Regional SLUC Mechanisms:** Escalation point for unresolved grievances, with independent review panels.

- **Global SLUC Mechanism:** Final escalation, overseen by the GSEA Compliance & Ethics Function, ensuring impartiality and remedy consistency.

Accessibility measures include multilingual interfaces, physical submission points for digitally excluded populations, and disability accommodations. Confidentiality and survivor-centred protocols apply to GBV/SEAH-related grievances.

4.3 Procedural Standards.
Grievance handling shall follow documented steps: registration, acknowledgment within defined timelines, assessment, proposed resolution, and closure with feedback. Complainants retain the right to escalate or seek external remedy at any stage. Records are maintained in secure systems aligned with **GDPR** (link) and **ISO/IEC 27701** privacy standards.

4.4 Remedy Framework.
Remedies may include corrective actions, restitution, compensation, or non-financial measures such as apologies and policy changes. Where harm is substantiated, SLUC shall act promptly and proportionately, ensuring remedies are consistent with rights-based principles and Agenda 2074's equity objectives.

4.5 Transparency and Learning.
Aggregated grievance data, trends, and systemic lessons are disclosed annually through SLUC's transparency portal, observing confidentiality constraints. Continuous improvement measures are documented and integrated into programme design and safeguards planning.

4.6 Linkage to MEL and External Validation.
Grievance data feed into the Unified MEL Framework for adaptive management and inform external validation panels under Document 09. Persistent patterns of grievances trigger thematic audits and capacity-building interventions.

Chapter 5 — Fiduciary Risk Controls

5.1 Policy and Normative Basis.
SLUC's fiduciary risk management system is designed to safeguard public-purpose resources and maintain financial integrity across all programme operations. It aligns with Agenda 2074's financing

architecture and adopts equivalency to international standards, including IFRS for financial reporting (link), Basel Committee liquidity principles (LCR/NSFR) (link), and risk-management guidance under ISO 31000 (link). Anti-fraud and anti-bribery controls reference ISO 37001 (link).

5.2 Risk Identification and Categorisation.

Fiduciary risks are assessed at three levels:

- **Entity-Level Risks:** Governance, liquidity, and FX exposure.

- **Programme-Level Risks:** Budget execution, procurement integrity, and cost overrun potential.

- **Transaction-Level Risks:** Payment authorisation, vendor compliance, and asset custody.

Risk registers are maintained and updated quarterly, with mitigation measures documented and monitored under the Unified MEL Framework.

5.3 Internal Controls and Segregation of Duties.

Financial operations shall implement segregation of duties across initiation, approval, and payment functions. Dual authorisation is mandatory for all disbursements above defined thresholds. Bank reconciliations, asset registers, and inventory controls are maintained and subject to periodic audit.

5.4 Liquidity and FX Risk Management.

Liquidity buffers shall maintain a minimum 12-month operational runway, calibrated to Basel LCR/NSFR metrics. FX exposures are monitored daily, with hedging instruments deployed where volatility exceeds defined thresholds. Counterparty risk is assessed against credit ratings and sanctions lists.

5.5 Insurance and Contingency Instruments.

Material assets and infrastructure projects shall be insured against physical and operational risks. Political risk insurance (PRI) and guarantees may be sought through multilateral providers such as MIGA (link) for high-risk jurisdictions. Business continuity planning aligns with ISO 22301 (link).

5.6 Financial Reporting and Disclosure.

Annual financial statements are prepared under IFRS principles and published on SLUC's transparency portal. Disclosures include funding sources, donor conditions, and related-party transactions. Material variances and corrective actions are documented and publicly reported under Agenda 2074 transparency provisions.

5.7 Fraud Detection and Response.

SLUC shall maintain automated anomaly-detection tools integrated with financial systems. Confirmed fraud triggers immediate suspension of implicated accounts, restitution measures, and referral to competent authorities. Public notices of sanctions are issued subject to confidentiality constraints.

Chapter 6 — Compliance Monitoring

6.1 Oversight Architecture.

Compliance monitoring is exercised through a multi-tiered system:

- **First Line:** Operational self-checks embedded in SLUC workflows.

- **Second Line:** Regional compliance units conducting quarterly reviews.

- **Third Line:** Independent audits and external validation panels under Document 09.

6.2 Monitoring Scope.
Compliance reviews cover:

- ESG safeguards implementation (ESS/PS equivalency).

- Gender and inclusion measures (Chapter 2).

- Anti-corruption and procurement integrity (Chapter 3).

- Fiduciary risk controls (Chapter 5).

- Grievance mechanism performance (Chapter 4).

Reviews also test adherence to transparency obligations and data-protection standards under GDPR (link) and ISO/IEC 27701 (link).

6.3 Tools and Methodologies.
Monitoring employs risk-based sampling, compliance scorecards, and digital dashboards integrated with SLUC's platform. Indicators and baselines are harmonised with the Unified MEL Framework. Findings are graded by severity and linked to time-bound corrective action plans.

6.4 Reporting and Disclosure.
Compliance reports are issued quarterly at regional level and annually at global level. Public summaries are disclosed through SLUC's transparency portal, observing confidentiality constraints. Reports include compliance ratings, systemic issues, and remedial actions.

6.5 Escalation and Sanctions.
Persistent or material non-compliance triggers escalation to the GSEA Compliance & Ethics Committee. Sanctions may include suspension of programme privileges, financial clawbacks, or termination of membership agreements. Appeals follow documented procedures ensuring impartial review.

6.6 Continuous Improvement and Capacity Building.
Compliance monitoring is not solely punitive; it informs capacity-building plans for SLUC units and partners. Lessons learned are disseminated through training modules and policy updates, reinforcing a culture of integrity and resilience.