Environmental and Social Management System

WALD Innovation Facility

MANUAL

INTERNATIONAL UNION FOR CONSERVATION OF NATURE

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IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

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Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

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This Environmental and Social Management System (ESMS) Manual is designed to guide applicants seeking grants under the WALD Innovation Facility. It provides essential information and clear guidelines on the application of the Facility's ESMS. Additionally, the Manual outlines the necessary steps for grantees to ensure compliance with the ESMS, helping to effectively identify, assess, and mitigate potential environmental and social risks associated with their projects.

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Abbreviations

E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESDD	Environmental Social Due Diligence
ESS	Environmental and Social Standards
FPIC	Free, Prior, and Informed Consent
GHG	Greenhouse Gas
GM	Grievance Mechanism
IF	Innovation Facility
ILO	International Labor Organization
IPLC	Indigenous Peoples and Local Communities
IP	Indigenous Peoples
IUCN	International Union for Conservation of Nation
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
M&E	Monitoring and Evaluation
NbS	Nature-based Solutions
NTS	Non-Technical Summary
PAC	Program Advisory Committee
PAP	Project Affected People
PF	Process Framework
PA	Protected Area
SEP	Stakeholder Engagement Plan
WALD	Worldwide Alliance for Landscape-based Decarbonisation
WB	World Bank

1. Introduction

The Worldwide Alliance for Landscape-based Decarbonisation (WALD) is an initiative promoting innovative projects and methods to create carbon sinks with high biodiversity impacts, focusing on nature-based solutions (NbS) that contribute to climate change mitigation and biodiversity conservation. The Innovation Facility (IF) is part of this broader effort, supporting projects that seek funding for initiatives that have significant potential for positive environmental and social (E&S) impacts. The Facility is managed and implemented by the International Union for Conservation of Nature (IUCN).

The Innovation Facility emphasizes the integration of environmental and social safeguards into every stage of the project lifecycle. This reflects the Innovation Facility's dedication to sustainable development, nature conservation, and the protection of human rights, particularly for indigenous peoples and local communities (IPLC), and marginalized groups. To put this into practice, an Environmental and Social Management System (ESMS) has been developed specifically for the Innovation Facility and is described in this Manual. The system ensures that the environmental and social (E&S) risks and impacts of funded projects are effectively managed, follow international best practices, and adhere to stringent E&S safeguard standards.

The ESMS is based on the IUCN Environmental and Social Management System (ESMS) Policy Framework and on the KfW's Sustainability Guideline (2024) and the applicable Standards therein, namely the World Bank Environmental and Social Standards (WB ESS), as a mandatory reference framework. In addition to these guiding frameworks, projects funded by the Facility must also be compliant with provisions of the legal framework of the host country(s) where the project is being implemented.

The ESMS provides a systematic process and procedures for identifying, assessing, managing and monitoring E&S risks and potential impacts, in line with the applicable E&S standards and guidelines. Adhering to these procedures will safeguard projects funded by the Innovation Facility against potential adverse environmental and social impacts by assuring that the negative impacts are avoided or minimised to the maximum extent possible. Proponents/grantees[1] will therefore need to demonstrate their capability and commitment to adhere to the requirements stipulated by the ESMS. The ability to avoid and manage E&S risks effectively will significantly influence project selection as the Innovation Facility will not consider projects with high environmental and/or social risks for funding. An Exclusion List (Text Box 1) has been developed to help grantees identify activities that would be classified as high-risk, resulting in the project being ineligible for funding by the Innovation Facility.

The ESMS Manual aims to: i) facilitate the identification, assessment, management, and monitoring of E&S risks associated with the IF-funded projects and ii) assist in mitigating risks throughout the lifecycle of each project in line with the applicable standards. It does this by establishing a consistent approach to risk management that integrates E&S considerations into the grant-making process and entire project life cycle. This includes procedures and methodology for E&S safeguards screening, risk categorization, stakeholder engagement, roles and responsibilities as well as other E&S processes. The ESMS processes follow a tailored methodology, developed by examining previous practices and lessons learned from donors and other institutions

1 During the concept note and the full proposal stages, the term "*proponent*" refers to an entity applying for a grant. If awarded a grant, the proponent will become the beneficiary and is referred to as the "*grantee*" in the grant contract with IUCN. For simplicity, the ESMS Manual uses the term "*grantee*" to refer to both throughout the document.

to create a user-friendly, adaptable and compliant Manual. With its clear guidelines and tools, the ESMS Manual will guide the grantees to effectively manage risks and comply with required standards.

The Manual is an integral part of the operational procedures of the Innovation Facility, as established by the Innovation Facility Operational Manual.

2. Applicable E&S Legislation, Standards and Guidelines

Projects funded by the Innovation Facility must adhere to applicable national policies and legislation, IUCN's Environmental and Social Management Policy Framework and KfW's Sustainability Guidelines (see respective hyperlinks in chapter 1). In cases where any of these three frameworks provide for the more stringent safeguarding standard, the grantee shall conform to the more stringent standard and requirements. Applicants should note that specific carbon standards may have their own requirements on stakeholder engagement and environmental and social safeguards, which must also be adhered to in order to successfully register a carbon project.

2.1. National Policies and Legislation

All projects funded by the Innovation Facility must comply with the applicable national environmental and social policies and legislation of the country where the project is being implemented. This includes, but is not limited to, provisions related to human rights, indigenous peoples, biodiversity conservation, sustainability, occupational health and safety, labor laws, and other environmental and social obligations (e.g., construction and operation permits). The grantee is also responsible for adhering to international environmental and social conventions and treaties adopted by the host country. It is therefore the grantee's responsibility to identify all applicable laws and provisions to ensure compliance.

2.2. International Standards

2.2.1. IUCN ESMS Policy Framework

The IUCN ESMS Policy Framework (hereafter IUCN ESMS), described in the ESMS Manual, was developed in 2014 to particularly cater to the unique needs and specificities of conservation projects. It is rooted in IUCN's environmental and social policies, as well as resolutions from the IUCN World Conservation Congress (WCC). The framework also draws from IUCN's good practice tools developed by its Secretariat programmes and Commissions, and from lessons learned through IUCN's long history of working at the intersection of conservation, social issues, and human rights.

The ESMS principles and standards align with the objectives of the Convention on Biological Diversity and other key conventions and international agreements on environmental and social issues, including the Universal Declaration on Human Rights and the United Nations Declaration on the Rights of Indigenous Peoples.

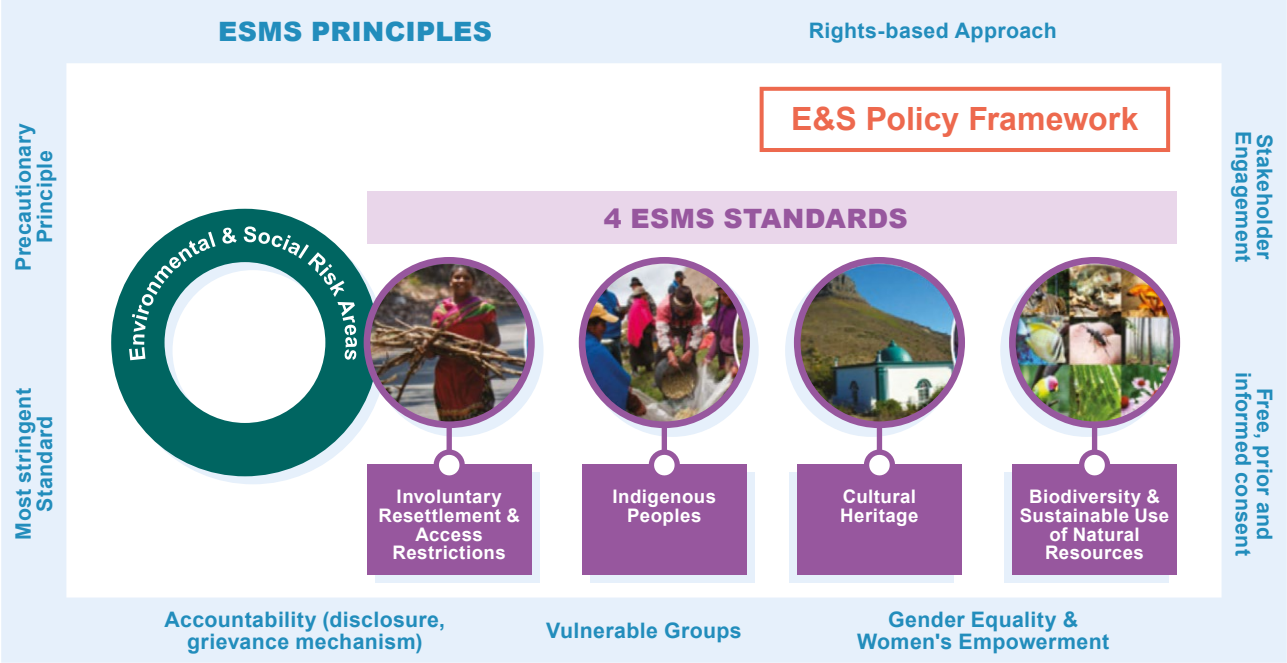
The IUCN ESMS is aligned with the World Bank Environmental and Social Standards (WB ESS 1-10) and the Performance Standards the International Finance Corporation (IFC) with regards to E&S issues relevant for nature conservation projects. It is also recognized by both the Global Environmental

Facility (GEF) and Green Climate Fund (GCF), following a thorough accreditation and re-accreditation process.

The IUCN ESMS is guided by eight overarching ESMS principles and four ESMS standards that reflect key E&S areas and issues that are at the heart of IUCN's conservation approach.

As illustrated in Figure 1, the four standards (in purple) are on Indigenous Peoples, Biodiversity Conservation and Sustainable Use of Natural Resources, Cultural Heritage and Involuntary Resettlement and Access Restrictions. Together with the principles (in blue), they form the core of the IUCN E&S Policy Framework.

Figure 1: IUCN E&S Policy Framework



IUCN's 2020 ESMS Guidance Note on Assessment, Management and Monitoring of Environmental and Social Risks expanded the thematic coverage of the E&S risk identification approach by adding seven risk areas that had gradually emerged as being specifically relevant for conservation projects. These new areas include: Adverse gender-related impacts (including gender-based violence); Risks of affecting vulnerable groups; Risk of undermining human rights; Community health, safety and security risks; Labour and working conditions; Resource efficiency, pollution, wastes, chemicals and emissions of greenhouse gases; and Risk of project design failing to take climate change into account.

All system documents of the IUCN ESMS are available on the IUCN website (www.iucn.org/esms). The four ESMS Standards are published as stand-alone documents. The ESMS Principles are explained in the IUCN ESMS Manual, which also lays out the procedures for identifying, assessing, managing and monitoring E&S risks and potential impacts.

Additionally, a Guidance Notes is available to support the application of the ESMS principle on Stakeholder Engagement to ensure effective community and stakeholder engagement, participation and public disclosure. A Guidance Note is further available describing the IUCN Grievance Mechanisms to provide people or communities fearing or suffering adverse impacts from a project with the assurance that they will be heard and assisted in a timely manner.

The IUCN ESMS is considered very relevant for the projects funded by the Innovation Facility. Therefore, a summary description of the four Standards and the seven Risk Areas and illustrative examples of project activities are provided in Annex 1.

2.2.2. KfW Sustainability Guideline

In addition to national policies and legislation and IUCN ESMS Policy Framework, projects funded by the Innovation Facility must adhere to KfW's Sustainability Guideline (2024) and the applicable Standards therein. These include:

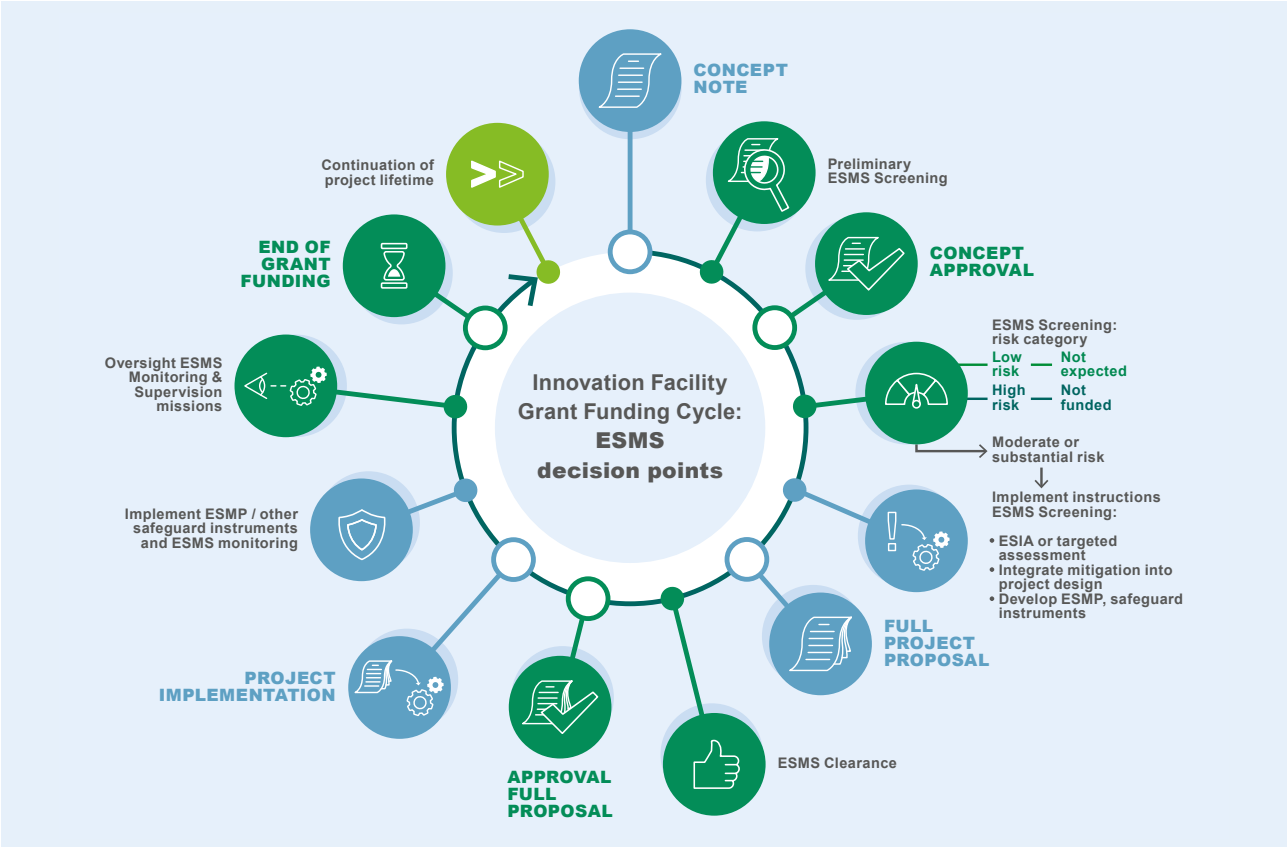
- Human rights guidelines of the German Federal Ministry for Economic Cooperation and Development (BMZ in its German acronym);
- World Bank Environmental and Social Standards (WB ESS 1-10) and Corresponding Guidance Notes;
- World Bank Group's General Environmental and Health and Safety Guidelines and Industry Specific Guidelines, as applicable, e.g.:
  - for Forest Harvesting Operations which include information relevant to the management of both plantation and natural forests, in temperate, boreal and tropical zones;
  - for timber processing industries can be found in the EHS Guidelines for Sawmilling and Manufactured Wood Products;
  - Perennial crop production;
- Core Labour Standards of the International Labour Organization;
- The United Nations Guiding Principles on Business and Human Rights (UNGP, 2011);
- The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP, 2007);
- Good Practice Note: Addressing Gender Based Violence in Investment Project Financing involving major Civil Works (WB, 2018);
- Good Practice Note: Assessing and Managing the Risks and Impacts of the Use of Security Personnel, (WB, 2018);
- Use of Security Forces: Assessing and Managing Risks and Impacts (IFC, 2017);
- The United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (UN, 1990);
- The Voluntary Principles on Security and Human Rights (2010);
- Addressing Security and Human Rights Challenges in Complex Environments, 3rd edition (DCAF/ICRC, 2016);
- The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (FAO, 2012).

3. ESMS Action and Review Steps along the Project Cycle

The ESMS application is operationalised through a sequence of ESMS actions and review steps along the Innovation Facility's project cycle – as visualized in Figure 2. As explained in Chapter 2, projects funded by the IF must adhere to appliable national E&S safeguard requirements and relevant international Environmental and Social Standards (hereafter referred to as E&S standards). Hence, project selection will depend not only on technical merit but also on the ability and commitment to meet the require E&S standards.

This chapter provides an overview of the ESMS review steps and decision points along the three project stages: i) concept note development, ii) full proposal preparation and iii) project implementation. It describes the safeguard analysis carried out at each stage, and the requirements that applicants must fulfil.

Figure 2: ESMS Review Actions and Decision Points along the Project Cycle



3.1. Concept Note Stage

3.1.1. Safeguard Specific Data

Applicants are asked to complete *Section E: Environmental and Social Safeguards* in the Concept Note Template. The purpose of this section is to provide data about the environmental and social context of the proposed project and to answer questions concerning potential E&S risks posed by projects funded by the Innovation Facility. The section also inquiries about the legal requirements of the host country including environmental or social impact assessment or environmental permitting.

Another critical section for E&S safeguards is *Section C: Focus of the Innovation Facility* which asks the applicant to describe how the project will advance social inclusion, benefit sharing, and gender equality.

The information provided in these two sections informs the preliminary ESMS screening and applicants are encouraged to complete this section in a diligent manner as this will contribute to the evidence of their understanding of environmental and social risk issues and their capacity to assess and address such risks effectively. Expert and high-quality responses will positively influence the preliminary ESMS screening at Concept Note stage and improve the chances of being selected for funding.

3.1.2. Exclusion List

When preparing the Concept Note, applicants need to review the Exclusion List presented in chapter 2.2.4 of the Guidelines for Applicants (also see Text Box 1 below). The Exclusion List describes activities that are ineligible for funding on the basis of high environmental and/or social risks. The list specifically highlights exclusions related to safeguards risks with the intention of guiding applicants to remain within the eligible E&S risk categories. Applicants need to confirm that the proposed projects do not involve any of the excluded activities or risk issues as Concept Notes that include activities on the Exclusion List cannot be considered for funding.

3.1.3. Preliminary ESMS Screening

The Innovation Facility ESMS Officer will conduct a Preliminary ESMS Screening for Concept Notes that have been pre-selected by the Innovation Facility Secretariat before they are reviewed by the Program Advisory Committee (PAC) based on the technical E&S safeguards criteria. The ESMS Officer will refer to the Exclusion List and the information provided by the applicant in Sections C (Chapter 3) and E of the Concept Note for this preliminary ESMS screening.

The purpose of this step is to identify potential adverse environmental and social impacts– at a high-level – early on and to establish a preliminary environmental and social risk category for the project. While the Concept Notes will not provide in-depth details about the project activities as this will only be defined during the development of the full proposal, the Innovation Facility aims at having a first approximation of the potential risk level at the Concept Note stage to strengthen and inform the selection process.

Text Box 1: Innovation Facility Exclusion List

Exclusions due to environmental and social risks:

i. Activities that would result in involuntary resettlement (physical displacement) or forced evictions of people from their homes, or territories including customary and ancestral domains.

ii. Activities that would cause significant livelihood impacts due to access restrictions (economic displacement) unless specific project proponent capacity and experience to effectively manage related risks and impacts (i.e., past projects, E&S safeguard instruments, etc.) can be demonstrated, resulting in an implementation that brings risks and impacts to an acceptable level of risk categorisation. Project proponents would need to demonstrate with evidence in the Concept Note (Section E) that they: i) have identified project-affected groups and assessed respective livelihood impacts from restrictions; ii) are planning to provide effective mitigation strategies as part of project design; iii) have started a process of obtaining Free, Prior and Informed Consent (FPIC) from affected groups.

iii. Activities that infringe on human rights, including the rights of IPs and LCs, for example, where their FPIC to activities affecting their lands, livelihoods, and cultural identity cannot be established.

iv. Activities that result in the exploitation of or access to outsiders to the lands and territories of IPs living in voluntary isolation and in initial contact.

v. Activities that negatively affect tangible cultural resources such as the removal or altering of any physical cultural property (including sites having archaeological, paleontological, historical, religious, or unique natural values) or intangible cultural heritage (e.g., oral traditions, cultural practices, rituals, etc.).

vi. Actions that exacerbate or maintain harmful cultural norms that support gender inequalities such as gender-based violence.

vii. Activities that involve harmful or exploitative forms of forced labour or harmful child labour in line with the International Labour Organisation (ILO) core labour standards.

viii. Projects located in or near areas that are legally protected or officially proposed for protection (incl. reserves according to IUCN Protected Area Management Categories I - VI, UNESCO Natural World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Convention on Wetlands) **and** which might involve risks of causing adverse impacts to biodiversity and the integrity of the ecosystems, even inadvertently, e.g., through infrastructure and equipment.

ix. Activities that involve goods, technology, and systems that serve military purposes including infrastructure that would be considered defence dual-use investments that could be used for both conservation and military purposes.

x. Projects involving the production, storage, or disposal of hazardous waste, including nuclear waste, that are not in compliance with international safety standards.

xi. Procurement, handling, storage, and use of pesticides/herbicides or other substances deemed illegal under host country laws or regulations, subject to national or international phase-out or prohibition, or that are banned in international conventions and agreements, such as the Rotterdam Convention and Stockholm Convention.

3.2. Full Project Proposal Stage

3.2.1. Collaborative ESMS Screening

The Innovation Facility will notify all applicants of the results of the initial assessment of Concept Notes. Applicants whose Concept Notes are selected to proceed to the Full Project Proposal stage will be invited to attend an Information Session during which guidance on the procedures and technical topics will be elaborated. Right after this group information session, applicants will be invited individually for a collaborative ESMS screening session.

The collaborative ESMS screening will enable the applicant and the IF ESMS team to jointly review the results of the preliminary ESMS screening, analyse E&S risks including their probability and magnitude, and discuss measures for risk avoidance, minimization and mitigation. To achieve this in-depth level of discussion it is critical that the applicant comes with information about project activities and expected outputs, preferable presented in form of a draft project results framework.

