



Galápagos
life fund

GLF ESMS Annex B

EXCLUSION LIST

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The Galápagos Life Fund (GLF) Exclusion List provides a comprehensive list of activities that the GLF does not finance or support and shall apply this together with the International Finance Corporation (IFC) and the US Development Finance Corporation (DFC) as its minimum exclusion lists for considering conducting business with any entity ¹.

Therefore, GLF will not finance projects or otherwise support projects that involve any of the following activities:

1. Activities that are illegal under Ecuadorian laws, regulations or ratified international conventions and agreements by Ecuador, or activities subject to Ecuadorian or international phase-out or prohibition regulations or to an international ban, including the following:
 - Certain pharmaceuticals, pesticides, herbicides and other toxic substances (under the Rotterdam Convention, Stockholm Convention and World Health Organization (WHO) "Pharmaceuticals: Restrictions in Use and Availability").
 - Ozone-depleting substances (under the Montreal Protocol).
 - Polychlorinated biphenyls (PCBs).
 - Protected wildlife or wildlife products (under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES Convention)).
 - Prohibited transboundary trade in waste (under the Basel Convention).
2. Activities that contravene the management plan of the Hermandad Marine Reserve (HMR), the Galápagos Marine Reserve (GMR), or the Galápagos National Park (GNP) or activities that have a net negative impact on any of these areas.
3. Activities that entail considerable risks of introducing invasive species in the Galápagos Protected Area (HMR, GMR, GNP).
4. Activities that harm primary forests, high conservation value forests, mangroves, or any other crucial habitats, except for minor and manageable impacts on a limited scale resulting from conservation efforts that achieve a net gain of the biodiversity values associated with the habitat.
5. Activities related to commercial logging operations and activities involving production or trade in wood or other forestry products other than from sustainably managed forests.
6. Activities aimed at modifying protected areas without a human rights assessment and verifying compliance with Informed Consultation and Participation requirements with affected communities and other stakeholders.
7. Activities involving forced displacement or involuntary resettlement.

¹ The IFC Exclusion List is available [here](#). The DFC Exclusion List is in Appendix B, known as "Categorical Prohibitions," within the DFC Environmental and Social Policy and Procedures (DFC-ESPP). The document is available [here](#).

8. Activities involving harmful labour, forced labour², or harmful child labour³, as established by the International Labour Organization (ILO) 'fundamental' Conventions.
9. Activities involving destructive fishing practices⁴, or drift net fishing in the marine environment using nets over 2.5 km or involving the purchase or use of "destructive fishing practices or gillnetting and driftnetting techniques, or stationary fishing gear that passively obstructs the natural passages of fish and other species without being physically supervised by fishers.
10. Activities that impact lands owned or claimed by indigenous, Afro-Ecuadorian and Montubio peoples without their free, prior, and informed consent.
11. Activities involving production, trade, storage, or transport of significant volumes of hazardous chemicals or commercial scale usage of hazardous chemicals, including gasoline, kerosene, and other petroleum products⁵.
12. Activities involving mining or oil and gas prospecting, exploration, or production.
13. Activities involving the production or trade in asbestos and asbestos-containing materials for construction.
14. Projects categorized as Category A: high risk by GLF or Category A projects as defined in Annex A of DFC's Environmental and Social Policy and Procedures (ESPP)⁶, regardless of potential ES risk mitigation measures.
15. Construction of dams.
16. Companies or organizations found or suspected of being involved in corruption, gross violations of fundamental ethical norms, or other ethical business principles.
17. Additionally, by international best practices exclusion lists (IFC and DFC), GLF will not finance projects outlined in Annex B of DFC's ESPP or projects that involve any of the activities listed below:
 - a. Activities involving the production, trade, or commercialization of tobacco products and alcoholic beverages⁷.
 - b. Activities involving producing or trading ammunition, firearms, and related items.
 - c. Gambling, casinos and equivalent enterprises

² Forced labour means all work or service, not voluntarily performed, extracted from an individual under threat of force or penalty (from IFC Exclusion List).

³ Harmful child labour means the employment of children that is economically exploitive, likely to be hazardous to or to interfere with, the child's education, or harmful to the child's health or physical, mental, spiritual, moral, or social development (from IFC Exclusion List—IFC PS2).

⁴ As defined by the FAO/UNEP Expert Meeting on impacts of destructive fishing practices, unsustainable fishing, and illegal, unreported, and unregulated (IUU) fishing on marine biodiversity and habitats (Rome, 23–25 September 2009).

⁵ This does not include purchasing gasoline and other petroleum products necessary for the regular activities of GLF grantees.

⁶ Note - the July 2020 version of the DFC's ESPP is applicable to the GLF. Available [here](#).

⁷ Except for small-scale or artisanal production of beer, wine or traditional alcoholic beverages.

- d.* Activities requiring the purchase of radioactive material, except the procurement of medical equipment, quality control equipment or other equipment for which the radioactive source is insignificant and/or adequately shielded.
- e.* Leasing or financing of logging equipment.
- f.* Any impact on natural World Heritage Sites⁸ should be avoided unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
- g.* Any impact on areas on the United Nations List of National Parks and Protected Areas⁹ unless it can be demonstrated through an environmental assessment that the project (i) will not result in the degradation of the protected area and (ii) will produce positive environmental and social benefits.
- h.* Extraction or infrastructure in or impacting protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National Parks, Natural Monuments and Habitat/Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN). Projects in IUCN Categories V (Protected Landscape/Seascape) and VI (Managed Resource Protected Area) must be consistent with IUCN management objectives unless it can be demonstrated through an environmental assessment (i) there is no degradation of the protected area and (ii) there are positive environmental and social benefits.

⁸ Consult the World Heritage Sites list [here](#).

⁹ Consult the United Nations List of National Parks and Protected Areas [here](#).