# Navigating an 'appropriate' permitting pathway for subsea cable installation which accounts for international lender standards

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The application of international lender standards on environmental and social assessment can seem disproportionate to the lowApplying Lender Standards

Projects attracting lender finance are required to comply with the applicable environmental and social standards, such as the 2012 Performance Standards (IFC) or the 2024 Environmental and Social Requirements (EBRD). In many instances Lender Standards will go beyond national requirements and there can be a complex interaction between national and MDB approvals.

level impacts associated with fibre optic cable installation. Demonstrating compliance with these standards in a proportionate way requires an in-depth understanding of both lender requirements and subsea cable projects.

## Financing Subsea Cable Systems and Multilateral Development Banks

Multilateral Development Banks (MDBs) play a crucial role in financing submarine cable systems, supporting sustainable development and economic growth through infrastructure enhancement. Between 2014-2024 MDBs accounted for over 20% of investment into subsea fibre optic cable systems.

MDBs such as the International Finance Corporation (IFC) as well as Development Banks in Europe (EBRD), Africa (AfDB) and Asia (ADB) have all supported subsea fibre optic cable systems, with a range of systems across multiple geographies, including EASSy, ACE, SEA-ME-WE 5 and Medusa all attracting MDB lender finance.

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# Defining 'Appropriate'

Lender Standards make frequent reference to terms such as 'appropriate', 'practicable' and 'feasible' in acknowledgement that the assessment process should be proportionate to the nature and scale of impacts. Scoping an appropriate level of assessment for subsea fibre optic cable installation therefore requires an in-depth understanding of the applicable standards and specific nature of the activity, as well as an appreciation of the local social and environmental sensitivities.

## Focus Areas and Emerging Themes

While 'submarine cables typically have a minor impact' (UNEP-WCMC and ICPC. (2025)), it is important to consider all elements of the relevant Lender Standards at an early stage in defining an appropriate Terms of Reference (ToR) with lenders. Non-material aspects should be scoped out in order to allow the assessment to focus on the key interactions. A robust scoping process building on the outputs of the Permit Feasibility Study can also help to identify and mitigate impacts early on, further streamlining the assessment process. International lender standards for environmental and social assessment can seem disproportionate to the potential impacts generally associated with fibre optic cable installation and operation. A balanced approach to compliance is needed in order to ensure environmental and social factors are addressed and projects can progress, but that the level of assessment remains comparative to the potential risks and impacts.





Specific lessons and recommendations for subsea cable permitting in accordance with Lender Standards include:

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Front-load environmental and social factors into route engineering to prioritise avoidance.



Make sure key E&S factors have appropriate weighting in route engineering



Consider the full range of potential social impacts but scope out those not considered material.



Leverage the CRS to address data gaps against lender requirements in marine archaeology and ecology.





Engage early on a Terms of Reference which is appropriate for the project and identify any gaps to avoid future re-work. Take account of all the GoodInternational Industry Practicefollowed as standard by subseacable installers.



Consider associated infrastructure as well as the potential for cumulative impacts.



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