The collaborative ESMS Screening is guided by the ESMS Screening Questionnaire (Annex 2) which provides a systematic approach to risk identification by presenting a set of questions for each ESMS Standard and Risk Area that stimulate reflection on risk issues or risk events within each area. The significance of the identified risks is then judged by combining two criteria: the **likelihood** of the risk event(s) expected to occur and its anticipated **impact** (or consequence). The methodology is detailed in the IUCN ESMS Screening Questionnaire.

The ESMS Screening Questionnaire will be completed during this collaborative screening session. The session will also serve to identify potential data gaps and better understand the applicant's capacity (e.g., experience, staffing etc.) to manage the safeguards risks associated with their proposed project.

After this session, the Innovation Facility will prepare the final ESMS Screening Report. This report will specify the E&S risk category (low, moderate, substantial or high) of the proposed project, the required risk assessments (e.g., ESIA or targeted risk assessment) and the required safeguards instruments to be developed during the Full Project Proposal stage. Depending on the assigned risk category and the identified risks, the report may also specify requirements related to the technical capacity of the applicant for managing or assessing these risks (e.g. staffing needs).

3.2.2. Risk Categorization

This chapter explains the approach applied for determining the risk category of projects funded by the Innovation Facility. While it is mainly used by staff of the Innovation Facility, the purpose of describing the approach below is to ensure transparency and accountability vis a vis the applicant / grantee.

3.2.2.1. Factors Influencing E&S Risks

The identification of E&S risks during the collaborative ESMS Screening and the subsequent drafting and finalizing of the Screening Report by the Innovation Facility will consider the following three factors as influencing E&S risks and their significance. The three factors are explained in more detail in the paragraphs below.

- Proposed project activities
- Project context
- Capacity of the applicant to manage environmental and social risks.

Project activities

E&S risks are most prominently a consequence of specific activities a project plans to implement, including due to their specific geographical location, duration and scale, among others. To illustrate typical risks potentially encountered by projects funded by the Innovation Facility, Annex 1 showcases the application of the IUCN ESMS Standards and risk areas. As such, it gives an idea of project activities that could potentially be associated with social or environmental risks.

Project context

With regards to the project context, it is important to note that contextual risks are not considered safeguards risks. Contextual risks are external factors, some of which might be identified as project risks (risks to the project) if they are likely to affect the ability of the project to achieve its expected outcomes. But project risks are different from safeguard risks. Safeguard risks are environmental or social risks originating from the project itself with the potential to affect people or the environment (risks from the project).

The analysis of the project context is nevertheless important from the safeguard perspective as project activities might perpetuate, aggravate or further exacerbate existing contextual risks; or the existence of contextual risks may increase the likelihood of project activities to trigger negative impacts. One example is a contextual situation where decision making over access to land and resources is male dominated and a project might further exacerbate these inequalities if no affirmative action or gender-responsive measures are taken.

Typical contextual factors to be considered during the ESMS Screening are:

- Conflict or post-conflict situations (civil war, inter-ethnic conflict etc.). Such conflicts might be further aggravated by project activities, e.g., by providing benefits to one ethnic group spurring inter-ethnic conflicts.

- If project sites are affected by organized poaching, drug cultivation/trafficking, organized crime or trafficking of persons or illegal migration - as this could translate into security and safety risks for communities (e.g., engaged in reforestation activities in those areas) or for project workers.

- History of human rights conflict or past injustice in the project area, including evictions and failure to compensate people for their land - as project activities might further exacerbate past injustice (e.g., through the designation of new protected areas affecting the livelihood of the same groups).

- Gender-based violence, e.g., whether the country or region has a particular prevalence of GBV, socio-cultural conditions or lack of institutional framework for protecting women – as project activities might give rise to GBV (e.g., enhancing law enforcement in a protected area might lead to sexual and other forms of violence, particularly in contexts where women and girls are collecting natural resources in remote sites).

- Contexts where applicable national legislation is weak or not well enforced in the project areas, to the extent that the project should take additional actions to ensure compliance with the ESMS requirements described in this manual.

Capacity of the applicant

The capacity and experience of the project proponent / grantee is another risk factor to consider during ESMS Screening. Analysing the proponent's capacity involves assessing their organizational capacity to identify and address safeguard risks. Key considerations include staff with expertise or trained to effectively manage environmental and social risks and the organization's experience with safeguard systems (e.g., past projects funded by donors requiring safeguard assessments or instruments systems and whether these systems are comparable with the E&S standards).

3.2.2.2. Guidance for Risk Rating and Categorization

The Innovation Facility applies four levels to rate the significance of applicable E&S standards and Risk Areas: high, substantial, moderate and low. Note that risks are rated as if no mitigation or management measures were in place. The significance rating signals how much attention the E&S Standards or Risk Area will require during project development and implementation and the extent of control and mitigation actions to be put in place.

The project risk category is then established and formalized in the Screening Report as a next step, based on the highest significance rating of the

applicable E&S Standards and Risk Areas, or on cumulative significance. Table 1 below illustrates the four risk categories.

Table 1: Project Risk Categories

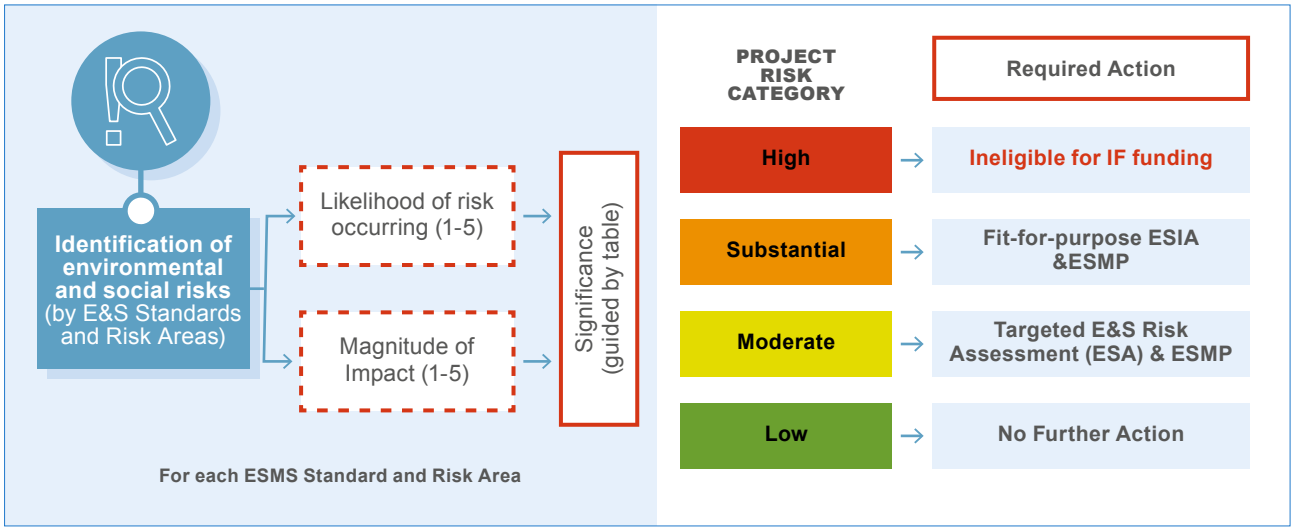
Project Risk Category	Description
High Risk	Projects with severe or major adverse impacts on people and/or environment with high or very high likelihood, e.g., very large geographic area, large number of people, transboundary impacts; long-term (permanent and irreversible); highly sensitive receptors (e.g. high biodiversity value areas, indigenous peoples; vulnerable groups, threatened cultural heritage); impacts giving rise to severe and cumulative social & env. conflicts, aggravating existing situations of fragility, adversely affecting human rights and/or leading to irreversible environmental degradation; requiring comprehensive forms of risk assessment and management plans. It includes projects that are highly likely to cause significant adverse environmental and social impacts that may not be manageable. **The Innovation Facility will not fund projects considered as high risk (as explained in the exclusion list in *Call for Concept Notes – Guidelines for Applicants*).**
Substantial	Projects with adverse social and/or environmental impacts, that are less severe than those of high-risk projects but more complex (with interactions) and with a larger extent than those of moderate risk projects; impacts are expected of a certain duration but still reversible if sufficient effort is provided for mitigation; receptors are considered sensitive; requiring a well scoped, fit-for-purpose Environmental and Social Impact Assessment (ESIA), management plans to be developed with extensive stakeholder consultation.
Moderate	Projects with potential adverse impacts that are fewer and less severe than substantial or high-risk projects. These impacts are limited in scale (small area and low number of people affected), limited in duration (temporary) and reversible, impacts are relatively predictable and can be avoided, managed and/or mitigated with known solutions and straight forward measures.
Low	Projects with minor or negligible adverse environmental or social impacts or very unlikely to occur. No specific management plans are required for these projects, but requirements for stakeholder engagement and grievance mechanism still apply.

Project considered **high risk** are not funded by the Innovation Facility as explained in the exclusion list in *Call for Concept Notes – Guidelines for Applicants*. Projects that are classified as **moderate** or **substantial** risk can be funded. However, the applicant needs to demonstrate that carrying out the required fit-for-purpose ESIA is manageable within the timeframe given for the development of the Full Proposal.

3.2.3. E&S Risk Assessments

The risk categorization that results from the ESMS Screening helps in determining the actions required to be taken by the grantee in order to manage the identified E&S risks effectively. While the specific impacts may not be fully clear at this stage, the categorization guides the grantee in conducting the appropriate assessments to analyze potential risks and impacts. These assessments may include additional studies, as needed, to develop the required safeguards instruments, as illustrated in Figure 3.

Figure 3: Project Risk Category and Required Action



All moderate and substantial risk projects require more detailed assessments to guide strategies for managing risks and mitigating adverse impacts. Applicants are encouraged to use any existing E&S instruments, assessments, or studies they may already have carried out previously in response to national requirements or certification frameworks. As explained above, the Innovation Facility will not consider projects categorized as **high risk** for funding. Projects that are classified as **substantial or moderate risk** are eligible for funding, but the applicant needs to demonstrate that carrying out the required fit-for-purpose ESIA or targeted E&S Risk Assessment is manageable within the timeframe given for the development of the Full Proposal and with own resources.

Low risk projects will not require any further actions. However, the grantee must continuously monitor for E&S risks during project implementation and promptly inform the Facility if any risks emerge, at which point some assessments may be necessary.

3.2.3.1. Guidance for E&S Risk Assessments

The specific scope and focus of the E&S risk assessments is based on the results of the analysis carried out during collaborative screening process and specified in the ESMS Screening Report.

An ESIA is a comprehensive risk assessment process that starts with a scoping exercise. This exercise helps in the design and planning of an impact assessment that examines the full range of potential positive and negative E&S impacts of a proposed project. The ESIA process includes a dedicated methodology for stakeholder analysis and consultation of project-affected people, rights-holders and other stakeholders. It also involves a thorough analysis of the host country's policy, legal and administrative frameworks on E&S issues, collection of E&S baseline data, assessment of envisaged impacts and an analysis of alternatives to the proposed project.

The grantee must document the ESIA process taken, including stakeholders engaged, and the measures for mitigating the E&S risks in an ESIA report. The key elements of the ESIA report are illustrated in Figure 4 below. The mitigation strategy devised by the grantee should comply with the 'mitigation hierarchy' and will be captured in an Environmental and Social Management Plan (ESMP), which is discussed in Chapter 3.2.4.

The fit-for-purpose ESIA, designed for projects with substantial risks, follows the same approach as a full ESIA but with a narrower scope as it focuses primarily on the risk areas identified during the ESMS Screening. While it still requires extensive consultation with stakeholders, particularly those directly affected by the project, it requires less time and resources compared to a full ESIA. However, its scope should remain proportionate to the project's complexity and the nature and scale of the identified risks.

The fit-for-purpose ESIA process should define its scope to complement the risk identification procedure, as the ESMS Screening—being a desk-based exercise—might have overlooked some impacts. The ESMS Screening Report will outline the necessary skills and expertise to conduct the fit-for-purpose ESIA and may also specify the stakeholders who need to be engaged, along with the assessment and consultation methodology to be used.

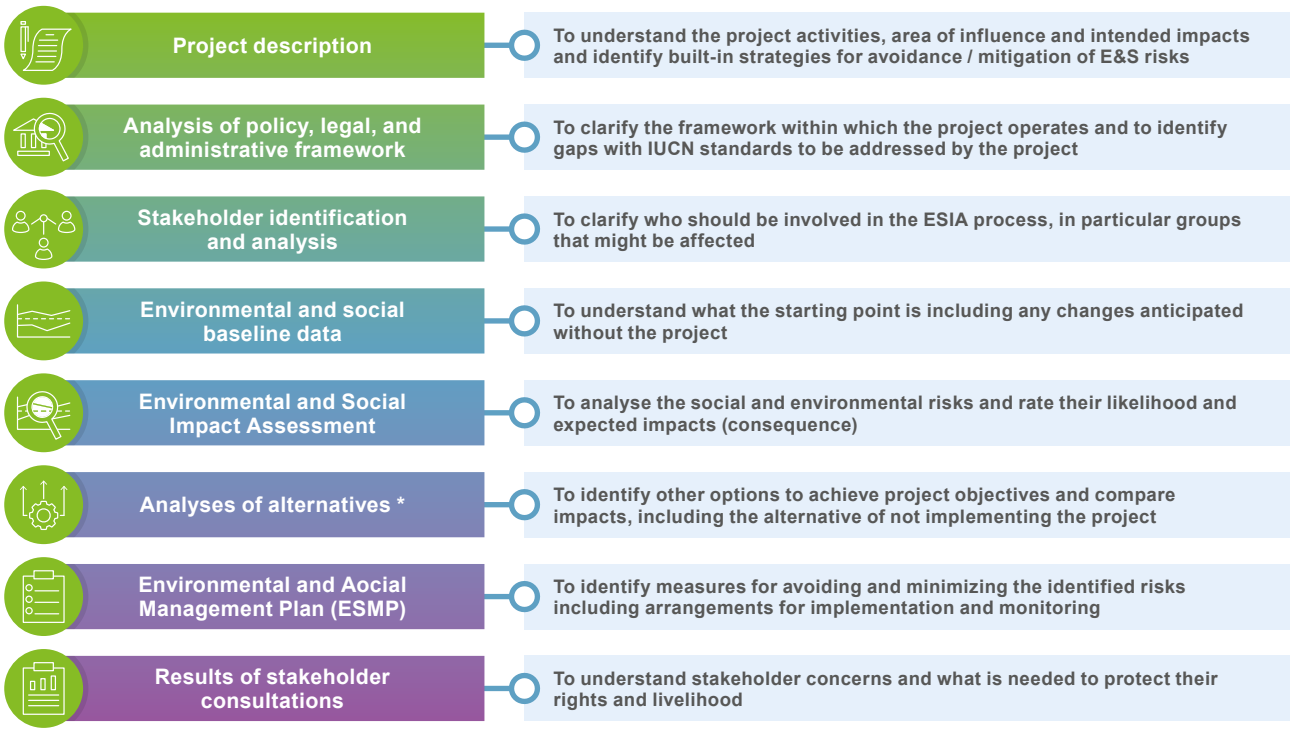
More guidance on the conduction of an ESIA can be found in the IUCN ESIA Guidance Note.

Moderate-risk projects should conduct a targeted Environmental and Social (E&S) risk assessment (ESA). Compared to the fit-for-purpose ESIA, the ESA is even less comprehensive, both in terms of scope and stakeholder engagement requirements. The ESMS Screening Report will define the data gaps that need to be addressed by the ESA, outline the specific elements to be assessed, and specify the stakeholders to be consulted based on the E&S risks identified. The ESA can be carried out by the grantee or an external consultant, as specified in the ESMS Screening Report.

The ESMS Screening may also request a Social Impact Assessment (SIA), which is similar to an ESIA but focuses exclusively on social risks and the project's impact on communities, to be done. This may include assessing effects on local livelihoods, community health and well-being, vulnerabilities, and the potential for triggering social conflicts, among others.

Similar to the ESIA approach, the SIA should be more comprehensive for substantial risk projects (fit-for-purpose SIA) and more focused for moderate risk projects (targeted social risk assessment). For more detailed guidance, please refer to the IUCN SIA Guidance Note.

Figure 4: Key Elements of an ESIA Report



3.2.3.2. Guidance on Disclosing the Non-Technical Summary

Regardless of the type of assessment required, the grantee needs to disclose the findings of the E&S risk assessment process including environmental and social risks and impacts and the proposed mitigation measures purpose in the form of a Non-Technical Summary (NTS). This is to provide a concise and accessible overview of a project's E&S risk management approach and to allow feedback from project-affected people, including voicing their concerns and suggestions. The NTS must include:

- Project description: overview of the project's goals, location, timeline, and planned activities;
- E&S impacts: summary and mapping of potential positive and negative impacts;
- Mitigation measures: description of strategies and mechanisms to mitigate identified impacts;
- Stakeholder engagement: information on how stakeholders have been or will be involved;
- Contact information: details on where to obtain more information or provide feedback.

The NTS should be disseminated as early as possible, but no later than before any project activities begin in the project's area of influence. It should be published in an understandable and culturally appropriate format and language(s) and with a timeframe that allows the consideration of the affected peoples' concerns and suggestions. Channels might include online platforms, printed materials in accessible locations, local media and formal/informal presentations in public forums etc.

3.2.4. Development of Safeguard Instruments

Safeguard instruments are tools that outline how a project will address the identified E&S risks and potential adverse impacts. When properly designed and tailored, these instruments serve several key purposes: they facilitate project approval, support ongoing risk management, ensure compliance and accountability, and help build trust with stakeholders.

Identifying mitigation measures is guided by the 'mitigation hierarchy'. First, all reasonable efforts must be made to **avoid** negative social or environmental impacts (e.g., by selecting alternative sites or adjusting the project's technical design). If avoidance is not possible without undermining the project's conservation objectives, the next step is to **minimize** the impacts to acceptable levels. If minimization is still insufficient, any remaining residual impacts must be addressed through **adequate and fair compensation measures**.

The Innovation Facility will be available throughout the Full Project Proposal development stage to guide the grantees on the development of the E&S safeguards instruments. This might include assisting the development of ToR for risk assessments, identification of technical experts, reviewing and providing feedback on the preliminary safeguard instruments, among others.

3.2.4.1. Instruments for Moderate and Substantial Risk Projects

Environmental and Social Management Plan (ESMP)

The umbrella safeguards instrument required for all projects categorized as moderate and substantial is the **Environmental and Social Management Plan (ESMP)**. An ESMP is considered the main output of the E&S risk assessment process and describes the project's E&S risk management strategy by listing the identified risks and their respective mitigation measures, their schedule of implementation as well as required resources and responsibilities. It also presents a brief overview of the E&S context and the legal framework of the host country regulating environmental and social matters as well as provisions for capacity building and institutional arrangements for implementing the ESMP.

Another important element of the ESMP is the establishment of indicators that allow tracking progress and effectiveness of each mitigation measure. These indicators must be measurable, practical and directly related to the impact being addressed. The number of indicators and their

complexity needs to be commensurate to the expected risk level (significance). The ESMP also defines the indicator baseline, timing and methodology of measuring the indicators, specifies the roles and responsibilities and budgetary resources.

The IUCN ESMP template enclosed in Annex 4 provides detailed guidance about the development, implementation and monitoring of the ESMP.

Instruments required for specific E&S Standards and Risk Areas

The ESMP might need to be complemented by specific safeguard instruments if applicable E&S standards are triggered and depending on the identified risks, their significance, and whether specific stakeholder input will be required. The need for such additional instruments will be established in the ESMS Screening Report. As a rule of thumb, for risks for which management measures can be presented in a concise manner, these are often best established in the ESMP. Where measures are substantial and require a comprehensive stakeholder engagement process, it is usually more conducive to describe the risk management strategy in form of a dedicated safeguard instrument. The brief description of the instruments triggered by different standards is provided below including a hyperlink to the IUCN ESMS website where guidance for each instrument is available. Figure 8 presented at the end of chapter 3.2.4 gives a visual overview of the standards and risk areas and the respective instruments.

If the Indigenous Peoples Standard is triggered, either an Indigenous Peoples Plan is prepared or, in case sites or project activities are not yet known, an Indigenous Peoples Planning Framework. While projects that would result in resettlement of people are considered to be high risk and will therefore not be funded by the Facility, activities causing livelihood impacts due to access restrictions might be funded provided the project proponent have demonstrated capacity and experience to effectively manage related risks and impacts. As such the proponent should have already provided evidence in the Concept Note that they: i) have identified project-affected groups and assessed respective livelihood impacts from restrictions; ii) are planning to provide effective mitigation strategies as part of project design; and iii) have started a process of obtaining Free, Prior and Informed Consent (FPIC) from affected groups. These findings will form an essential part of the Access Restriction Mitigation Process Framework to be developed by the proponent during project preparation.

Where the Standard on Biodiversity Conservation is triggered, a Pest Management Plan might be needed or specific action taken for managing other biodiversity risks such as the risk of species introduced into an area outside of their natural range developing invasive characteristics. The Standard on Cultural Heritage might require the development of a Chance Find Procedure if there is a risk that civil works might affect hidden cultural resources following the outline provided in the annex of the Cultural Heritage Standard. Overall, the Biodiversity Conservation and Cultural Heritage standards are less prescriptive and the decision whether mitigation measures should be established in form of an action or integrated into the ESMP will depend on the judgement of the Innovation Facility ESMS Officer.

Although not very likely, it cannot be ruled out that projects submitted to the Innovation Facility might include activities that aim at enhancing the enforcement of environmental legislation, for instance in protected areas. These might include equipment for patrolling, improvements of standard operating practices for law enforcement or the actual funding of patrolling activities (e.g., salary of guards or topping up). While it is recognized that security and law enforcement is vital for biodiversity conservation, working with law enforcement might implicate risks to the health and safety of communities or might affect labour and working conditions of staff and volunteers engaged for law enforcement. If such risks are identified by the ESMS Screening, the project proponent will need to complete the Security and Human Rights Risk Questionnaire (Annex 11). The questionnaire will then be reviewed by the Innovation Facility ESMS Officer. If the likelihood and significance of potential risks or impacts related to law enforcement is confirmed, and the risk is classified as **high risk**, the project will not be funded unless the respective project component is re-designed or removed. If the impacts/risks

are classified as **substantial or moderate risk,** the applicant needs to demonstrate that carrying out a Security Risk Assessment (SRA) and the development of a Security Risk Management Plan (SMP) is manageable with own resources and within the timeframe given for the development of the Full Project Proposal.

Projects involving small-scale construction or renovation activities might need to prepare an Environmental and Social Code of Practice (ESCOP). The purpose of the ESCOP is to provide procedures for proactively addressing potential E&S risks and impacts that may arise from small-scale civil works, such as the construction/ renovation community infrastructure (e.g., education and health care facilities, boreholes, etc.), aquaculture, landing sites, or of ecotourism infrastructure and facilities, among others. A template for an ESCOP is included as Annex 5. The ESCOP needs to be developed in line with the host country requirements for E&S safeguards.

3.2.4.2. Instruments Applicable to all Projects, Regardless of Risk Category

Irrespective of the identified risks and the risk category, all projects require the preparation of a project-level Grievance Redress Mechanism (GRM), a serious incident reporting mechanism and a Stakeholder Engagement Plan (SEP). It is important to note that all projects funded by the Innovation Facility must conduct a gender analysis to guide the Gender Action Plan (GAP). The gender analysis and GAP are however not considered as safeguards instruments. More details on conducting a gender analysis and developing a GAP can be found on the Innovation Facility website.

Stakeholder Engagement

To align with the ESMS Stakeholder Engagement principle as described in the *Call for Concept Notes – Guidelines for Applicants*, projects funded by the Innovation Facility need to conduct a stakeholder analysis and document the stakeholder engagement process carried out during the preparation of the Full Proposal. Grantees also need to develop a Stakeholder Engagement Plan to demonstrate how they will continue to engage relevant stakeholders throughout the Project Implementation phase.

Stakeholder Analysis

A stakeholder analysis is the process of identifying a project's key stakeholders, assessing their interest in the project, the ways in which these stakeholders may influence the project's outcomes and how they might be impacted by project activities, positively or negatively. A stakeholder analysis provides the foundation for planning stakeholder engagement throughout the project cycle – who should be involved in the preparation of the project, but also later during implementation of the project and when monitoring project results. A stakeholder analysis will also help decide who to involve during the E&S risk assessment. Further instructions are provided in the IUCN Guidance Note on Stakeholder Engagement.

Projects funded by the Innovation Facility need to demonstrate how they have identified and analyzed stakeholders already at an early stage to ensure that their views and interests are taken into consideration when designing the project. The analysis should describe stakeholders at relevant geographical scales (national, regional and local) and cover government, private sector and civil society organizations relevant to the project activities as well as social groups that are not formally organized. Most importantly the stakeholder analysis should describe local stakeholders including Indigenous Peoples and local communities present in the project site and project area of influence as well as stakeholders likely to be affected (positively or negatively) by the project. A Stakeholder Analysis template is included as Annex 3 in the *Call for Concept Notes – Guidelines for Applicants* (as well as in this document as Annex 6), and an initial high-level Stakeholder analysis needs to be submitted together with the Concept Note.

This initial, high-level stakeholder analysis will then need to be expanded when the applicant is invited to develop a Full Proposal and more information about the social context and actors comes up through interviews with key informants (e.g., government and local Civil Society Organisations (CSOs) representatives, experts etc.), consultations with already identified stakeholders, and site visits.

It is crucial to disaggregate stakeholders at the local level, e.g., communities, indigenous groups, different gender groups, youth and groups likely to be affected by the project (positively or negatively) and to ensure that no relevant groups are excluded, e.g., marginalized, disadvantaged or vulnerable groups. Attention is also required with indigenous people stakeholders, in particular in countries where (certain) indigenous groups may not be recognized by national governments.

The analysis should be considered as a work in progress to be updated and refined as the project gets further defined, new project activities might be added, and further consultations have happened.

Documenting Stakeholder Engagement During Project Design

The findings of the stakeholder analysis, e.g., the understanding of stakeholder's interests, influence and potential of being affected by the project, will inform the decision which stakeholders to consult during project preparation. The IUCN Guidance Note on Stakeholder Engagement (quoted above) provides guidance how to best organize consultations to ensure they are gender responsive and free of manipulation, interference, coercion, discrimination and intimidation as well as being responsive to the needs and interests of disadvantaged and vulnerable groups. Consultations can be organized with individual stakeholder groups, but often a workshop setting where multiple stakeholders and communities are gathered at the same time are very effective. However, it will need to be ensured that disadvantaged or marginalized groups (including people with lower ability to articulate their views) receive sufficient attention. Hence separate meetings might be needed, also in a context where social norms would otherwise prevent effective participation or women. For consultations to be meaningful, relevant information should be communicated in relevant local language(s) prior to the consultation within a timeframe that enables consultations with stakeholders in a culturally appropriate format.

Consultations should be held as early as possible to allow identification of potential impacts on stakeholders in the project's area of influence and the roles stakeholders may play in the project. It can also help flag issues, gaps and opportunities in project design at a time when adjustments are most easily made. Where potential impacts or risks are identified, consultation are continued as part of the E&S risk assessment process (see chapter 3.2.3) to verify and understand significance of impacts, make changes to project design to avoid impacts or jointly develop mitigation measures.

Consultation carried out during the project preparation phase should be documented to provide evidence that all relevant stakeholders (as specified by the stakeholder analysis) have been consulted. The following details should be provided:

- Type of information disclosed, in what forms and languages (e.g., brochure, reports, radio etc.) and how it was disseminated;
- Location and dates of any meetings undertaken to date;
- Individuals, groups and/or organizations that have been consulted;
- Key issues discussed, and key concerns raised;
- Reponses to issues raised, including any commitments or follow-up actions and reporting back to stakeholders.

The Concept Note Template instructs applicants to describe the process used to identify relevant stakeholders, in particular those likely to be impacted by the project and indicate their location within and around the project area; and to document the stakeholder consultations carried out for the preparation of the Concept Note using the template provided in the Annex 3 of the *Call for Concept Notes – Guidelines for Applicants* and submit together with the Concept Note.

During the development of the Full Project Proposal consultation will naturally increase in line with the stakeholder analysis that will be further populated and expanded. The final documentation of all stakeholder consultation meetings will need to be submitted together with the Full Project Proposal, using the template which is already available at the concept stage (Annex 3 of the Concept Note Guidelines or here in Annex 7).

Stakeholder Engagement Plan (SEP)

Because stakeholder engagement needs to continue throughout project implementation, the grantee will have to develop a Stakeholder Engagement Plan (SEP) that outlines the intended engagement strategy. Engagement can take different forms depending on the stakeholder and the purpose of engagement. Stakeholders can be engaged in strategic decisions on project management or governance (e.g., as member of a steering committee); they may be expected to provide inputs to thematic decision, become part of an advisory group or be engaged in specific agreements (e.g., agreement on benefit sharing). Other roles might involve the participation in project monitoring or involvement in programmatic activities. For other actors the SEP may establishes less active engagement strategies, e.g., being informed about the project or specific outputs.

The SEP is a planning tool that establishes actions for each stakeholder group, roles and responsibilities for implementing them; their timing, required resources/budget and, where applicable, capacity-building to support this engagement. It further includes key indicators of stakeholder engagement during project implementation, and steps that will be taken to monitor and report on progress and issues that arise. The template for drafting the SEP is attached below as Annex 8. The grantee is required to submit the project's SEP together with the Full Proposal.

Engagement strategies need to be culturally adapted and accessible, considering local customs, languages, and communication styles (i.e.: interpretation and translation where necessary) to maximize participation. Some projects might need to comply with national regulations and requirements on public consultation and disclosure requirements as part of national requirements on environmental impact assessments (EIA). Such regulations and requirements need to be summarized in the SEP as well as applicable international obligations.

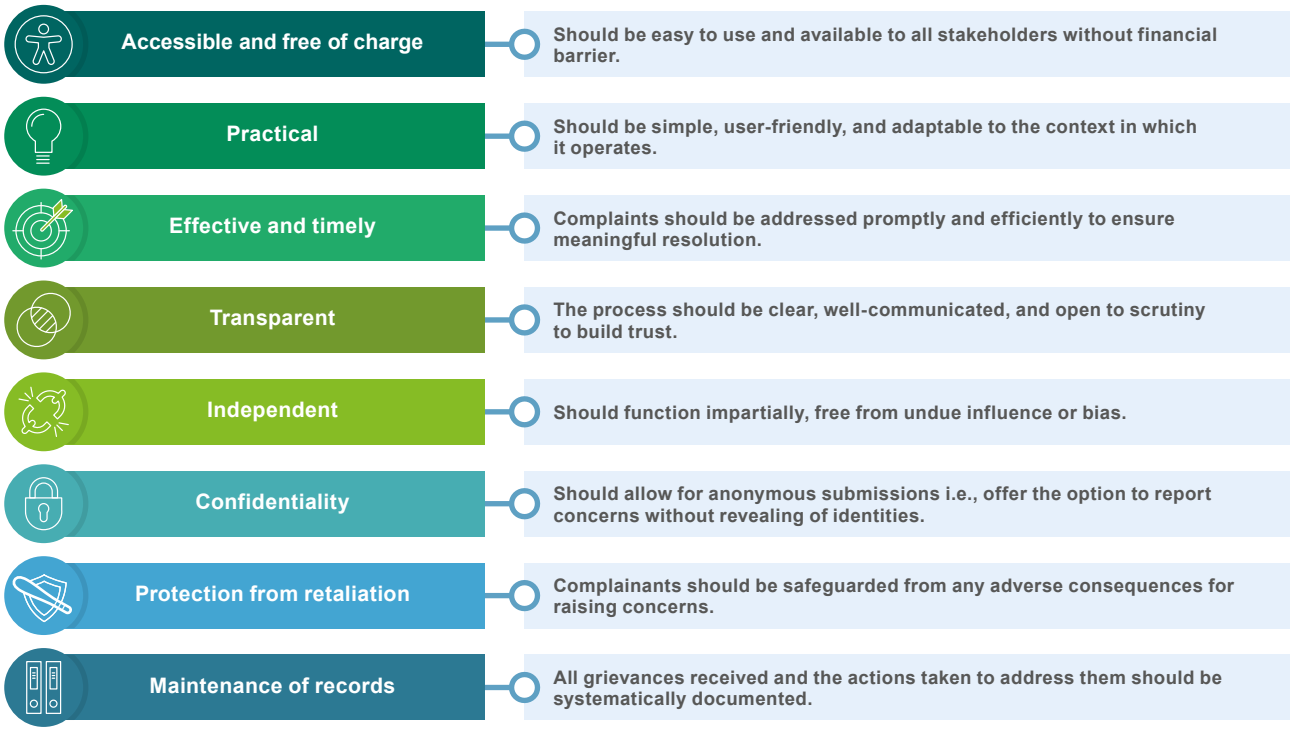
A project's SEP should be considered as a planning tool that will need to be updated on a regular basis as new stakeholders might emerge during project implementation, necessitating additional engagement. The grantee should therefore submit updated versions of the SEP as part of the biannual reporting. Biannual reports should also include a record of consultations and engagement activities conducted during the reporting period. Grantees are required to use the Stakeholder Consultation Template provided as Annex 8 in this Manual.

Grievance Mechanism

The Innovation Facility ESMS Grievance Mechanism (GM) provides a structured process for addressing complaints from stakeholders and ensures that IF-funded projects comply with ESMS principles, standards, and procedures. The aim of the grievance mechanism is to provide people or communities fearing or suffering adverse impacts from a project with the assurance that they will be heard and assisted in a timely manner. By providing a structured process for receiving, evaluating, and resolving grievances, the grievance mechanism will help to prevent disputes from escalating, disruptions and delays in project implementation.

The IF GM is based on the good practice principles summarised in Figure 5 below.

Figure 5: Good Practice Principles of the ESMS Grievance Mechanism



Each complaint is reviewed to understand whether a potential breach of safeguard policies and standards has occurred. A process is conducted to identify the root causes of the subject of the grievance or wrongdoing and ensures that issues of non-compliance with the safeguard policies are corrected; some cases may also require remedial actions to redress potential harm resulting from a failure to respect safeguard policies and standards or preventive measures to avoid repetition of non-compliance.

While the main focus of the GM are breaches of safeguard policies and standards, the mechanism also serves to receive complaints about wrongdoing or misconduct as established by other IUCN policies ensuring ethical standards and accountability. Examples of wrongdoing include fraud, bribery, and corruption, asset misappropriation, discrimination against project staff, sexual exploitation and abuse, harassment or bullying, undue breach of confidentiality or privacy, money laundering or terrorism financing. The list is not exhaustive and further details are explained on the Innovation Facility website. The Innovation facility chose to use only one channel to facilitate the submission of complaints and ensure access as project stakeholders may not be able to differentiate between the nature of grievance.

Three-stage approach

To be practical and cost-effective, resolution of complaints should be sought at the lowest possible level. The IF GM is therefore designed as a three-stage process as shown in Figure 6.

Figure 6: Three-stage process of the Innovation Facility Grievance Mechanism

Complaints shall be submitted, in first place, to the local level (grantee / project management team) to allow the affected party and the project team to clarify the issue and work collaboratively on a way forward that advances their mutual interests.

If no solution is agreed or if the complainant is not satisfied with the response, he/she can escalate the concern to stage 2 (Innovation Facility Secretariat) for resolution. If also the second stage has not been successful, the complainant can submit the grievance to the centralized IUCN Whistleblower Platform that will direct the complaint to the IUCN Head of Oversight Unit (stage 3).

It is important to note that the affected party can escalate the complaint to a higher level (stage 2 or 3) already at the outset because of the nature of the issues raised. This applies specifically for misconduct that are sensitive or where the allegations are against individuals working in the project team or another entity involved at the local level (stage 1). This is to protect the complainant who may feel uncomfortable or fear retaliation.

Project-level Grievance Mechanism

Each project team needs to design a project-level GM tailored to the specific implementation modality of the project, identified risks and socio-cultural context. It should delineate the issues considered eligible as grievances, the procedure for submitting and addressing complaints and establish the specific channels for receiving grievances The procedure should ensure that grievances are resolved in a timely and transparent manner. This includes specifying that if a complaint is not adequately addressed within a given timeframe at the project level (stage 1), the project team needs to escalate it to the IF Secretariate (stage 2) as shown in figure 6.

The requirement to establish a project-level GM applies to all projects, irrespective of their risk rating. However, projects rated as moderate or substantial risk and where ESMS standards are triggered will require the project-level mechanism to be more comprehensive. The ESMS Screening Report will inform the grantee on the level of detail of the project-level GM.

It is essential that the project-level GM is described in a language(s) understandable to the local community(s) within the project areas, is easily accessible to the public and is effectively communicated to all relevant stakeholders (including the local communities, and the workforce to be hired for the project) in a culturally appropriate manner prior to starting any project activity.

The project-level GM may build on existing mechanisms for providing feedback and submitting grievances. These should be mechanisms that communities are already familiar with and trust such as the use of an ombudsperson. Receiving feedback through these channels might help the grantee to act early and avoid concerns from building up. However, it needs to be clearly communicated that there is always the option to escalate the grievance to stage 2 or 3.

Protection from retaliation

In line with IUCN Whistleblowing and Anti-retaliation Policy, the Innovation Facility does not tolerate any form of retaliation. Appropriate measures are in place to protect complainants / whistleblowers from reprisal anyone who reports

wrongdoings and makes a good faith report on any suspicions of ethical misconduct. Individuals, communities, or other project stakeholders who have reasonable grounds to believe that retaliation has been taken against them, or will be taken against them, for having engaged in a prohibited activity may seek redress by submitting a retaliation complaint to the Oversight Unit through the Whistleblowing Platform (stage 3). Pending the completion of an assessment of the retaliation complaint and without prejudice to its outcome, the Oversight Head may recommend interim measures or remedial action to protect the complainant while the review is pending. Please see the Whistleblowing policy for further details.

Registering and monitoring complaints

The grantee needs to record the complaint using a complaint register and acknowledges the receipt of the grievance in writing to the complainant. This should preferably happen within 3-5 working days, but no later than 10 days. A copy of the complaint register needs to be shared with the IF Secretariat upon registration (but no later than 5 working days upon the receipt of the complaint). If the topic is serious and/or might implicate reputational risks, the IF Secretariat is required to inform the IUCN Head of Oversight (stage 3).

The progress of addressing the individual complaints needs to be reported to the IF Secretariat as part of the biannual E&S monitoring reporting including detailed records of the agreed corrective actions. The IF Secretariat provides an independent review of unresolved complaints and may facilitate mediation and recommend corrective actions. It also ensures that all concerns are handled fairly and in line with IF's environmental and social standards.

Serious Incident Reporting

Whereas the project-level GM is an instrument to addressing grievances and complaints received from stakeholders, the serious incident reporting is a mechanism to be used by the grantee to inform the Innovation Facility Secretariat of all serious incidents caused by or related to their project. The purpose of reporting serious incidents is to ensure that appropriate responses and corrective actions are taken swiftly in order to minimize, mitigate and/or remedy the impacts.

A serious incident is an unplanned or uncontrolled event that has or might have an adverse effect on people (e.g., local community members, workforce to be engaged in the implementation of the project) or on the environment within the project's area of influence, as well as events that have adverse effects on the project or that give rise to liabilities or reputational risks that could jeopardize achievement of the project's objectives. Serious incidents could include the following (list not exclusive):

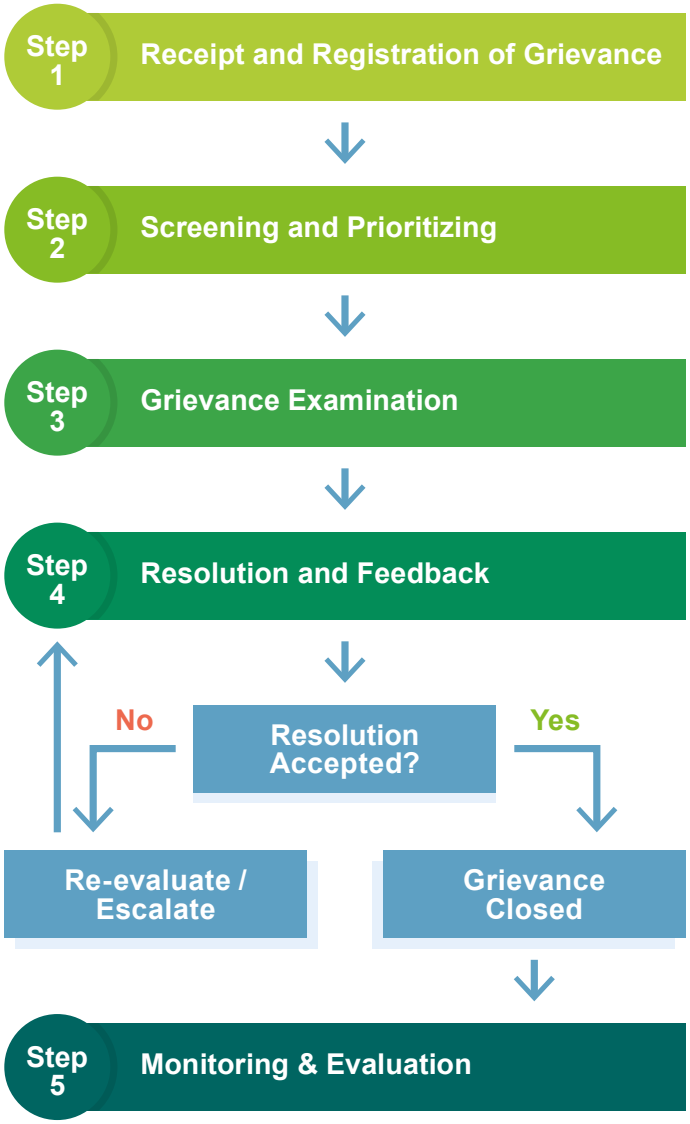
- Fatalities, serious injuries and accidents at work. This would cover any fatalities, serious injuries and other occurrences affecting project workers (including people employed or engaged through third parties or community workers employed or voluntarily engaged in a project). It would include deaths and serious injuries occurring during routine patrols or anti-poaching operations, kidnapping, murder and other forms of violence affecting project workers, accidents related to project transport or equipment, and loss of life or serious injuries caused by natural or other disasters.

- Fatalities, serious injuries and accidents affecting local communities and others. This would include serious injuries or deaths caused by project workers, including contractors, subcontractors and their workers, or local community workers or volunteers, including related to the conduct of law enforcement activities. It would also cover major accidents involving project vehicles or other forms of transport (boats, planes), equipment or materials provided by a project.

- Violations of human rights. This would cover human rights violations or public accusations of human rights violations attributed to project workers, contractors of community workers or volunteers.

- Sexual exploitation, sexual abuse, and sexual harassment (SEAH) in the context of the project and in particular cases attributed to project workers. Sexual Abuse' means the actual or threatened physical intrusion of a sexual

Figure 7: Grievance Management Process



nature, whether by force or under unequal or coercive conditions; 'Sexual Exploitation' means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, threatening or profiting monetarily, socially, or politically from the sexual exploitation of another; 'Sexual Harassment' any unwelcome sexual advance, request for sexual favour, or other verbal, non-verbal, or physical conduct of a sexual nature, that interferes with work, is made a condition of employment, or creates an intimidating, hostile, or offensive environment in connection with the project, and, for the avoidance of doubt, Sexual Harassment may occur between or amongst persons of different sexes or genders or of the same sex or gender, and may be initiated by any gender or sex;

- Any use of, and public accusations of the use of harmful child labour by the project, contractors or community workers and volunteers.

- Conflicts, disputes and disturbances leading to loss of life, violence or the risk of violence. This would include inter-community or inter-ethnic violence caused or exacerbated by project activities, and conflicts that have the potential for violence towards project personnel and/or local communities.

All serious incidents must be reported to the Innovation Facility within 48 hours of the incident

occurring, using the serious incidents template provided in Annex 10. The Innovation Facility will then ensure that all serious incidents are communicated to KfW as soon as possible but no later than 3 working days from the date of receipt.

3.2.5. Appraisal of Safeguard Instruments and ESMS Clearance

The safeguard instruments are compulsory elements of the Full Proposal. The grantee is responsible for preparing the safeguard instruments but as mentioned above, the Innovation Facility will guide the grantee in their development. In order to ensure timely delivery of the Full Proposal and safeguard instruments, it is foreseen that the grantee sends in the risk assessment reports and final safeguard instruments to the Innovation Facility several weeks prior to the submission deadline of the Full Proposal, the exact date to be determined during the collaborative screening. This is to ensure sufficient time for feed-back in case adjustments of the safeguard instruments are needed.

Once the Full Proposal has been formally submitted, including the safeguard instruments, the Innovation Facility will proceed with the ESMS Clearance step. This involves checking whether:

- all requirements established by the ESMS Screening Report are met;
- the expected E&S impacts have been appropriately assessed and are clearly described and predicted in terms of likelihood and impact;
- the required safeguard instrument (ESMP, IPP etc.) are:

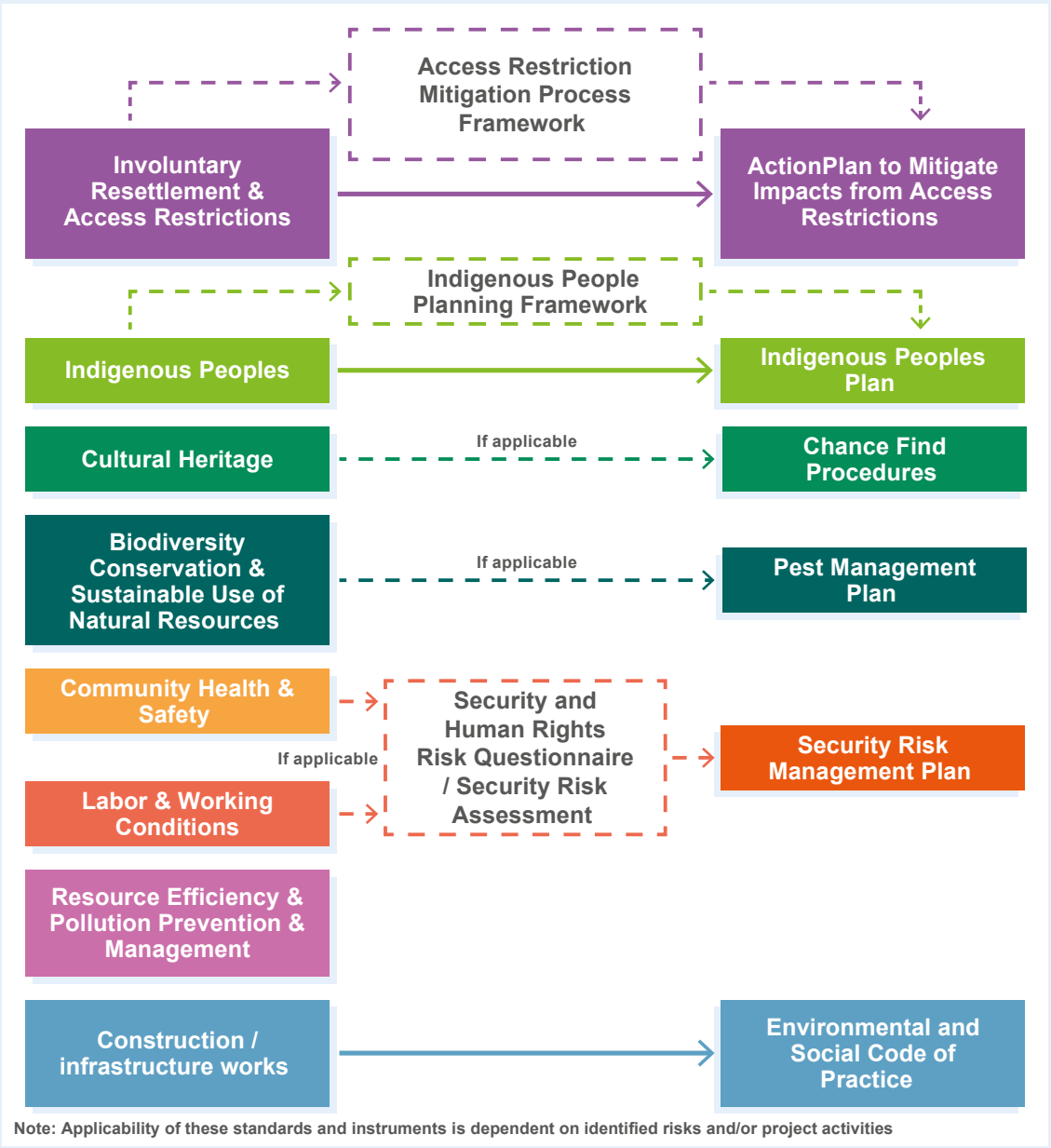
    i. in line with the requirements of the respective ESMS standards and demonstrate a suitable strategy for avoiding or mitigating environmental and social risks (e.g., whether they are feasible, adequate and effective)
    ii. specify timeline, responsibilities and provisions for monitoring and
    iii. are adequately resourced (staffing and other resources).

The detailed appraisal criteria are presented in the ESMS Clearance Form in Annex 3.

Full Proposals that do not have safeguard instruments that adequately address the identified risks or do not provide evidence of the operationalisation of the safeguard instruments (including lack or insufficient funding, lack of capacity/trained staff), cannot be considered for funding.

In exceptional cases the Innovation Facility Secretariat may agree to finalizing small gaps in ESMS compliance during the project's inception stage. For instance, it might be allowed to have only a provisional ESMP established upon submission of the Full Proposal, but this provisional ESMP must then be finalized within a defined time period within of Project implementation (Project inception stage) and in any case always before project activities are implemented. In this case a conditional ESMS Clearance is given and a final ESMS Clearance will be issued by Innovation Facility Secretariat once the gaps have been closed at the end of the inception phase. However, the Innovation Facility Secretariat reserves the right to stall further implementation and disbursement of funding or even suspend the project in case the conditions established by the conditional ESMS Clearance are not met by the required deadline and final ESMS clearance could not be issued.

Figure 8: Overview Standards and their respective Safeguard Instruments



3.3. Implementation and Monitoring of Environmental and Social Safeguards Standards

Once the project is approved and the grant agreement is signed, project implementation starts, and the grantee is responsible to ensure that the ESMP and other safeguard instruments are implemented according to the schedule established for each of these safeguard instruments, and that they are effective.

The purpose of E&S monitoring is to verify that the E&S risk management measures established in the ESMP, and the risk-specific safeguard instruments are being implemented (**progress**) and to judge whether the individual measures are effective in mitigating the respective risks (**effectiveness**).

It further tracks whether the other mandatory safeguards instruments are in place and implemented according to the established schedule and procedures, namely the Stakeholder Engagement Plan, project-level Grievance Mechanism, and Serious Incident Reporting process.

There are two levels of monitoring and reporting to be distinguished:

- Internal monitoring - done by the Grantee / Project Management Unit (PMU)
- External monitoring (supervision) – done by the Innovation Facility.

Internal monitoring requires a continuous collection of background data related to the implementation of the mitigation measures to substantiate the reporting on progress and on effectiveness. The ESMP is best monitored through an expanded version of the ESMP matrix by adding columns that allow entering (for each risk and the respective management measure) the following data:

- For mitigation measures where quantitative indicators demonstrating completion can be formulated:
  - Indicator description
  - Target value
  - Level of completion

- For Mitigation measure where completion can only be measured through qualitative indicators
  - Narrative description of status of completion of measure
  - Indication on the extent to which the measure has been effective

In order to facilitate the external E&S monitoring by the Innovation Facility, the grantee submits a biannual E&S monitoring report detailing the progress and effectiveness of the mitigation measures and other safeguard instruments – as described above. External E&S monitoring will be based on the biannual E&S report but will be complemented though findings gathered as part of the supervision missions to the field sites – in a frequency commensurate to the risk level. For ensuring effective data gathering and consultations during the supervision mission, it is essential that the grantee submits the E&S monitoring report prior to any planned supervision mission.

Any serious incidents must be reported immediately to the Innovation Facility (within 48 hours). Provisions for monitoring and reporting grievances are explained in Chapter 3.2.4.2. The biannual E&S reports need to provide a complete list of serious incidences or grievances that occurred during the reporting period and any update on addressing and solving the issues.

The Innovation Facility Officer will prepare biannual reports to KfW, assessing the overall project performance against E&S requirements.

3.4. **Project Closure**

The Innovation Facility funds restoration activities and covers costs associated supporting the grantees to access the voluntary carbon market enabling projects to become investment ready. This means that the overall project has a much longer time horizon than the grant funding cycle as visualized in Figure 2. However, the Innovation Facility's responsibility ends with the funding cycle and so does the implementation and monitoring of the EMSP and the respective safeguard instruments. As part of the final report the grantee is asked judge the effectiveness of E&S safeguard instruments in avoiding or mitigating adverse environmental and social impacts. The purpose of the latter is to gather and document lessons learned and best practices that will inform future funding phase of the Innovation Facility as well as the broader safeguard community of practice. The grantee needs to ensure that all project commitments have been met and that any remaining risks are managed before the project funding cycle is officially closed or provisions are put in place to ensure relevant management action are put in place by the grantee after the project funding cycle closure.

4. Roles and Responsibilities

Table 3 summarizes the roles and responsibilities of each party involved in ESMS actions and decisions steps along the project cycle as outlined in this ESMS Manual.

Table 2: Roles and responsibilities for ESMS steps

ESMS steps	Applicable for	Responsible entity	Guidance or Template
Concept Note stage			
Preparation of Concept Note: Safeguard specific baseline data	All Concept Notes	Applicant	Concept Note template
Draft Stakeholder Analysis (high-level)	All Concept Notes	Applicant	Stakeholder Analysis Template (Annex 6)
documentation stakeholder engagement during concept preparation	All Concept Notes	Applicant	Documentation Stakeholder Consultation template (Annex 7)
Preliminary ESMS Screening	All Concept Notes	Innovation Facility	ESMS Screening& Clearance
Full Proposal stage			
Collaborative ESMS Screening	All projects	Innovation Facility and Applicant	ESMS Screening questionnaire
ESMS Screening Report	All projects	Innovation Facility	ESMS Screening Report template
Stakeholder Analysis (based on draft)	All projects	Applicant	Stakeholder Analysis template (Annex 6)
Assessment of E&S risks	Moderate and substantial risk	Applicant	As per ESMS Screening Report
Development of safeguard instruments	Moderate and substantial risk	Applicant	ESMP template and guidance (Annex 4) and as per ESMS Screening Report
Documentation SH Engagement during Full Proposal Development	All projects	Applicant	Documentation Stakeholder Consultation template (Annex 7)

Stakeholder Engagement Plan	All projects	Applicant	Stakeholder Engagement Plan (SEP) template (Annex 8)
Appraisal of safeguard instruments and ESMS Clearance	Moderate and substantial risk	Innovation Facility	ESMS Clearance template (Annex 3)
Project implementation stage			
Implement Stakeholder Engagement	All projects	Grantee	Project Stakeholder Engagement Plan
Safeguards training for projects staff	All projects	Grantee	
ESMP implementation, monitoring and reporting	Moderate and substantial risk	Grantee	ESMP template and guidance (Annex 4)
Monitor emerging risks	Low risk	Grantee	ESMP template and guidance (Annex 4)
External ESMP monitoring & supervision	Moderate and substantial risk	Innovation Facility	ESMP template and guidance (Annex)

Annexes

Annex 1: Brief overview of IUCN ESMS Standards and Risk Areas and typical examples

While projects funded by the Innovation Facility must adhere to the IUCN ESMS Policy Framework, but also to KfW's Sustainability Guidelines and the applicable national policies and legislation, this annex uses IUCN ESMS Standards to illustrate typical risks potentially encountered by projects funded by the Innovation Facility.

The IUCN ESMS is anchored around four ESMS standards that reflect key environmental and social areas and issues that are at the heart of IUCN's conservation approach. The four standards are published as stand-alone documents describing their objectives, principles, applicability and requirements.[2] The tables below provide an overview of the standards, their main features and key requirements. However, this does not preclude the need to consult the stand-alone ESMS Standard documents for particular provisions.

IUCN ESMS Standards

Standard on Involuntary Resettlement and Access Restrictions	
Applicability of standard	Applies when conservation objectives of the project require changes in land and resource use potentially causing economic or livelihood losses of local communities Two scenarios: • Projects require resettlement of peoples/communities (also referred to as physical displacement), e.g. as part of the creation of a strict nature reserve[3] • Projects requiring restrictions on access or use of land or natural resources (e.g. hunting, fuel wood, grazing) to revert land degradation caused by unsustainable use (also referred to as economic displacement)
Activities triggering standard (examples)	• New PA creation or extending the boundaries of existing PA • Development of PA management plans (with use restrictions) • Putting in place demarcation of PA boundaries • Enhancing enforcement of existing regulations through training of PA staff, provision of equipment for detecting infringements
Principles	• Legal (including customary) rights of specific groups to specific resources in relevant areas must be recognised and respected • No-net livelihood loss: livelihoods should be improved or at least restored (to pre-displacement levels) • Mitigation measures should be in place before restrictions are enforced; if this is not realistic, restrictions need to be staged in line with effectiveness of mitigation

2 Available at: www.iucn.org/esms

3 Because activities that would result in involuntary resettlement (physical displacement) are excluded from being funded by the Innovation Facility, the requirements for this scenario are not further explained in this table.

Requirements	• Try to minimize restrictions causing economic or livelihood losses of local communities • If restrictions are unavoidable the following is required: - Participatory process for identification of project affected people (PAPs), assessing impacts, definition of restrictions (trying to minimize impacts on people/vulnerable groups), development of mitigation measures, definition of clear eligibility criteria & entitlements - Provisions for monitoring effectiveness of mitigation measures - Grievance mechanism in place and accessible to PAPs
Mitigation measures (examples)	Examples of mitigation measures include: • Alternative land or alternative resources - functional substitutes, e.g. - Fuel wood: LPG stoves or fuel- efficient cooking stove to reduce consumption of wood - Bushmeat hunting: promote raising of rodents (cane rats etc.) to provide protein sources • Assistance for developing alternative livelihoods – new occupation and income sources (ecotourism, craft-making, seaweed farming etc.) • Assistance for improving / intensifying land management for enhancing yields • Support PAPs recognition as holders of customary rights to land • Employment for PAPs through the project (e.g., ranger or eco-tourist guide) • Health or education benefits or access to other resources of primary needs (e.g., water) • Promote sustainable harvesting of natural resources and promote equitable benefit sharing ensuring that PAPs are able to access these benefits
Safeguard instruments	Process Framework that establishes the participatory process described above and results in the development of an Action Plan or Livelihood Restoration Plan

Standard on Indigenous Peoples	
Applicability of standard	Applies when indigenous peoples • are present in the proposed project area. • have a collective attachment or rights to the area[4]. • could be affected negatively by the project (even without being present in the project site). • are present in or have a collective attachment to a proposed project area or • could be negatively affected by the project (even without being present in or having a collective attachment to the project site). Note that the standard also applies where Indigenous Peoples are only present in small numbers (including instances where there is only one individual within the project area), i.e., there is *no de minimis* rule that applies for Indigenous Peoples within the requirements of the ESMS. The standard's applicability is determined through a case-by-case examination as part of the ESMS screening. Only one single criterion needs to be triggered for the standard to apply. Hence, if criteria i) or ii) apply, the standard is triggered regardless of whether impacts are negative or positive and regardless of the significance of any such impacts. The reason for this is that the standard not only aims at avoiding negative impacts but also at ensuring adequate consultation with Indigenous Peoples when designing the project so that their specific conditions, rights and needs are taken into account and opportunities are sought for providing culturally appropriate benefits.

4 This includes IPs, who during the lifetime of members of the community or group, have lost the collective attachment to distinct habitats or ancestral territories in the project area due to forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters or incorporation of such territories into an urban area.

Definition/ Identification of IP	For this standard, the term 'indigenous peoples' follows the definition or 'statement of coverage' contained in the ILO Convention 169 on Indigenous and Tribal Peoples in Independent Countries. Therefore, it includes: i. peoples who identify themselves as "indigenous" in strict sense; ii. tribal peoples whose social, cultural, and economic conditions distinguish them from other sections of the society, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; iii. traditional peoples not necessarily called indigenous or tribal but who share same characteristics (see above) and whose livelihoods are closely connected to ecosystems and their goods and services The application of this policy is thus not limited by the absence of the legal recognition of IPs by a state, nor by the legal status of the titling of indigenous lands, resources, and territories. Note that in the African context indigenous peoples are often referred to as "historically underserved traditional local communities".
Principles	• Indigenous peoples' right to self-determination is respected and supported • Take specific conditions, rights and needs of IP into account in project planning and implementation • Social and cultural identity, traditions and institutions are fully respected; • Opportunities for culturally appropriate/gender inclusive benefits to IP, as agreed by them • Avoid negative impacts on indigenous peoples
Requirements when triggered	• Establish process of consultation with indigenous communities so that their specific conditions, rights and needs are taken into account and opportunities are sought for providing culturally appropriate benefits • Social impact assessment with meaningful consultation of legitimate representatives of indigenous groups • Change of project design to avoid negative impacts or, if avoidance is not possible, measures for mitigating impacts • FPIC protocol: Agreement on all project/activities that affect indigenous peoples following free, prior and informed consent • Monitoring implementation of IPP with indigenous peoples' involvement • Grievance Mechanism - culturally appropriate and accessible for indigenous communities
Safeguard instruments	• Indigenous People Plan (IPP) establishing the consultation process and culturally adequate mitigation measures • Measures could be integrated in the ESMP, if measures are not substantive • Indigenous People Planning Framework (IPPF) if sites / activities are not known during project preparation

Standard on Cultural Heritage	

Definition/ Identification of CH	Cultural heritage include:
	• Tangible cultural heritage
	  - Built objects or structures (buildings, monuments, or spaces)
	  - Movable objects (books, paintings, sculptures, religious relics, cultural costumes and textiles, jewellery, etc)
	  - Archaeological sites with structural remains of past human activity, incl. artifacts
	• Intangible cultural heritage
	  - Cultural practices (language, rituals, festive events, performing arts, traditional craftmanship)
	  - Traditional knowledge and techniques, incl ecological knowledge
	• Natural cultural heritage with historical, archaeological, cultural or spiritual value
	  - Sea/landscapes of high cultural/spiritual value
	  - Individual elements (trees, rivers, waterfalls etc considered sacred)
	  - Species (plants & animal species cultural and spiritual significance)

Activities triggering standard (examples)	• Physical damage of built cultural heritage or buried archaeological remains during construction of infrastructure • Project workers taking tangible objects such as paintings, sculptures or textiles • Ecotourism project with commercial use of cultural resources and featuring performing arts / dance leading to unequal sharing of benefits • Ecotourism project affecting natural landscapes of high cultural and spiritual value through increased visitation • Creation of a strict nature reserve with restriction of access impacting people's spiritual practices in a site considered sacred
Requirements when triggered	• ESIA or targeted assessment need to be guided by competent professionals with expertise on cultural resources and must involve rights-holders and relevant groups and communities, concerned government authorities, relevant civil society organisations, local experts and traditional knowledge holders Contracts for civil work to include procedure for accidental discovery of cultural heritage during project activities (Chance Find) • Where access restrictions are required with negative impacts on people using cultural resources – refer to Standard on Involuntary Resettlement and Access Restrictions • Projects involving a wider (especially commercial) use of community cultural resources to which communities have legal (including customary) rights, require FPIC from the right-holders
Safeguard instruments	Chance find procedure: see above

Standard on Biodiversity Conservation and Sustainable Use of Natural Resources	
Applicability of standard	Applies to projects that may have direct or indirect adverse impacts on biodiversity, ecosystem functions, or services. Being a conservation organization, it is evident that IUCN does not intentionally undertake or support projects that are expected to directly or indirectly cause negative impacts on biodiversity. However, IUCN recognises that because competition is increasing for natural resources and IUCN projects often address a complex array of multiple needs for natural resources, some needs might have to be given priority over others with the risk of causing negative impacts on some elements of biodiversity. Examples of risks issues triggering the standard: • Potential to affect sensitive biodiversity in areas high biodiversity value (e.g., protected areas, areas managed as such by local communities etc) • Risks of introducing (planned or unplanned) invasive alien species; • Environmental risks or disturbance when restoring or modifying ecosystems, including projects impacting the hydrological cycle, taking the complexity of the ecological system and potential knock-on effects into account; • Risks of unsustainable harvest of wild living natural resource • Procurement of natural resource commodities leading to significant degradation of natural habitats elsewhere; • Risks related to the use of pesticides.
Activities triggering standard (examples)	• Infrastructure development (access roads, buildings etc.) located in areas of high biodiversity value or activities that may cause disturbance to sensitive elements of biodiversity (e.g., ecotourism); • Landscape restoration project (potentially) involving planned introduction of species outside the natural range (e.g., for reasons of climate adaptation) with the risk of species developing invasive characteristics; • Aquaculture for alternative protein resources with potential knock-on effects – e.g., non-native fish that outcompete native species; • Restoration projects impacting the hydrological cycle / water table; • Promoting sustainable harvest or extraction of wild living resources (as livelihood support component) without appropriate institutional structures for verification or when disrupting or curtailing traditional sustainable natural resource management systems; • Eradication of invasive alien species requiring use of pesticides.
Requirements	• If the screening has determined the potential for adverse impacts, an ESIA or targeted assessment must be undertaken to analyse identified risks, appropriately address uncertainty issues and develop an appropriate risk management strategy • Critical to take into account negative impacts across different temporal scales, including long-term impacts. For predicting impacts, it is good practice to develop scenarios using models and techniques that are sufficiently robust, both technically and scientifically. The level of uncertainty should be indicated. • Requirements are less prescriptive than other standards – depends on issues identified.

Safeguard instruments	• Safeguard Instruments are less prescriptive, often guidelines or tools exist already in IUCN:
	  - Biodiversity Guidelines Forest Landscape Restoration / ROAM
	  - Analysis of water flows (e-flows)
	• Invasive species:
	  - Guidelines for Species Reintroduction or Translocations and Guidelines Invasive Species Management on Islands[5]
	  - Development of a species protocol
	• Pesticide application:
	  - Project fund use of pesticides: Pest Management Plan (see guidance note Pest Management Planning)[6]
	• Project promoting or spurring the use of pesticides indirectly: Safer Use Action Plan (SUAP)

IUCN ESMS Risk Areas

In 2020, IUCN expanded the thematic coverage of its ESMS risk identification process by publishing the ESMS Guidance Note on Assessment, Management and Monitoring of Environmental and Social Risks that establishes seven risk areas that have gradually emerged as being specifically relevant for conservation projects. Adding these risk areas has further strengthened alignment of the IUCN ESMS Policy Framework with the International Finance Cooperation's (IFC) Performance Standard on Risk Management (PS1) and the World Bank's Assessment and Management of Environmental and Social Risks and Impacts (ESS1).

Adverse gender-related impacts

Despite IUCN's commitment to realizing gender equality and women empowerment following IUCN's Gender Equality and Women's Empowerment Policy, IUCN recognizes the risk that projects might inadvertently create, perpetuate or exacerbate gender inequalities or cause adverse gender-related impacts, both within the direct work environment of the project and in relation to communities with which the project works, including the risk of gender-based violence (GBV). Other risks included unequal access to resources or services provided by the project, reinforcing gender disparities in decision-making, or creating environments where sexual exploitation or harassment may occur. The focus of risk management in this risk area is on ensuring that projects proactively identify and mitigate such risks. This risk area links with the ESMS *Principle on Gender Equality and Women Empowerment*, which highlights a dual approach of managing risks while fostering gender equality and women empowerment.

Risks affecting vulnerable groups

Vulnerability in the context of project impacts is highly dependent on specific conditions and demographics (i.e.: ethnic minorities, internally displaced people, the elderly, children, or religious beliefs). These groups may be more susceptible to adverse effects due to their unique socioeconomic conditions, limited access to resources, or higher reliance on local environments. Addressing risks to vulnerable groups means recognizing their specific needs and ensuring that projects are designed to provide equitable access and support, preventing further disadvantages. This risk area links with the ESMS *Principle on Protecting the Needs of Vulnerable Groups*.

5 Available at https://portals.iucn.org/library/sites/library/files/documents/2018-030-En.pdf

6 Available at: https://iucn.org/sites/default/files/2022-05/esms-pest-management-planning-guidance-note_0.pdf

Risk of undermining human rights

This category focuses on the need to respect and uphold human rights throughout project activities, addressing both substantive and procedural rights. Substantive rights relate to access to essential resources or services necessary for basic needs, such as economic, social, or cultural rights. Procedural rights emphasize the inclusion of all social groups in decision-making processes, ensuring that marginalized voices are not excluded. Additionally, projects must be sensitive to areas with a history of human rights abuses, like past forced evictions or land seizures, as such projects might risk perpetuating or exacerbating these injustices. This risk area links with the ESMS *Principle on Taking a Rights-based Approach*.

Community health, safety, and security risks

Projects can pose significant risks to community health and safety, including exposure to hazardous substances, increased risks of accidents, and the spread health risks. Typical activities that might lead to accidents include construction and/or renovation of small-scale civil works, such as the construction/ renovation of infrastructure for community use, protected areas management (e.g. watch towers, access roads) or ecotourism (visitor centres, etc), construction of wells, boreholes or water retention tanks, landing sites, among others. In the conservation space, project activities may exacerbate human-wildlife conflicts, or direct security risks can also arise from conflicts over resource restrictions or the actions of security personnel, such as forest guards. Effective planning and stakeholder engagement are crucial to mitigate these risks, ensuring the protection of communities and maintaining social stability throughout project implementation.

Labour and working conditions

This risk area centres on the rights and well-being of workers involved in project activities. It encompasses ensuring fair wages, safe working conditions, freedom from forced labor, and the prohibition of child labor. Projects must adhere to international labor standards, creating environments that respect workers' rights and promote safety (see section 2.2). This includes addressing occupational health and safety risks, such as specific hazards in the workplace

Resource efficiency, pollution, and GHG emissions

Here the focus is on potential environmental impacts associated with a project's use of resources, waste generation, and/or emissions. Key concerns include the release of pollutants, particularly hazardous chemicals and materials, both during routine operations and unforeseen circumstances. It emphasizes the importance of minimizing environmental harm through efficient resource use. Additionally, risk issues here cover the management of greenhouse gas (GHG) emissions to limit the project's carbon footprint, including the impacts of related activities beyond direct interventions, like those in the project's value chain.

Risk of project design failing to take climate change into account

This risk area involves ensuring that projects funded by the Innovation Facility do not inadvertently cause environmental or social risks by failing to take climate change into account. It includes analysing current and future trends in climate change and variability in the project area including climate sensitivity; whether any changes in biophysical conditions in the project area triggered by climate change are expected to impact people's livelihoods and whether some groups are more vulnerable than others (e.g., women or marginalized/ vulnerable groups)? The analysis involves checking whether there is a risk that project activities potentially increase or aggravate the vulnerability of local communities to climate variability, temperature increases or climate hazards (e.g., floods, droughts, wildfires, landslides, cyclones, storm surges, etc). Project activities should also be screened on potentially increasing or aggravating the vulnerability of the local ecosystem to climate variability, temperature increases or climate hazards (e.g., floods, droughts, wildfires, landslides, cyclones, storm surges, etc.)

Annex 2: WALD Innovation Facility ESMS Questionnaire

Project Data

The fields below are completed by the WALD IF applicant

Project Title:			
Lead Partner			
Project ID:		**Expected start date:**	
Country:		**Duration:**	
Contract value (in EUR):		**Geography/landscape:**	

Guidance for rating environmental and social risks

Risk rating is a function of the two elements expected likelihood and the expected impacts (consequence).

Likelihood represents the possibility that a given risk event is expected to occur. The likelihood should be established using the following five ratings:

- Very unlikely to occur (1)
- Low likelihood (2)
- Moderately likely – could occur (3)
- Known to occur - almost certain (4)
- Common occurrence (5)

Impact (or consequence) refers to the extent to which a risk event might negatively affect environmental or social receptors – see below criteria distinguishing five levels of impacts:

Table 1: Rating impact of a risk area

Severe (5)	Adverse impacts on people and/or environment of **very high magnitude**, including **very large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), cumulative, **long-term (permanent and irreversible**); **receptors** are considered **highly sensitive**; examples are severe adverse impacts on areas with high biodiversity value[1]; severe adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or resettlement with long-term consequences on peoples' livelihood; impacts give rise to severe and cumulative social conflicts with long-term consequences.
Major (4)	Adverse impacts on people and/or environment of **high magnitude**, including **large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), of certain duration **but still reversible** if sufficient effort is provided for mitigation; receptors are considered sensitive; examples are adverse impacts on areas with high biodiversity value; adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or resettlement with temporary consequences on peoples' livelihood; impacts give rise to social conflicts which are expected to be of limited duration.
Medium (3)	Adverse impacts of **medium magnitude**, **limited in scale** (small area and low number of people affected), **limited in duration** (temporary), impacts are relatively predictable and can be avoided, managed and/or mitigated with known solutions and straight forward measures.
Minor (2)	Adverse impacts of **minor magnitude, very small scale** (e.g. very small, affected area, very low number of people affected) and only short duration, may be easily avoided, managed, mitigated.
Negligible (1)	Negligible or no adverse impacts on communities, individuals, and/or on the environment.

Significance of a risk area is established by combining likelihood and expected impact (consequence) of a risk event as demonstrated in the table 2. The significance rating signals how much attention the risk area will require during project development and implementation and the extent of control actions to be put in place. See the Guidance Note on Assessment and Management of Environmental and Social Risks for further details on the rating (including factors influencing the likelihood and impact)[2].

1 For the definition see IUCN ESMS Standard on Biodiversity Conservation and Sustainable Use of Natural Resources.

2 Available at: https://iucn.org/sites/default/files/2022-09/iucn_esms_gn-risk-management-clean-22.pdf

Table 2: Rating significance of a risk event

Impact	Likelihood of occurrence				
	Very unlikely to occur (1)	Low likelihood (2)	Likely – could occur (3)	Known to occur - almost certain (4)	Common occurrence (5)
Severe (5)	**Moderate**	**Moderate**	**High**	**High**	**High**
Major (4)	**Low**	**Moderate**	**Moderate**	**High**	**High**
Medium (3)	**Low**	**Low**	**Moderate**	**Moderate**	**Moderate**
Minor (2)	**Low**	**Low**	**Low**	**Moderate**	**Moderate**
Negligible (1)	**Low**	**Low**	**Low**	**Low**	**Low**

ESMS Questionnaire

*The ESMS Questionnaire is completed by the WALD IF applicant in preparation for the **Formal ESMS Screening** and to serve as **ESMS Self-Assessment Report** for WALD Innovation Facility projects.*

	Name and function of staff of the WALD IF applicant	Date
ESMS Questionnaire completed by:		

Project summary

1.1 To be completed by applicant **1.2 Please summarise the project briefly using no more than one page. The summary can be in form of bullet points. Include goal/objectives, expected results/outcomes, outputs (project deliverables) and in particular the project's main activities. Please also describe the geographical project sites and the project area of influence[3].**

Assessment of social and environmental impacts (*questions to be answered by the WALD IF applicant, except otherwise stated*)

3 The project area of influence is the area likely to be affected (positively or negatively) 1) by direct impacts from project activities and 2) by indirect project impacts (see definition in the 3 footnotes hereinafter.

Please consider not only direct environmental and social impacts but also potential indirect impacts such as induced[4], cumulative[5] impacts as well as impacts of associated facilities[6]		
	Yes, no, maybe, n/a *- If the response is yes or maybe state exactly* ***how a specific proposed activity could trigger the impact***	*Describe how the project will* ***assess, avoid, or manage the identified risks*** (Later the applicant will use these explanations to develop the ESMP)
B1: Adverse gender-related impacts (including gender-based violence)[7]		
1. Is there a risk that the project may **discriminate** against women or other groups **based on gender** with regards to access to resources, services, or benefits provided by the project? *Note that equality in the process of designing the project is discussed in section D.*		
2. Is there a risk that project activities inadvertently **create, exacerbate or perpetuate gender-related inequalities** or have **adverse impacts** on the situation of women and girls?		
3. Is there a risk that project activities affect or restrict women's ability to use, develop or protect **natural resources**, taking into account different roles and positions of women and men in accessing environmental goods and services?		

4 **Induced impacts** refer to impacts on areas and communities from unplanned but predictable developments induced/enabled by the project (incl. impacts that might occur later or in different locations). Example: Equipment intended for species monitoring (camera traps) could be used for law enforcement actions.

5 **Cumulative impact** means the collective impact of a project's impact added to the impacts of other relevant past, present and reasonably foreseeable future developments. Example: Investments in tourism development by the Government leads to substantial increase in number of tourists that frequent a site and turns a project-funded PA access road into a major cause for disturbance for wildlife.

6 **Associate**d facility or activities means a facility or activity not funded as part of the project but which is necessary for the financial and/or operational viability of the project and would not have been constructed or expanded if the project did not exist. Example: a visitor centre built by the project might require an access road as associated facility – the construction of which might trigger environmental impacts.

7 IUCN defines Gender-Based Violence (GBV) as any harm or potential of harm perpetrated against an individual or group on the basis of gender. GBV has many expressions, including physical, sexual, psychological and economic, which can be underpinned by legal, social and institutional norms and systems. Examples include but are not limited to physical assault; sexual violence including sexual exploitation / abuse, forced prostitution and rape; domestic violence; trafficking; early/ forced marriage; female genital mutilation; honour killings; property grabbing; and widow disinheritance.

4. Is there a risk that the project might aggravate risks of **gender-based violence** (including sexual harassment, sexual exploitation or sexual abuse)? Is there a risk that persons employed or engaged by the project executing agency or through third parties to perform work related to core functions of the project might engage gender-based violence? Have any such incidents been reported in the past in the context of the project (e.g. partner organization, in project sites etc.)?			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

B2: Risk of affecting vulnerable groups[8]		
1. Has the project site been assessed on the **presence** of vulnerable or disadvantaged groups or individuals (including persons with disabilities)? Are their livelihood conditions and needs sufficiently understood? Please name the groups; ensure that those referred to in the footnote were considered in the analysis.		
2. Is there a likelihood that project **risks** and negative impacts fall disproportionately on disadvantaged or **vulnerable individuals** or groups? Consider impacts on material and on non-material livelihood conditions. Also consider changes in **land use** and/or **tenure arrangements** with a risk of disproportionately affecting vulnerable groups, including people coming from outside the project area such as internally displaced people.		
3. Is there a risk that the project might **discriminate** against vulnerable groups affected by the project with regards to access to resources, services, or benefits provided by the project? This could include formal or *de facto* restriction or exclusion of groups from access to such resources or services[9]		

Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

8 Depending on the context vulnerable groups could be landless or elderly people, children, ethnic minorities, displaced people, people living in poverty, marginalised or discriminated individuals or groups, among others. Particular emphasis should be given to risks for persons with disabilities which are often overlooked.

9 Examples for de facto restriction or exclusion are: information is not made available in appropriate languages, individuals with no/low income or without tenure rights (or registered titles) can't access services (e.g. agricultural extension services, persons with disabilities are confronted with physical barriers that block their access; certain groups are stigmatised by society and thus have no access services.

B3: Community health, safety and security		
1. Is there a risk of **increasing exposure of communities to security and safety risks**, in particular for vulnerable groups, through direct and indirect impacts when operating in areas of conflict or post-conflict (civil war, inter-ethnic conflict etc.) or areas affected by organized poaching, drug cultivation or trafficking, organized crime or trafficking in persons or illegal migration?		
2. Is there a potential risk that the project could inadvertently exacerbate **existing conflicts** or **generate conflicts** within or between communities including through weakening community institutions, disrupting social interactions or the risk of inadvertently escalating personal or communal conflicts and violence? Also consider project activities involving **unjustified preferential treatment** of individuals or groups in terms of access to resources or services provided by the project (or **elite capture**) that might stir conflicts.		
3. Will the project provide support for **law enforcement** (e.g. enforcing use restrictions)? If yes, please briefly describe relevant project activities and answer questions a-d. Otherwise, skip to question 11		
a. Please name the agencies responsible for law enforcement in the project area. Do these include community members or private companies? Specify which entities will be supported by the project and the type of support (e.g. salaries, training, equipment etc.)?		
b. Do park rangers or other law enforcement personnel carry firearms in the course of their duty?		
c. Has there been any conflict between law enforcement personnel and local people in the last 5 years? If so, what were the causes of the conflict (e.g. poaching, logging, disputes over access rights, artisanal mining)?		
d. Have there been any formal complaints, investigations or press reports relating to law enforcement activities in the project area? In addition to own knowledge of the site, please also conduct a web search and check sites of the OHCHR regional or national office.		

e. Could the project cause or exacerbate community exposure to security risks through inappropriate law enforcement practices and/or trigger violence between people that lose access and guards responsible for enforcing restrictions (e.g. during arrest, interrogation, detention etc.)			
4. Is there a risk of injury or loss of life among people triggered by an increase of **human wildlife conflicts** that may be elicited directly or indirectly from project activities, with particular attention to vulnerable and/or forest-dependent groups? Also consider loss of assets (e.g. crops, livestock) which might escalate conflicts (e.g. retaliatory killing)?			
5. Is there a risk that activities inadvertently affect provisioning and regulating **ecosystem services** including risks of increasing communities' **exposure to natural hazards or disasters** (e.g. by exacerbating floods due to cleared vegetation for project construction or by changing flows into water infrastructure etc.) giving particular attention to current or projected impacts from climate change?			
6. Is there a likelihood that project activities lead to **accidents** and/or exposure of communities to **hazardous substances**, including accidents involving vehicles and equipment and risks related to infrastructure built by the project, in particular in areas subject to effects from climate change and other natural hazards (floods, hurricanes, earthquakes, etc.).			
7. Could the project cause or exacerbate community exposure to **health and safety** risks including by triggering **water-**born or -based **diseases** (e.g. through creation of stagnant water bodies, livestock affecting quality of portable water), increasing the spread of other vector-borne diseases or **communicable infections** (e.g. by failure to provide precautionary measures during epidemics or seasonal diseases) or through reduction in **local air quality** (e.g. through generation of dusts, burning of wastes, or burning fossil fuels and other materials in improperly ventilated areas)?			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

B4: Labor and working conditions affecting project workers – please see definition for project workers in footnote[10]		
1. Is there a risk that project workers would potentially face working conditions that do **not meet national labor laws** and regulations and/or are not consistent with International Labor Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work (e.g. discriminatory working conditions, lack of equal opportunity, lack of clear employment terms, failure to prevent harassment or exploitation, failure to ensure freedom of association etc.)?		
2. Will the project work with local **volunteers** (for tree planting, community patrols etc.) or engage individuals in public or **community work programs**? If so, for what kind of activities? Is there a risk that working conditions might not meet national/ international labour standards?		
3. Are project workers (including **rangers** and community patrols) exposed to the **risk of violence or security risks** in the course of their duties (e.g. exposure to actions of human wildlife conflict, armed poachers or to criminal groups involved in drug trafficking)?		
4. Is there a risk that project workers might be exposed to **occupational health and safety** (OHS) risks including through hazardous working conditions (e.g. risks related to vehicles, equipment or heavy machinery, working at heights or with hazardous materials, exposure to infectious and vector borne diseases)? Including rangers or community patrols being exposed to higher risk to malaria due to long period of exposure. Also consider specific threats to women.		

10 Project workers refer to (i) people employed or engaged **directly by the project executing entity** to work specifically in relation to the project, (ii) people employed or engaged through **third parties** to perform work related to core functions of the project, (iii) individuals engaged by the project in public or **community work programs or as volunteers**.

5. Are there any circumstances in which the project may be involved or implicated in **forced labor** (e.g. any work or service which someone has not volunteered for and is forced to do) or **harmful child labor**[11]? Child labor would be considered harmful if it interferes with a child's education or could be detrimental to a child's health or mental, spiritual, moral, or social development. Please consider direct and indirect work relationships established by the project as well as work relationships of project stakeholders, including farmers and other enterprises that receive benefits or services from the project.			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Risk triggered? (Yes / No / TBD) **:**	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

11 IUCN follows ILO Convention 138 on Minimum Age that sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed. For more information on the prevention of harmful Child Labour, please see the Guidance Note on Assessment and Management of Environmental and Social Risks available at www.iucn.org/esms.

B5: Resource efficiency, pollution, wastes, chemicals and GHG emissions			
1. Is there a risk that project activities might lead to releasing **pollutants** (chemicals and other hazardous materials) to the environment due to **routine** or **non-routine circumstances** (e.g. accidental releases) with the potential for adverse local, regional, and/or transboundary impacts?			
2. Is there a possibility that project activities cause significant amounts of **waste or wastewater** or generate **hazardous waste**? Is there a risk of inappropriate disposal of waste including agricultural waste?			
3. Might the project involve the use of **chemicals or other hazardous materials**? If yes, explain how risks are managed. Is there any probability that among them are substances, chemicals or hazardous materials subject to international bans, restrictions or phase-outs due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer?[12] Please note that the use of pesticides is covered in the Biodiversity Standard (Section C4).			
4. Will project activities involve or lead to a significant consumption of **energy, water or other resources**? If yes, explain how it will be ensured that resources are used efficiently.			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Risk triggered? (Yes / No / TBD) **:**	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

12 For instance, substances listed under the Stockholm Convention on Persistent Organic Pollutants.

Potential impacts related to ESMS standards

C1: Standard on Involuntary Resettlement and Access Restrictions[13]		
	WALD IF Applicant	
	Yes, no, maybe, n/a *- If the response is yes or maybe state exactly* ***how a specific proposed activity could trigger the impact***	*Describe how the project will* ***assess, avoid, or manage the identified risks***
1. Is there a risk that the project will involve forced eviction[14]?		*Shaded cells do not need to be filled out*
2. Does the project include activities that might cause economic displacement by **restricting peoples' access** to land or natural resources? Please consider the following activities: establishing new protected areas (PA) or extending the area of an existing PA, improving enforcement of PA regulations (e.g. training guards, providing monitoring and/or enforcement equipment, providing training/tools for improving management effectiveness), constructing physical barriers that prevent people accessing certain places; changing how specific natural resources are managed to a management system that is more restrictive; **if yes, answer a-h below, if no justify your answer in this row**		
Answer only if you answered yes to either 1 or 2 above.		
a. Indicate the project **activities** that (might) involve restrictions and the **respective land or resources** to be restricted including communal property and natural resources (e.g. marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas).		

13 The term "**involuntary reset**tlement" refers to project-related land acquisition and restrictions on land use which have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement (World Bank ESS5)

14 It is important to understand that involuntary resettlement is different from "**forced eviction"**; the latter being defined as the permanent or temporary removal **against the will** of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection (WB ESS5). Forced eviction is an extreme form of involuntary resettlement and "constitutes a gross violation of human rights, in particular the right to adequate housing" (Commission on Human Rights, Resolution 1993/77).

b. Based on a thorough analysis of the legal framework regulating land tenure and access to natural resources, please explain whether individuals / groups who might be affected by restrictions introduced and put into effect by the project: (i) **have formal legal rights** to the respective land or natural resources, (ii) have no formal legal rights, but a claim to the land/resource that is recognized under national law, (iii) have no recognizable rights or claim to the land/resource they occupy but are highly dependent on the land/resource?		
a. Is there a risk that project induced access restrictions will negatively affect people's livelihoods? Consider impacts due to • Loss of access to natural resources in a particular area, • Loss of access to social services such as schools, health care etc., • Change of quality/quantity of resources a household can access, • Change in seasonal access to a resource, • Change in types of assets needed to access resources. If yes, please elaborate on the different livelihood elements that are affected, explain who might be affected and describe impacts. Distinguish between social groups (incl. vulnerable groups, indigenous peoples), men and women; also consider impacts of restrictions on people coming from outside of the project area. **If yes, answer d-h below; otherwise skip to question 3**		
b. Have strategies been considered to **avoid restrictions** by making changes to project design? If yes, explain.		
c. If it is not possible to avoid restrictions, will the project include **measures** to minimize or compensate for impacts from loss or restrictions of access? Please describe the measures.		
d. Are **eligibility criteria** established that define who is entitled to benefit from these measures? Are they transparent and fair (e.g. in proportion to their losses and to their needs if they are poor and vulnerable)?		
e. Are these measures culturally **appropriate** and gender inclusive? Does the geographical scale of the measures match the scale of the restrictions (e.g. will measures be **accessible to all groups affected** by the restrictions)?		

f. Has a process been implemented or started to obtain **consent** from groups that are likely to be negatively affected by restrictions? Please describe the process (who has been consulted and how).			
3. Will/might the implementation of certain project activities require the **acquisition of land** through purchase, expropriation or acquisition of access rights)? E.g. for building (communal) infrastructure (development of water tanks, irrigation canals, access roads etc.). Also consider acquisition of unoccupied or unutilized land, whether or not the landholder relies upon such land for income or livelihood purposes, or repossession of public land that is used or occupied by individuals or households. If yes, describe the legal status/ownership of the land that might be subject to land acquisition. Will the landowners have the right to refuse the acquisition? If voluntary donations are considered, explain how it will be ensured that no pressure or coercion is involved.			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Standard triggered? (Yes / No / TBD) **:**	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

C2: Standard on Indigenous Peoples		
	WALD IF Applicant	
	Yes, no, maybe, n/a *- If the response is yes or maybe state exactly* ***how a specific proposed activity could trigger the impact***	*Describe how the project will* ***assess, avoid, or manage the identified risks***
1. Does the project site[15] overlap with lands or territories that are under traditional ownership, under customary use or occupation or that are claimed by indigenous peoples, tribal peoples or other traditional peoples[16]? **If yes, answer questions a-i**		
2. Even if Indigenous Peoples are not currently residing at the project site or do not have territorial claims over it, could the project still affect their rights, cultural practices, or livelihoods e.g., through the use of traditional knowledge or Indigenous intellectual property? **If yes, answer questions a-i**		
Answer only if you answered yes to either 1 or 2 above.		
a. Name the groups; distinguish, if applicable, the geographical areas of their presence (including the areas of resource use) and how these relate to the project's area of influence.		
b. What are the key characteristics that qualify the identified groups as indigenous groups? Do these groups identify themselves as indigenous? Please also refer to the characteristics listed in footnote 17 and select the ones that reflect the situation best. Also explain how the host country's Government refers to these groups. Does it recognize them as indigenous people?		

15 The project site is defined as the project's area of influence. This is often larger than the site where actual project activities are located as it considers the area impacted by the activities. For example, a project that intervenes in a PA through strengthening law enforcement will also impact groups that live just outside a PA but have historically hunted inside the PA, even before it was created.

16 As per IUCN Standard coverage of indigenous peoples includes: "(i) peoples who **identify themselves as "indigenous**" in strict sense; (ii) tribal peoples whose social, cultural, and economic conditions **distinguish them from other sections of the national community**, and whose status is regulated wholly or partially by their **own customs or traditions** or by special laws or regulations; and (iii) traditional peoples not necessarily called indigenous or tribal but who share the same characteristics of social, cultural, and economic conditions that distinguish them from other sections of the national community, whose status is regulated wholly or partially by their own customs or traditions, and whose livelihoods are closely connected to ecosystems and their goods and services". Other characteristics include: Collective and close attachment to a geographically distinct area or ancestral territory, a distinct language or dialect, often different from the official language; a state of subjugation, marginalisation, dispossession, exclusion, or discrimination because these peoples have different cultures, ways of life or mode of production than the national hegemonic and dominant model"

c. Explain whether communities have traditionally lived in the project site or whether there are groups or some households who have moved from their traditional area to the project site (e.g. for economic reasons).[17]		
d. Are there any indigenous peoples organizations and/or regional associations? Will the project work with them?		
e. Will the project involve **partnerships** with governments, private sector or other actors that (may) impact negatively on indigenous territories or rights?		
f. Is there a risk that the project affects their livelihood through **physical or economic displacement**? While this is covered in section C2, if yes, please specify the indigenous groups affected. For projects promoting protected areas, distinguish between communities whose traditional resource use areas overlap with the PA, even before it was created, from those who have a recent history and presence there.		
g. Is there a risk that the project affects indigenous peoples' **rights or livelihood** by using or commercially developing natural resources on lands and territories claimed by them, by affecting their traditional livelihood, their self-determination, cultural identity, values and practices, or their development priorities?		
h. Is there a risk of affecting the cultural heritage of indigenous peoples by using or contributing to the **commercialisation** of indigenous peoples' **traditional knowledge** (including ecological) or practices?		
i. Are any indigenous groups living in **voluntary isolation**? If yes, how does the project respect their rights (paying attention to national laws on the matter) and avoid any negative impacts?		
j. Explain whether and how legitimate representatives of indigenous groups have been **consulted** to discuss the project and better understand potential impacts upon them? Has a process been started or implemented to achieve their free, prior and informed consent (**FPIC**) to activities that might affect them (positively or negatively)?		

17 It is important to bear in mind that the Standard is seen to generally apply to the community and not to an individual that may have left the community.

k. Explain whether opportunities are considered to provide **benefits** for indigenous peoples? If yes, is it ensured that this is done in a way agreed with them and is culturally appropriate and gender inclusive?			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Standard triggered? (Yes / No / TBD) **:**	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

C3: Standard on Cultural Heritage[18]		
	WALD IF Applicant	
	Yes, no, maybe, n/a *- If the response is Yes or maybe state exactly* ***how a specific proposed activity could trigger the impact***	*Describe how the project will* ***assess, avoid, or manage the identified risks***
1. Is the project located in or near a site officially designated or proposed as a cultural heritage site (e.g., UNESCO World Cultural or Mixed Heritage Sites, or Cultural Landscapes) or a nationally designated site for cultural heritage protection? **if yes, answer a-c below**		
2. Does the project site include important cultural resources such as burial sites, buildings or monuments of archaeological, historical, artistic, religious, spiritual or symbolic value? **if yes, answer a-c below**		
3. Does the project area site include any natural features or resources that are of cultural, spiritual, or symbolic significance (such as sacred natural sites, ceremonial areas, or sacred species)? **if yes, answer a-c below**		
a. Will the project involve development of **infrastructure** (e.g. roads, building, dams) or construction of buildings (e.g. visitor centre, watch tower)?		
b. Will the project involve **excavation** or movement of earth (e.g. for slope restoration, landslides stabilisation), flooding or physical environmental changes (e.g., as part of ecosystem restoration)?		
c. Is there a risk that physical interventions described in items a. and b. might affect known or unknown (buried) cultural resources?		
4. Will the project restrict local users' **access** to cultural resources/sites or natural features/sites with cultural, spiritual or symbolic significance (e.g. sacred sites)?		

18 Cultural heritage is defined as tangible or intangible, movable or immovable cultural resource or site with paleontological, archaeological, historical, cultural, artistic, religious, spiritual or symbolic value for a nation, people or community, or natural feature or resource with cultural, religious, spiritual or symbolic significance for a nation, people or community associated with that feature.

5. Is there a risk that project activities might affect **in-tangible cultural resources** of local communities such as values, norms, practices, traditional knowledge, language, literary or artistic creation? Also consider the risk of neglecting customary management?			
6. Will the project promote the use of or the development of economic **benefits from cultural heritage** (including traditional knowledge) or natural features/sites with cultural significance to which local communities have recognized rights (legally or customarily defined)? Is there a risk that this might affect their ability to control access to these resources and that benefits might not be shared equally?			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Standard triggered? (Yes / No / TBD) :	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

C4: Standard on Biodiversity Conservation and Sustainable Use of Natural Resources		
	WALD IF Applicant	
	Yes, no, maybe, n/a *- If the response is yes or maybe state exactly* ***how a specific proposed activity could trigger the impact***	*Describe how the project will* ***assess, avoid, or manage the identified risks***
1. Is the project located in or near areas • legally protected or officially proposed for protection including reserves according to IUCN Protected Area Management Categories I - VI, UNESCO Natural World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Convention on Wetlands • recognised for their high biodiversity value and protected as such by indigenous peoples or other local users • which are not covered in existing protection systems but identified by authoritative sources for their high biodiversity value[19]		
2. If there are any project activities proposed within or adjacent to areas high of biodiversity value or critical habitats **described above**, is there a risk of causing **adverse impacts** to biodiversity and the integrity of the ecosystems? Consider activities such as infrastructure works (e.g. watch tower, facilities, access roads, small scale water infrastructure) or ecotourism activities and impacts from inadequate waste disposal, disturbance of nesting sites, slope erosion through hiking trails etc. Consider both construction and use phases.		
3. Is there a risk of **significant adverse impacts** on biodiversity **outside areas of high biodiversity value**, through infrastructure development, plantation development (even small scale) or other activities e.g. through the removal of vegetation cover, creation of soil erosion and/or debris deposition downslope, or other disturbances? Consider both construction and use phases.		

19 Areas important to threatened species according to IUCN Red List of Threatened Species, important to endemic or restricted-range species or to migratory and congregatory species; areas representing key evolutionary processes, providing connectivity with other critical habitats or key ecosystem services; highly threatened and/or unique ecosystems (e.g. to be determined in future by the evolving IUCN Red List of Ecosystems); areas identified as Key Biodiversity Areas (KBA) and subsets such as important Bird and Biodiversity Areas (IBAs), important Plant Areas (IPAs), important Sites for Freshwater Biodiversity or Alliance for Zero Extinction (AZE) sites.

4. Is there a risk that the project affects areas of high biodiversity value **outside the project area**, e.g. by procuring natural resource commodities from other geographies (e.g. timber used for watch towers etc.)? If yes, explain whether appropriate industry-specific sustainability verification practices be used.		
5. Will the project introduce or use **non-native species** (flora and fauna), whether accidental or intentional? Consider activities such as reforestation, erosion control or dune stabilisation or livelihood activities (e.g. aquaculture, farming, horticulture etc.). If yes, explain how the risk of the species developing invasive characteristics is managed?		
6. Is there a risk that the project might create other pathways for spreading **invasive species** (e.g. through creation of corridors, import of commodities, tourism or movement of boats)?		
7. Is there a risk that the project negatively affects **water dynamics** or **water flows** through extraction, diversion or containment of surface or ground water (e.g., through dams, reservoirs, canals, levees, river basin developments, groundwater extraction) or through other activities and as such affects the hydrological cycle, alters existing stream flow and/or reduces seasonal availability of water resources?		
8. Is there a risk that the project affects **water quality** of surface or groundwater (e.g., contamination, increase of salinity) through irrigation/ agricultural run-off, water extraction practices, influence of livestock or other activities?		
9. Will the project involve or promote the application of pesticides, fungicides or herbicides (**biocides**)? Also consider the use of integrated pest management.		
10. Will the project involve handling or utilization of **genetically modified organisms**/ living modified organisms?		
11. Does the project promote the use of **genetic resources** from natural habitats (e.g. harvesting, market development)? If yes, explain how the project will avoid **unsustainable harvest rates**? Also explain what are the measures for **access and benefit-sharing** relating to these?		

12. Is there a risk that the project could give rise to an increase of incoming **migration** and population increase, which could put a strain on the existing natural resource base?			
13. Could the project result in **noise and vibration** from construction and maintenance equipment, traffic and activities, which may disturb sensitive fauna receptors, including underwater noise impacts on fish and marine mammals?			
Conclusion from collaborative session (to be completed by WALD Secretariate)			
What are the main potential impacts/ risks in this risk area? *How will the applicant / grantee address them (could require more than one mitigation measure)?*			
Standard triggered? (Yes / No / TBD) **:**	Estimated likelihood (1-5):	Estimated impact (1-5):	Significance:

Annex 3: ESMS Clearance Form

Annex 4: ESMP Template

DRAFT TEMPLATE

April 2025

<Project Title>

Environmental and Social Management Plan (ESMP)

<Lead Partner>

Date: <dd.mm.yyyy> *indicate only once version is final*

Version Control

Project title	<Project title>
Document title	Environmental and Social Management Plan (ESMP)
Version	<Version number to be updated every time ESMP is updated>
Status	<Working draft; final>
Author(s)	
Date last updated	<dd.mm.yyyy>
Requirement for tracking changes	<Once a final version of the ESMP has been approved by IUCN, please make all further modifications to the ESMP visible by either tracking changes or putting the modifications in a different colour in order to aid any subsequent review.>

List of Acronyms and Abbreviations

CEPF	Community Engagement and Planning Framework
E&S	Environmental and Social
ESCOP	Environmental and Social Code of Practice
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standard
FPIC	Free, Prior and Informed Consent
IF	Innovation Facility
IPs	Indigenous Peoples
IUCN	International Union for the Conservation of Nature
M&E	Monitoring and Evaluation
MRE	Monitoring, Reporting and Evaluation
NGO	Non-Governmental Organisation
PAPs	Project Affected Persons
SOPs	Standard Operating Procedures
VAP	Village Activity Plan
WALD IF	Worldwide Alliance for Landscape-based Decarbonisation
WB ESF	World Bank Environmental and Social Framework

<Modify the above as needed; Add Project-relevant acronyms and abbreviations>

Guidance on the ESMP and the use of this template

- All WALD Innovation Facility-funded projects must develop an Environmental and Social Management Plan (ESMP) that is tailored to the project.
- This document serves as a template for an Environmental and Social Management Plan (ESMP).
- Note that the ESMP acts as the umbrella instrument for all safeguards instruments developed for the project. For risks for which management measures can be presented in a concise manner, these are established in the ESMP. If risks and/or management measures requirements are substantial, a stand-alone document will be needed (e.g., Indigenous Peoples Plan (IPP) or Indigenous Peoples Planning Framework (IPPF), Environmental and Social Code of Practice (ESCOP)). Regardless, the ESMP should make reference to the standalone safeguards instruments.
- As an umbrella document, the ESMP also references the mandatory safeguards documents that are not related to any E&S risks triggered by the project. These include the Stakeholder Engagement Plan (SEP) and the project-level Grievance Mechanism. It also indicates at what point in the project lifecycle activities related to these tools will be conducted.
- In case the Lead Partner prefers using an alternative ESMP template, they may request clearance to do so from the WALD IF ESMS team. In any case, the Lead Partner's ESMP must cover the contents of the Facility's ESMP template.
- In order to streamline the preparation of an ESMP, this template provides standardised text that should not be modified to ensure adherence to the Facility's corporate ESMS approach. However, paragraphs and sections that do not apply to the project should be removed. Where project specific text will be required, this is indicated using "<xxx>", for example <project title>.
- The template is intended as guidance on what to include in the ESMP and is not intended as a 'how to' guidance. The WALD IF staff can always be contacted for further guidance.
- This descriptive text box (as well as others) should be removed once the ESMP is designed.

Executive Summary

This Environmental and Social Management Plan (ESMP) has been developed as part of <Lead Partner>'s commitment to ensuring that the <Project Title> project is implemented in an environmentally and socially responsible and sustainable manner. The project will be implemented in <district(s), name of country> from <project start date> until <project end date (**NOT funding end date**)>. In addition to guiding the management and mitigation of project-based E&S risks, this ESMP ensures that the project adheres to the WALD Innovation Facility's Environmental and Social Management System (ESMS) <add other applicable safeguards policies e.g. that of the resource partner> which explains the Facility's Environmental and Social Safeguards Standards (ESS).

The main objective of this project is <objective>. Following the IF's ESMS Screening process during which the environmental and social risks associated with this project were comprehensively assessed, the project is classified as <low/moderate/substantial> risk. While it is expected to lead to significant positive environmental and social impacts, the project triggered <safeguards standards and risk areas>. The ESMP specifies how <Lead Partner> will manage and implement the actions and activities required to mitigate the potential negative impacts and risks associated with this project's activities.

Introduction

The ESMP serves as an umbrella document and also introduces, where relevant, all other safeguards instruments to be applied to this Project. These include <name the relevant instruments (e.g. Process Framework (PF), Indigenous People Plan (IPP) or Indigenous People Planning Framework (IPPF), Environmental and Social Code of Practice (ESCOP), Standard Operating Procedures (SOPs) required by the Project (e.g., Law Enforcement and Patrolling SOPs, etc.) and MoU's with third party law enforcement authorities> and are attached as Annexes to this document. It also references safeguards instruments that are not risk-related but mandatory for all projects and developed as stand-alone documents: the Stakeholder Engagement Plan (SEP) and the project-level Grievance Mechanism. As an umbrella document and to avoid repetition, the ESMP provides background data that is also relevant for all of the safeguards instruments, including context data, legal framework and institutional arrangements/budget allocation.

While the ESMP is developed during the Full Project Proposal stage and becomes an integral part of the project proposal (including being reflected in the project budget), it should not be seen as completely set in stone. Instead, it is intended as a 'living document' that will be regularly reviewed and updated by <Lead Partner> in response to changes to the project design, changes in the <Lead Partner's> organisational structure, changes in local context, legislation and any other guidelines and practices subscribed to and as potential new risks emerge.

The ESMP and appended safeguards instruments are publicly disclosed documents and demonstrate <LeadLead Partner's> commitment to being transparent, accountable and accepting responsibility for the potential project impacts. In adherence to the IUCN Data Protection Policy[1] and KfW privacy notices[2] no personal information/ data[3] should be included in these publicly disclosed documents. Any personal data collected for the purpose of the Project, this ESMP and appended safeguards instruments, and maintained by <Lead Partner>, will be done so in a secure manner.

The objectives of this ESMP are to:

- Ensure that the Project operates in compliance with <host country(/ies)> legal requirements and the Worldwide Alliance for Landscape-based Decarbonisation Innovation Facility (WALD IF) ESMS policy framework (principles and standards) and procedures.
    - Ensure that the potential negative Environmental and Social (E&S) risks and impacts of the Project are managed appropriately, for example:
    - Favouring avoidance and prevention over mitigation or compensation when dealing with negative impacts; and
    - Where avoidance is not possible, reducing, restoring, compensating/ mitigating the negative impact.
- Ensure that the strategy for mitigating E&S risks is appropriately monitored.

1 Available at: https://iucn.org/sites/default/files/2022-05/iucn-data-protection-policy_0.pdf

2 Available at: https://www.kfw.de/PDF/Unternehmen/Organisation/Datenschutz_english.pdf

3 Personal data includes any identifier such as: name of individuals, identification numbers, location data (e.g. home address or mobile phone GPS data), or online identifiers such as IP or email addresses.

Project Background

Brief project description

Key project data

Project Title:	
Project ID:	
Lead Partner (organisation):	
Contact of Lead Partner:	
Project Lead (person):	
Contact of Project Lead:	
Environmental and Social Safeguards Lead:	
Contact of ESMS Lead:	
Country:	
Geography/landscape:	
Contract value (in EUR):	

Description of project area

The Project is located in <District / State, Province, Country>, with project sites located in <describe location> (Figure 1). The project area covers <size of the project area(s), km^2>, and includes <describe the legal status of key sites in the project area (e.g., protected areas, community forest areas, sanctuaries, other conservation areas, other land/ marine uses, etc.)>.

<Insert map(s)>

Figure 1: Map showing the location of the Project

< Map of the project area should indicate:

- Administrative boundaries;

- Boundary of the project area[4] [area (s) where the project activities will be implemented];
- Key features in the landscape (e.g., rivers, wetlands, deltas etc.);
- Key sites in the project area (e.g., protected areas, community forest areas, sanctuaries, other conservation areas, other land/ marine uses, etc.);
- Large cities and/ or towns; and
- Location of project activities >.

Overall project objective, proposed outcomes, outputs and key activities

The overall objective[5] of the Project is to <insert objective >. It is envisaged that the proposed project outcomes will include <insert outcomes >. In order to achieve this objective, the proposed outcomes will focus on < list of outputs >. The Project includes the following key activities < include summary bullet point list of the key activities for each output component, making reference to the logical framework /results framework, where necessary. Where the project includes a large number of outputs and activities, focus on those outputs that include activities implemented on the ground >.

Project partners and roles within the project

< XXX> is the entity responsible for the execution of this project (Lead Partner).

Other implementing entities/partners[6] for this project include <name all other implementing partners, describe their respective areas of work within the project (e.g. work packages)>.

Collaborating partners[7] include <name key collaborating partners>. Their involvement focuses on <describe their areas of work within the project>.

The following subgrantees, preapproved subcontractors and service providers[8] are to be engaged in the project: < subgrantees, preapproved subcontractors, service providers: name them and their respective areas of work within the Project>. Other service providers are to be procured during the projects. The specific services are <: name the services, indicate whether ToR are already available>.

4 Note that the project area is different to the project area of influence, the latter of which can be much larger as it extends to areas where potential positive or negative project impacts might be expected.

5 Note that the terms might slightly differ depending on the project document or funding entity. Please adjust where needed.

6 Implementing partners include organisations who have a distinct role in the implementation of the project and who receive funds from the project for delivering outputs as identified in the project document.

7 Collaborating partners include organisations or individuals with whom the project is collaborating with and who might contribute to a project's outputs but without receiving funds.

8 Service providers include organisations or individuals who are selected through a procurement process to provide a concrete deliverable for the project.

Social and environmental context

Guidance on this section:

- This section describes and analyses the environmental and social context of the sites where project activities will be implemented.
- While some broad contextual baseline information (regional, national) is necessary, the analysis should focus on the immediate context of the project site(s) and aspects that relate to the impacts identified in the ESMS Screening and are relevant to decisions about project design and mitigation measures. The scope of the environmental and social baseline analysis will vary according to the nature of the project and the impacts identified. The analysis might cover a range of physical, biological, socio-economic, and cultural aspects that could be potentially affected by the project.
- For the general contextual baseline, secondary data and existing assessments might be used. For site specific context, primary data collection is strongly recommended.
- Indicate existing data gaps where any subsequent assessments are needed.
- For projects that have conducted an ESIA, a summary of the baseline findings on social and environmental conditions may be used for this section.
- The scope of the environmental and social baseline analysis will vary according to the nature of the project and the risk issues identified during the screening phase. The analysis might cover a range of physical, biological, socio-economic, and cultural aspects but in order to keep the **ESMP short and concise,** the **focus** should be on **aspects that could potentially be affected by the project** and **related contextual factors** as well as on conditions that need to be understood when **designing mitigation measure**s.

Environmental context

<Provide information in this section on the biophysical context of the landscape, including for example: key ecosystems in the landscape, species of conservation interest e.g., Critically Endangered, breeding sites, migratory species, key features in the landscape (e.g., rivers, wetlands, deltas etc.), land use and settlements, and any large cities and/ or towns nearby, key environmental challenges. Focus the description on environmental features and aspects that could be affected by project activities and related contextual factors as well as on conditions relevant for designing mitigation measures >.

Social context

<Begin this section with a high-level overview of the socio-economic and cultural context of the project area, including number of villages/settlements, number of households, population dynamics, community structure and capacities, land use, sources of livelihoods and income, poverty trends.

Depending on the identified risk issues include then more details about the context of the risk issues, e.g. community health, tangible and non-tangible cultural heritage, traditional knowledge, environmental awareness including on linkages between poverty, biodiversity loss and climate change, extent of community dependence on natural resources for livelihoods, access to basic needs and services, such as water and sanitation, health-care facilities, schools, agricultural extension, electricity, transport, and

markets. Focus on aspects that could be affected by project activities and their contextual factors as well as on conditions relevant for designing mitigation measures >.

<If applicable, this section will provide a short description of Indigenous Peoples and their territory and how it overlaps with the project area. Only include a very high-level summary of Indigenous People's (1-2 paragraphs maximum so as not to duplicate the detailed information in the SEP or IPP/IPPF>.

<If other standards have been triggered and safeguards instruments prepared, refer to specific context data presented in there. Avoid duplication of data.>

The settlements in the project area are listed in Table 2 and shown in Figure 2.

Table 2: Settlements in the Project area <Modify the table accordingly based on project type/ information available etc>.

Village name	Number of households	Population size (if possible, disaggregated by gender)	Presence of specific social groups (e.g. Ethnic groups, internally displaced people, vulnerable peoples, marginalized groups etc)

<Insert map(s)> <NOTE: several maps can be used. If Indigenous Peoples are in the project area, include map of Indigenous Communities/ settlements>.

Figure 2: *Map showing the location of the Project*

<Map of the social context should include:

Administrative borders;
Key features in the landscape (e.g., rivers, wetlands, deltas etc.);
Areas of cultural importance (if known);
Key sites in the project area (e.g., protected areas, community forest areas, sanctuaries, conservation areas, other land/ marine uses, etc.);
Large cities and/ or towns;
Location of project activities;
Location of roads; and
Location of all villages/ settlements (even if they are informal) in the project area, including settlement names>.

Institutional and Legal Framework

WALD Innovation Facility's ESMS Policy Framework

Guidance on this section:

The WALD Innovation Facility's Environmental and Social Management System (ESMS) is comprised of standards, principles and procedures (referred to as ESMS Policy Framework) is detailed in its ESMS Manual and accompanying Guidance Notes. The ESMS is aligned with globally recognized standards on environmental and social matters and guides the ESMP. In case the Lead Partner has a safeguards system in place, this should be briefly described below as well. The additional requirements would then also be added to the gap analysis table below, to demonstrate how the Project ensures that these requirements are complied with. This could also include referring to the Lead Partner's standards and procedures.

<Lead Partner> is committed to full compliance with <host country(ies)> legal and regulatory framework and requirements as well as with WALF Innovation Facility's ESMS policy framework. The latter includes procedures for assessment and management of E&S risks (established in the ESMS Manual), ESMS principles and ESMS Standards and Risk Areas[9].

The Innovation Facility's ESMS is based on the ESMSs of IUCN and KfW and is aligned with globally recognized standards on environmental and social matters. With IUCN being an accredited agency to the Global Environment Facility (GEF) and to the Green Climate Fund (GCF), its ESMS has been rigorously examined by these two entities and found fully compliant with the entities' relevant policies – specifically with the GEF Policy for Agency Minimum Standards on Environmental and Social Safeguards and the Performance Standards of the International Finance Corporation (IFC) as relevant to the nature of projects implemented by IUCN.

9 Note that the ESMS policy framework and all ESMS system documents are available at www.iucn.org/esms

Applicable national policies and legislation

Guidance on this section:

This section explains all relevant national requirements (i.e. legislation, regulations, policies, safeguards, guidelines, etc.) regulating environmental and social matters the Project will need to comply with. This includes laws and regulations implementing the country's obligations under international law. Examples are given below. Note that this list not considered exhaustive, and the Facility's standards and risks areas are a good reference for the identification of relevant national frameworks and regulations.

Examples:

- Requirement to undertake an Environmental Impact Assessment (EIA) or Environmental and Social Impact Assessment (ESIA),
- Regulations on environmental permits,
- Legally protected species
- Requirements regarding community consultation and disclosure (e.g., what, when, where),
- Legal framework governing indigenous peoples' matters,
- Framework for protecting natural habitat and including areas legally protected and related rules and regulations, including provisions for promoting inclusive governance of protected areas
- Frameworks for protecting site officially designated as a cultural heritage and related rules and regulations
- Legislation on land rights and management, including on topics such as provisions for community management of land, regulations on land acquisition and resettlement, zoning
- Regulations on labour and working conditions and occupational health and safety rules,
- Policies and frameworks for empowering women, provisions for avoiding discrimination based on gender or adherence to other social groups
- Policies on access and collection of non-timber forestry products

This section describes the national framework and requirements (i.e. legislation, regulations, policies, safeguards, guidelines, etc.) the project will need to comply with regarding environmental and social matters. It also includes legislation and regulations implementing <host country(s)> obligations under international law.

Environmental and Social Safeguards policy of Resource partner(s) and Lead Partner (optional)

Environmental and Social Safeguards policy of Lead Partner

<If the lead partner has requirements that go beyond the principles, standards and procedures of the Facility's ESMS Policy Framework, please describe the requirements here. >

Gap analysis

The table below provides an analysis of the gaps between the requirements of the Facility's ESMS Policy Framework (procedures, ESMS Standards and Risk Areas), national legislative requirements and the specific carbon standard of interest. Where there are gaps identified (e.g. Innovation Facility standards might be more stringent and go beyond requirements established in the national legislation), a strategy has been identified how the Project will ensure compliance with the Facility ESMS Policy Framework.

Table 3: Gap Analysis

ESMS Procedural requirements and E&S Standards / Risk Areas	National Legislative Requirements	<Name Carbon Standard e.g., Gold Standard, VCS, Plan Vivo, etc.>	Identified Gaps	Strategy Gap Closure
A: ESMS Manual: • Procedure for identification, assessment and management of E&S risks • Accountability principle including requirements for Grievance mechanism • Principle on Stakeholder engagement with minimum requirements for consultation and disclosure of information				
B1: Adverse gender-related impacts and gender-based violence sexual exploitation, sexual abuse or sexual harassment (SEAH).[10]				
B2: Risks of affecting vulnerable groups				
B3: Risk of undermining human rights				
B4: Community health, safety and security risks				

10 The requirements for the Risk Areas B1 to B6 are described in the ESMS Guidance Note "Assessment, Management and Monitoring of Environmental and Social Risks, available here: https://iucn.org/sites/default/files/2022-09/iucn_esms_gn-risk-management-clean-22.pdf

B5: Labour and working conditions				
B6: Resource efficiency, pollution, wastes, chemicals and GHG emissions				
C1: Involuntary Resettlement & Access Restrictions				
C2: Indigenous Peoples				
C3: Cultural Heritage				
C4: Biodiversity & Sustainable Use of Natural Resources				
<Additional> Add as many rows as necessary				

Identified potential E&S risks and risk classification

Guidance for this section:

This section describes the results from the ESMS Screening. Two options are possible:

1. Copy and insert the table “ESMS Screening Report” from the ESMS Screening Form
2. Attach the entire ESMS Screening Form as annex and summarize in this chapter the main findings: project risk category, standards / risk areas triggered, required assessment and safeguards tools.

For projects that have conducted an ESIA or otherwise have more site-specific environmental and social information beyond what was presented in the context chapters above, provide a summary of the study’s main findings in this chapter. Also explain, where any findings in the ESIA deviate from the screening results; in particular if this might influence the rating for individual risk areas or standards and/or even the overall rating of the project.

It is good practice to have the E&S risk assessments and development of safeguards tools done and finalized during the project preparation phase. However, this might not always be feasible which means that certain steps need to be postponed to the Project Implementation stage. This will need to be discussed with and approved by the Innovation Facility ESMS team.

In adherence to the IF ESMS, the Project has been screened for potential environmental and social risks. The results from the ESMS Screening are depicted below:

< copy and insert the table “ESMS Screening Report”>

<OR: The results are documented in the Screening Report, which is attached in <Appendix xxx>. The screening concluded the following:>.

<Where projects have conducted an ESIA, please provide a summary of the study’s main findings and potential deviations from the screening results>.

E&S Risk Management Strategy

Guidance for this section:

This section describes the strategy for managing the environmental and social (E&S) risks. The objective is to favour avoidance and prevention when dealing with negative impacts and - only if this is not possible - to identify measures for mitigating, restoring or compensating the negative impact.

The strategy should be presented in form of a succinct table / matrix that should serve as a practical and hands-on management tool to facilitate effective implementation of the measures. Generally, structure the table by standards and risk areas – e.g., under each standard /risk area listing the potential risks/impacts caused by project activities and the proposed mitigations measures. The disadvantage of this format is that risks of certain activities can be easily missed. The project should therefore create a section called "others" to capture such risks. Below is a template to be adapted.

While the ESMP matrix should be presented as a Word version for the purpose of this ESMP document, it is recommended to transfer it to an Excel spreadsheet during project inception, as Excel provides useful functionalities such as collapsing rows or columns etc. Also, Excel will be more comfortable when adding additional columns for monitoring (see chapter 7)

Projects that have conducted an **ESIA should** summarize the study's recommendations for mitigation in this chapter.

The ESMP matrix supports implementation and monitoring of environmental and social risk management measures. Large and/or complex projects may need to transform the matrix to site-specific matrices to better facilitate tracking progress. This is particularly useful for projects that support different Protected Areas which are usually governed and managed by different entities. In addition, projects working with contractors may need to transform the table below to site- or activity-specific matrices that focus specifically on the requirements the contractor must adhere to as part of the sub-set of activities they implement in the context of the project.

Note that the ESMP Matrix will be **reviewed** during project implementation at least twice a year and updated, where relevant, in parallel with project biannual reporting requirement.

The E&S risks and impacts identified by the screening or any subsequent ESIA or targeted assessment are presented in the form of an Environmental and Social Management Plan Matrix below. For each impact/risk the matrix establishes the management measures for avoiding reducing, restoring, compensating/mitigating the negative impact, as well as what it takes to implement these measures (costs, responsibility, timeline) and arrangements for monitoring their implementation.

Table xxx: Environmental and Social Management Plan Matrix

E&S Standards and risk areas	E&S risk and impacts	Mitigation measures[11]	Costs	Responsibility	Schedule	Monitoring arrangements
	Specify location and affected group /receptor. Where a standard /risk area is triggered by different project activities and/ or in different locations, these and the respective management measures should be described in separate rows.	*Management measures can include safeguards instruments (e.g. Process Framework, ESCOP, IPP, IPPF), a specific protocol (e.g. Law Enforcement Standard Operating Procedure, Health and Safety Protocol).*	*Estimated costs or resources to implement the measures*	*Indicate who assumes responsibility for implementing the measures*	*e.g., Year 1 1st Quarter, Year 2, 4th Quarter, etc.*	*Indicators for assessing effectiveness, methodology for monitoring etc*
B1: Adverse gender-related impacts and gender-based violence						
2: Risks of affecting vulnerable groups						
B3: Risk of undermining human rights						
B4: Community health, safety and security risks						
B5: Labour and working conditions						
B6: Resource Efficiency & Pollution Prevention & Management						

11 In some instances, mitigation measures are already conceptualized as a project activity. These should still be included / cross-referenced in the ESMP along with all other mitigation measures to provide an overall picture of the project's mitigation strategy and to be able to check the list of mitigation measures against the identified impacts. As such it serves to analyze whether measures are sufficient, feasible and sustainable for mitigating the impacts.

E&S Standards and risk areas	E&S risk and impacts	Mitigation measures[11]	Costs	Responsibility	Schedule	Monitoring arrangements
	Specify location and affected group /receptor. Where a standard /risk area is triggered by different project activities and/ or in different locations, these and the respective management measures should be described in separate rows.	*Management measures can include safeguards instruments (e.g. Process Framework, ESCOP, IPP, IPPF), a specific protocol (e.g. Law Enforcement Standard Operating Procedure, Health and Safety Protocol).*	*Estimated costs or resources to implement the measures*	*Indicate who assumes responsibility for implementing the measures*	*e.g., Year 1 1st Quarter, Year 2, 4th Quarter, etc.*	*Indicators for assessing effectiveness, methodology for monitoring etc*
C1: Involuntary Resettlement & Access Restrictions						
C2: Indigenous Peoples						
C3: Cultural Heritage						
C4: Biodiversity & Sustainable Use of Natural Resources						
Others (ad as many rows as necessary)						

Stakeholder Engagement and Grievance Mechanism

Guidance on this section:

Stakeholder Engagement Plan

- Projects must have a Stakeholder Engagement Plan (SEP) as a stand-alone document . This section should focus exclusively on explaining
  - what type of engagement activities have been carried out for identifying and assessing risks and developing mitigation measures and
  - how stakeholder will be further engaged in the implementation and monitoring of mitigation measures.
- Where data might overlap with the SEP, please use referencing to the specific sections of the SEP to avoid repetition.

Grievance Mechanism (GRM)

- Describe the project-level Grievance Mechanism following the GRM Guidance Note
- Explain the roles within the project management unit (PMU); where the project works with (multiple) implementation partners, specify their roles.
- Explain how the GRM will be communicated to project stakeholders.

Indigenous People Engagements

- A summary of FPIC and continued engagement of Indigenous People by projects that have Indigenous People in their project area (not just sites)

Stakeholder Engagements

Project-level Grievance Mechanism

Indigenous People Engagements

Serious Incident Reporting

Guidance on this section:

Serious Incident Reporting (SIR)

- While a generic template for serious incident reporting is available (https://www.innovationfacility.org/wp-content/uploads/2025/03/Serious_Incident_Reporting_Template.docx), the project team should consider tailoring it more closely to the project context, expected risks and implementation arrangements.
- Describe the responsibilities for SIR within the project management unit

ESMP Monitoring and Supervision

Guidance on this section:

- ESMP monitoring is linked to the template chosen in chapter 6 for the ESMP matrix (option 1 or 2).
- To simplify and streamline the monitoring tasks it is recommended to perform ESMP monitoring only via the ESMP matrix, even if the Project has other safeguards instruments developed (e.g. Process Framework etc).

The purpose of ESMP monitoring is to verify that the E&S risk management measures established in the ESMP matrix are being implemented and to judge whether the individual measures are effective in mitigating the respective risks. It further tracks whether the mandatory safeguards instruments are in place and managed accordingly, namely the project-level Grievance Mechanism, the Stakeholder Engagement Plan and Serious Incident Reporting process, and reports on any update to these instruments. The SEP requires biannual reporting to document the engagement activities that have been carried out.

The ESMP is monitored through an expanded version of the ESMP matrix by adding columns that allow entering (for each risk and the respective management measure) the following data:

- For Mitigation measures where indicators for measuring completion are not feasible
  - Narrative description of status of completion of measure
  - Indication on the extent to which the measure has been effective
- For mitigation measures where an indicator demonstrating completion can be formulated:
  - Indicator description
  - Target value
  - Level of completion

ESMP monitoring usually requires a continuous collection of background data related to the implementation of the mitigation measures in order to substantiate the reporting on progress and effectiveness (including for calculating the indicator completion values).

A supervision mission covering technical, financial, fiduciary etc., aspects of the ESMS may be conducted. For ensuring effective data gathering and consultations during the supervision mission, it is essential to have the ESMP monitoring report completed by the PMU beforehand.

Institutional arrangements and budget for ESMP implementation

Guidance on this section:

It is generally recommended that projects classified as moderate or substantial risk create a staff position within the Project Management Unit (PMU) dedicated to the management of the ESMP. This is to ensure that the range of environmental and social safeguards tasks (as outlined in the table below) are implemented. Note that the safeguards tasks depicted below are the most common tasks, but others may need to be added depending on the project and associated risks.

Note that specific carbon standards, such as the Verified Carbon Standard (VCS) and the Gold Standard, have their own environmental and social safeguard requirements, which may differ from those of the WALD IF. It is therefore in the best interest of the project to engage environmental and social safeguards personnel who is familiar with the safeguards requirements of the particular carbon standard under which they intend to certify their project. This will help ensure alignment with both the Facility's safeguards and those of the selected carbon certification standard.

The decision about the staffing set-up should be done upon evaluating the level of effort for implementing these tasks and whether other PMU members or partners are assigned to take over certain tasks. Such division of tasks should be documented below through a tabled overview.

As mentioned in chapter 5 it is good practice to have the E&S risk assessments and development of safeguards instruments completed during the project preparation phase. Where this is not feasible and as discussed with and approved by the IUCN ESMS team, these actions need to be postponed into the inception phase and as such need to be reflected in the ESMP budget. In order to ensure good readability of the ESMP budget, the costs incurred in postponing those steps are presented separately from the default scenario. Therefore, the budget should start with Section A presenting costs for the risk assessment, instrument development etc. Section B would then focus on the implementation of the ESMP, the other safeguards instruments and the mandatory ESMS requirements.

The costing needs to take into consideration the risk level of the project. For instance, **substantial risk projects** require the following additional / more comprehensive tasks which are not indicated in the default budget below:

- scoping study,
- ESIA (additional months to prepare + field visit budget + public consultation on draft ESIA),
- additional stakeholder consultations as needed,
- external expert evaluation,
- remediation (flexible budget).

The costs can be either expressed as monetary values or days of staff time (e.g. of PMU). Once the table below is prepared, the cost items should be reflected in the overall project budget, as project activities, project management costs, overhead costs etc (as applicable). Note that WALD Innovation Facility staff costs for the ESMP monitoring and supervision missions (e.g. staff time and travel of staff of the supervising entity) do not need to be included in the project's ESMP budget. However, the Lead Partner is obviously involved in the supervision missions (staff time) and might incur travel costs for site visits, all of which needs to be budgeted.

This section describes the institutional arrangements as well as the required budget for implementing this entire ESMP.

<Provide a brief description of the staff members of the PMU, implementing partner staff and service providers /consultants to be hired. Describe their experience with safeguards and their capacity managing the E&S risks and impacts potentially associated with the Project; Indicate the responsibilities for environmental and social management in the table below>.

The following table establishes the responsibilities for implementing the ESMS tasks as well as the cost implied. Where the costs are already budgeted elsewhere in the project, this is indicated.

ESMS tasks	Responsible entity	Costs in EUR/ number of days
Section A		
Contract consultants/specialists for ESIA / targeted assessments and for developing/finalizing ESMP, and other safeguards instruments, as relevant		
Conduct ESIA / targeted assessments, develop ESMP and other safeguards instruments and prepare report	Consultants	
Appraise and approve reports and other deliverables		
Section B		
Build the environmental and social safeguards capacity of project staff, project partners, service providers and key stakeholders		
Manage the implementation of the ESMP (e.g. prepare annual workplans integrated in project workplans, coordinate tasks of team members etc)		
Oversee the implementation of other safeguards tools/plans, as relevant, including support partners or / service providers, and ensure required documentation (Incl. FPIC)		
Implement risk mitigation measures)	see ESMP matrix	see ESMP matrix
Implement other safeguards instrument	see respective instrument	see respective instrument
Consult with key stakeholders and oversee the implementation of the Stakeholder Engagement Plan (SEP), and ensure timely disclosure of information		

Monitor progress of implementation of ESMP and other safeguards tools (incl. effectiveness of measures / plans) and ensure respective reporting to WALD IF (include costs of site visits).		
Provide support to supervision missions as required by WALD IF or donors		
Update the ESMP, as defined by annual monitoring/supervision and where new risks have emerged		
Set up and communicate grievance mechanism channels (e.g. computer, phones, hotline, communication material, central grievance log), receive and manage grievances		
Put in place serious incidents reporting process, report emerging incidents.		
Translation of documents to local languages		
Total costs		**XXX**

ANNEXES

Annex 1: International standards and guidelines that apply to this Project

ID	Title	Date
1	World Bank Environmental and Social Framework. Including the ILO Core Labour Standards (the core labour standards consist of five standards, laid out in eight conventions)	2017
2	IUCN ESMS Standards on: Indigenous People, Biodiversity, Cultural Heritage and Involuntary resettlement access restrictions, including the associated guidance notes.	2016
3	KfW Sustainability Guideline - Assessment and management of Environmental, Social, and Climate Aspects: Principles and Procedures	2024
4	The World Bank Group's General Environmental, Health and Safety (EHS) Guidelines, including General EHS Guidelines and Industry Specific Guidelines, as applicable	2007
5	BMZ's Guidelines on Incorporating Human Rights Standards and Principles, Including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation	2013
6	UN Basic Principles and Guidelines on Development-based Evictions and Displacement (namely §§ 42, 49, 52, 54 and 60)	2007
8	FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)	2022
11	UN Code of Conduct for Law Enforcement Officials	1979
12	Basic Principles on the Use of Force and Firearms by Law Enforcement Officials	1990
13	Voluntary Principles on Security and Human Rights	2019
14	Use of Security Forces: Assessing and Managing Risks and Impacts	2017

Annex 5: Environmental and Social Code of Practice (ESCOP)

Version Control

Project title	<Project title>
Document title	Environmental and Social Code of Practice (ESCOP)
Version	<Version number to be updated every time ESCOP is updated>
Status	<Working draft; final>
Date of first version	dd.mm.yyyy
Date last updated	dd.mm.yyyy
Requirement for tracking changes	Once a final version of the ESCOP has been approved by the Innovation Facility, please make all further modifications to the ESCOP visible by either tracking changes or putting the modifications in a different colour in order to aid any subsequent review.

Introduction

Section description [this box can be removed]

- Only projects involving small-scale construction or renovation activities require an Environmental and Social Code of Practice (ESCOP), and this ESCOP is to be tailored to the Project being developed by the Lead Partner.
- The ESCOP aims to supplement the Project Environmental and Social Management Plan (ESMP) by ensuring that potential adverse environmental and social risks and impacts associated with small-scale construction and renovation activities are avoided and/or mitigated.
- This document does not aim to be prescriptive but rather serves as a template for an ESCOP. Therefore, as a template, text can be changed and adapted to the Project activities and context as needed.
- Furthermore, should a Lead Partner wish to use their own ESCOP template, it is suggested to conduct a check (gap analysis) against the key content of this template.
- This introductory section of this Safeguard Instrument serves to introduce the ESCOP and explains its purpose.
- Throughout the template, generic text is provided in *italics* as guidance on what to include. Authors can choose to keep this text and use it their ESCOP or edit/ reword it as they see fit. In many cases, project specific text will be required. Where possible, this has been indicated using "<xxx>", for example *<project title>*.
- The guidance provided is focused on what to include in the ESCOP and is not intended as 'how to' guidance.
- This ESCOP document is presented as an Annex of the Project's Environmental and Social Management Plan (ESMP).
- These grey descriptive text boxes can be removed once the ESCOP is designed.

This document describes the Environmental and Social Code of Practice (ESCOP) for <project title> (hereafter referred to as "the Project"), outlining the procedures that <Lead Partner> will follow to address the Environmental and Social (E&S) risks and impacts that may arise from the construction and/or renovation of small-scale civil works, such as the construction/ renovation of ecotourism infrastructure and facilities and community infrastructure (e.g., education and health care facilities, boreholes, etc.), among others.

The ESCOP has been developed in alignment with the IUCN Environmental and Social Management System (ESMS) policy framework (principles and standards) and procedures, KfW's Sustainability Guidelines (2021) and international good practice, notably the World Bank Environmental and Social Framework (WB ESF 2017), including the Environmental and Social Standards (ESS) 1-10. It also complies with <host country(s)> requirements as well as internal < Lead Partner > policies and procedures. Details on the project description, social context and legislative framework can be found in the Environmental and Social Management Plan (ESMP).

Projects funded under the WALD Innovation Facility are required to have established a provisional ESCOP upon submission of a full proposal and a final ESCOP prior to any construction and/or renovation activities taking place and prior to any construction contracts being awarded. The scope and scale of the ESCOP will be proportionate to the nature, scale and type of risks and impacts that may arise from the Projects' small-scale construction and/or renovation activities.

This ESCOP is provisional (full proposal stage)/ final (end of project inception stage).

Brief description of small-scale construction and/or renovation activities

For this Project, the small-scale construction and/or renovation activities include <briefly list ALL small-scale construction/ renovation activities and civil works that will form part of the Project's activities>.

As such, E&S risks and impacts that may arise (including those that may affect the health and safety of humans and the environment) could include <provide examples of potential environmental and social risks and impacts, including impacts to human and environmental the health and safety, making this as broad as possible to cover all potential risk issues; e.g., those pertaining to occupational health and safety, community health and safety, employment and labour rights, cultural heritage, water quality and quantity, soil protection, air quality, noise, waste, traffic, interruption to services, etc.>.

Purpose of the Environmental and Social Code of Practice (ESCOP)

This ESCOP aims to guide the avoidance, mitigation and/or management the potential adverse E&S risks and impacts associated with small-scale construction and renovation activities. It represents good environmental, social, community and occupational health and safety practices and addresses issues related to human and environmental safety. An ESCOP constitutes a simplified ESMP, mainly comprising standard measures of good housekeeping, occupational health and safety and public health and safety. This ESCOP therefore aims to supplement the Project ESMP and will be applied throughout construction, operation and decommissioning (if applicable) phases.

In cases where contractors are hired for the construction or renovation of small-scale construction activities, the ESCOP will be included in all contract documents. In cases where the contract is in a different language and a full translation of the ESCOP is not possible, the ESCOP would be referred to in the contract, and the lead NGO would convey the requirements and the agreed mitigation measures verbally prior to start of work. In addition, all infrastructure sites supported under the Project are required to comply with this ESCOP and this will be specified in the contractors' agreements.

The construction and/or renovation works will be overseen by a point contact in the lead NGO who is familiar with the E&S requirements, the ESCOP, and in contact with the project's ESMS coordinator.

Environmental and Social Code of Practice (ESCOP)

Description of section:

- This section presents the ESCOP for the Project.
- Project proponents need to amend/ adapt the ESCOP tables presented below to ensure that the management measures correspond with the small-scale construction/ renovation activities associated with the Project.

The Project ESCOP is presented in Table 1 below. It includes E&S risks and impacts that have been identified, and associated measures that will be implemented to avoid, mitigate or manage them.

<Management/ mitigation measures for common negative E&S risks and impacts that may arise from the Projects' small construction and/or renovation activities are presented in the form of an ESCOP in Table 1 below. The generic management measures should be adapted and amended by the Project Proponent to meet site-specific conditions, project activities and suit the type and nature of the E&S risks and impacts identified. Any relevant obligations from local legislation should be included>.

<In addition, certain small-scale construction activities require separate, 'type specific' ESCOPs with specific management/ mitigation measures. These activities include: a) forest harvesting activities in plantations and natural forests; b) aquaculture; c) small water or sanitation systems; and d) nurseries, horticulture and agriculture. These ESCOPs are presented in Tables 2 – 5 respectively. Delete Tables 2 – 5 if the activities are not applicable to your project>.

Table 1: Standard ESCOP

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Noise during construction	• Plan activities in consultation with communities so that noisiest activities are undertaken during periods that will result in least disturbance (e.g. limit working hours for noisy activities working hours close to schools, hospitals, residents, places of worship, etc.). • Noise levels should be maintained within the national permissible limits/ standards (or international standards depending on whichever is most stringent) and limited to restricted times agreed to in the permit. • Use noise-control methods such as fences, barriers or deflectors (such as muffling devices for combustion engines). • Minimise transportation of construction materials through community areas during regular working time. • Maintain a buffer zone (such as open spaces, row of trees or vegetated areas) between the Project site and residential areas to lessen the impact of noise to the living quarters.
Soil erosion	• Implement suitable design (e.g., establish appropriate erosion and sediment control measures. • Use mulch, grasses or compacted soil to stabilise exposed areas. • Cover with topsoil and re-vegetate (plant grass, fast-growing plants/bushes/ trees) construction areas once work is completed.
Air quality	• Minimise dust from exposed work sites by applying water on the ground regularly. • Minimise traffic wherever possible and drive slowly. • Do not burn site clearance debris (trees, undergrowth) or construction waste materials. • Keep stockpile of aggregate materials covered to avoid suspension or dispersal of fine soil particles during windy days or disturbance from stray animals.
Water quality	• Drinking water sources, whether public or private, should at all times be protected from air emissions, wastewater effluents, oil and hazardous materials, and wastes. • Activities should not affect the availability of water for drinking and hygienic purposes. • No construction materials, solid wastes, toxic or hazardous materials should be poured or thrown into water bodies for dilution or disposal. • The flow of natural waters should not be obstructed or diverted to another direction, which may lead to drying up of riverbeds or flooding of settlements. • Restrict the duration and timing of in-stream activities to low periods, and avoiding periods critical to biological cycles of valued flora and fauna • Use isolation techniques such as berming or diversion during construction to limit the exposure of disturbed sediments to moving water.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Occupational Health and Safety	• Provide health and safety training to all participants and conduct regular conversations on health and safety during implementation. • Provide Personal Protective Equipment (PPE) for workers as necessary (gloves, dust masks, hard hats, boots, goggles)[1]. • Keep PPE in good condition and change them in case they are damaged. • Prevent slips and falls and other injuries through good housekeeping practices in all worksites, provision of safe equipment and tools, and use of PPE. • Keep worksite clean and free of debris on daily basis. • Prevent ergonomic illnesses from over-exertion by lifting and carrying of materials and equipment by stipulating weight limits, breaks and job rotations. • Prohibit usage of alcohol or illegal drugs. • Use the right tool for the activity. • Keep corrosive fluids and other toxic materials in properly sealed containers for collection and disposal in properly secured areas. • Ensure adequate toilet facilities for workers from outside of the community. • Provide sufficient drinking water for workforce. • Each construction sub-Project to have a basic first-aid kit with bandages, antibiotic cream, etc.
Employment and Labour Rights	• Implement a fair and transparent employment process. • Provide activity workers with clear and understandable information regarding rights via contract documents in local language. • Establish a Code of Conduct for worker-community interaction and on-site behaviour. • Ensure that all volunteer community labour is provided without coercion. Documentation of the community agreement must record: • *The terms of which the voluntary labour is provided.* • *The way in which the agreement was reached.* • *Representation of the volunteer community workers.*

1 The appropriate PPE needs to be identified and in place before starting work, used and maintained regularly, and its use and maintenance monitored;
- Eye and face protection for flying particles, molten metal, liquid chemicals, gases or vapours, light radiation: safety glasses with side-shields, protective shades.
- Head protection for falling objects, inadequate height clearance, and overhead power cords: plastic helmets with top and side impact protection.
- Hearing protection for noise: ear plugs or ear muffs.
- Foot protection for falling or rolling objects, pointed objects, corrosive or hot liquids: safety shoes and boots.
- Hand protection for hazardous materials, cuts or lacerations, vibrations, extreme temperatures: gloves made of rubber or synthetic materials (Neoprene), leather, steel, insulating materials.
- Respiratory protection for dust, fogs, fumes, mists, gases, smokes, vapours: facemasks with appropriate filters for dust removal and air purification.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Community Health and Safety	• Secure worksites with physical separation through buffer strips, fencing and walls, as appropriate. • Rope off construction area and secure materials stockpiles/ storage areas from the public and display warning signs. Do not allow children to play in construction areas. • Establish appropriate site boundary and access controls near settlements to prevent unauthorised entry to construction or activity sites especially by children (e.g. fencing of construction section in the vicinity of settlements or communities). • Demarcate open trenches and hazardous areas with luminous temporary fencing and/or signage. • Inform relevant authorities immediately in case of damages on utilities such as underground and aboveground electricity lines, water lines, gas lines, oil pipelines, etc. • Construct and repair all buildings using standards that to ensure structures are designed and constructed in accordance with sound architectural and engineering practice. • Incorporation of siting and safety engineering criteria to prevent failures due to natural risks posed by earthquakes, tsunamis, wind, flooding, landslides and fire. • Protect water sources, quality and access. • Fill in all earth borrow-pits once construction is completed to avoid standing water, water-borne diseases and possible drowning.
Cultural heritage	• Map cultural physical heritage and intangible heritage to avoid during design of activities. • *No disturbance of cultural or historic sites.* • *Develop a chance find procedure.*
Fire Prevention and Control	• *Identify fire risks and their sources.* • *Take all reasonable and precautionary steps to ensure that fires are not started as a consequence of activities.* • *Store flammable materials under conditions that will limit the potential for ignition and the spread of fires.* • *Train all employees on the fire risks and how to deal with any fires in case one occurs.*
Incident reporting	• Record and report any hazards, any incidents or injuries.
Other	• No cutting of trees or destruction of vegetation other than on construction site. • No hunting, fishing, capture of wildlife or collection of plants. • No use of unapproved toxic materials including lead-based paints, unbonded asbestos, etc.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
General	• Provide adequate area for first aid treatment, etc. all of which should be well ventilated. • Designate well-labelled and contained waste storage areas to prevent cross-contamination and environmental harm. • Use certified or licensed providers for the transport and disposal of waste, ensuring it is delivered to authorised facilities and not dumped or burned on site.

Table 2: Additional ESCOP for nurseries, horticulture and agriculture (delete if not applicable)

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Soil productivity	• Cultivate crops that are suited or adapted to the local climate and soil conditions and adopt good agronomic practices to optimise crop productivity. • Collect meteorological data on precipitation, evapotranspiration, temperature, and sunlight, then use this information to inform and guide agronomic management techniques. • Use soil maps and soil survey results to determine crop suitability and appropriate soil management practices. • Develop and implement a soil monitoring and management plan that includes soil and terrain mapping and erosion risk identification. • Conduct regular surveys to monitor soil structure and chemistry in order to identify areas where remedial action is required. • Recycle and/or incorporate organic materials (e.g., crop residues, compost, and manures) to replenish soil organic matter and improve soil water-holding capacity whenever available and economically viable. • Minimise the use of pesticides by implementing a pest and disease early-warning system, by using biological pest and disease control methods, and by implementing control measures before outbreaks require large-scale control.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>

Nutrient management	• Consider the use of green manures, cover crops, or mulching techniques to maintain soil cover, reduce the loss of nutrients, replenish soil organic matter, and capture and/or conserve moisture.
	• Plan a crop rotation program to incorporate nitrogen-fixing legume crop plants and cover crops in the cropping cycle.
	• Draw up balanced fertilizer programs for each soil management unit based on mapped fertility results, history of crop performance, soil and leaf analysis, and crop assessment.
	• Assess environmental health and safety risks associated with the nutrient management plan and mitigating strategies to minimise potential adverse impacts.
	• Time the application of crop nutrients to maximise uptake and minimise nutrient runoff or volatilisation.
	• Assess soil pH periodically and apply soil amendments (e.g., agricultural lime) to correct changes in soil pH, as required, to ensure that nutrients are available for plant uptake.
	• Conduct periodic soil analysis to detect changes in soil fertility, inform decisions on fertilizer application rates, and avoid unsustainable nutrient depletion and over-fertilization.
	• Establish and respect setbacks from watercourses—including appropriate buffer zones, strips, or other “no-treatment” areas along water sources, rivers, streams, ponds, lakes, and ditches—to act as a filter for potential nutrient runoff from the land.
	• Select and maintain fertilizer application equipment to ensure desired application rates are used and over broadcasting of solid fertilizers as well as over spraying of liquid fertilizers are minimised.
	• Implement nutrient planning, monitoring, and documentation, which includes the use of a fertilizer logbook to record the following information:
	  o Dates of purchase, dates of use, amount of fertilizer and nutrient used (kg/ha), purpose of use, and crop growth stage.
	  o Weather conditions before, during, and after application.
	  o Methods used to minimise nutrient loss (e.g., incorporation into the soil, split applications, irrigation after application).
	• Provide farm operators with training in nutrient management following published principles and agricultural practice manuals.
	• Ensure that all personnel are trained in and use appropriate management procedures for the storage, handling, and application of all types of fertilizers, including organic wastes.
	• Personal Protective Equipment (PPE) should be used according to the Safety Data Sheets (SDS) of the product or according to a risk assessment of the fertilizer product. SDS should be available at each management unit.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Residues or waste	• Develop and implement a residue management plan in combination with results from nutrient management research and planning. • Recycle residues and other organic materials by leaving the materials on site or through composting (and spreading). • Consider the potential for harbouring and spreading pests and diseases before implementing this practice. • Consider using crop residues for other beneficial purposes—such as animal feed, bedding, or thatching—when leaving residues in the field is neither practical nor appropriate.
Pest management	• Identify the main pests affecting crops in the region, assess the risks to the operation, and determine whether a strategy and capacity are in place to control them. • Where possible, apply early-warning mechanisms for pests and diseases (i.e., pest and disease forecasting techniques). • Select resistant varieties and use the cultural and biological control of pests, diseases, and weeds to minimise dependence on pesticide (chemical) control options. An effective Integrated Pest Management regime should: o Identify and assess pests, threshold levels, and control options (including those listed below), as well as risks associated with these control options. o Rotate crops to reduce the presence of insects, disease, or weeds in the soil or crop ecosystems. o Support beneficial bio-control organisms—such as insects, birds, mites, and microbial agents—to perform biological control of pests (e.g., by providing a favourable habitat, such as bushes for nesting sites and other original vegetation that can house pest predators and parasites). o Favour manual, mechanical weed control and/or selective weeding. o Consider using mechanical controls—such as traps, barriers, light, and sound—to kill, relocate, or repel pests. o Use pesticides to complement these approaches, not replace them. o Prior to procuring any pesticide, assess the nature and degree of associated risks and effectiveness, taking into account the proposed use and the intended users.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Soil loss prevention	• Practice reduced and zero tillage (often known as “low till” or “no till”), as well as direct seeding and planting, to minimise damage to soil structure, conserve soil organic matter, and reduce soil erosion. Consider contour and strip planting, terracing, intercropping with trees, and grass barriers in sloping areas. • Minimise soil compaction, damage, or disturbance by using appropriate land preparation machinery at the right time of year. • Consider a crop rotation program to maintain the soil coverage during the year. • Manage soil organic matter by returning crop residues or adding compost and manures whenever available and economically viable. • Plan soil preparation when weather conditions pose the lowest risk of causing environmental damage. • Consider erosion management practices (e.g., contour and strip planting, terracing, discontinuous trenching, intercropping with trees, and grass barriers) in sloping areas. • Draw up mitigation plans for planting or harvest operations that must take place during unsuitable periods. • Plan and control the flow of water from access roads to avoid erosion from the roads’ diverted water. Use flow control weirs and diversion canals to reduce erosion in areas with field drainage.

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Water management	• Determine rain or water irrigation requirements of the crop, based on internationally recognised guidelines, while recognising seasonal variations and regional norms. When irrigation is practiced, develop an appropriate irrigation plan and schedule, and monitor consumption and compare regularly with these targets which should be based on available supplies of water. • Maintain soil structure and soil organic matter. Use of crop residues and mulches will assist in maintaining soil organic matter levels, retaining soil humidity, and reducing surface evaporation. • Where applicable, maximise the retention of rainwater through appropriate "rain harvesting" techniques, which may include: o Diverting water flow from roads and paths toward crops, thus storing water in the soil and reducing the effect of short dry spells. o Storing runoff from rainy periods for use during dry spells by using tanks, ponds, cisterns, and earth dams. o Maintaining protective vegetation in canals and drainage systems to reduce canal bank scouring and slow runoff. • When irrigation is used, implement irrigation water conservation techniques, such as: o Whenever feasible, adopt water-efficient irrigation systems, such as micro-sparing, drippers, and fertigation. o Consider the soil infiltration capacity to select the best irrigation system and avoid the runoff of water. o Ensure regular maintenance of the irrigation system, as well as that of its associated channels and infrastructure. o Maintain a water management logbook that records the time and quantity of rainfall evaporation, as well as the amount of irrigation applied and soil moisture levels (%), in order to verify both that irrigation is being used according to crop need and to develop an understanding of long-term trends in water use. o Reduce evaporation by avoiding irrigation during periods when evaporation is elevated (e.g., in periods of higher temperatures, reduced humidity, or high winds). Use trickle or drip irrigation techniques, if practical. o Reduce evapotranspiration by using shelterbelts and windbreaks. o Reduce seepage losses in supply channels by lining them or using closed pipes. o Consider collecting storm water through catchments. o Employ a cutback furrow irrigation technique, slowing or stopping irrigation water well before the water reaches the end of the furrow and discharges to the environment. o If herbicides are used, ensure they are applied at the appropriate time of year to most effectively control undesirable vegetation and reduce its water consumption. • The following measures are recommended to prevent and control the contamination of water sources: o Avoid over-irrigation, which may result in the leaching of nutrients and contaminants. o Ensure appropriate soil moisture by active monitoring of soil humidity. o Establish and respect setbacks and buffer zones in riparian areas. Buffer widths should be based on the specific risk, land management regime, and slope of the area.

Table 3: Additional ESCOP for aquaculture (delete if not applicable)

Example risks/ impacts <Delete as appropriate>	Example Mitigation Measures <Adapt as necessary>
Aquaculture	• Assess suitability of potential sites. • Avoid areas with high biodiversity value or endangered species and preserve the natural habitat surrounding the aquaculture facilities. • Avoid areas with unsuitable soil properties, such as saline soils or insufficient clay content. • Prevent escape of farmed fish into natural habitats. • Breed stock material in captivity to prevent capture and depletion of females, eggs, fry, juveniles or fingerlings in the wild. • Avoid construction of ponds on slopes above 2 percent and establish embankment and soil erosion control measures. • Control application of feed and discharge of turbid pond water. • Limit the use of fertilizers and chemicals. • Observe all applicable Environmental Health and Safety for workers and health and safety of communities, in particular to prevent impacts on water availability and quality, which may be affected by high rates of water extraction or the use of feeds, chemicals or veterinary drugs.

Annex 6: Stakeholder Analysis Template

Annex 7: Documentation of Stakeholder Consultation Template

Annex 8: Stakeholder Engagement Plan Template

This template has been developed to support project proponents in meeting the requirements for stakeholder engagement laid out by the Innovation Facility and relevant carbon standard, particularly those related to advancing **social inclusion**, **equitable benefit-sharing**, and **gender equality**. It aligns with Section C, Part 3: Focus of the Innovation Facility in the Concept Note, and is informed by the principles outlined in Chapter 1.2.3 of the Innovation Facility's Guidelines for Applicants and Chapter 6 of the IUCN *Stakeholder Engagement – Guidance Note*.

The template is intended to guide proponents through the process of identifying and engaging relevant stakeholders, especially those located within or near the project site, who may be directly or indirectly affected by, or who may influence, the project. These stakeholders may include Indigenous Peoples, local communities, traditional leaders, women, youth, and other marginalised or vulnerable groups, as well as relevant government institutions at the national, regional, and local levels and non-governmental institutions.

Template Structure

The first section of the template focuses on **stakeholder analysis**, helping proponents assess each stakeholder group's interests, potential influence, proximity to the project area, and the likely impact of the project on them. A matrix format is provided to support systematic identification and prioritisation.

The second section provides a structure for the **Stakeholder Engagement Plan (SEP)**, which summarises planned engagement activities throughout the project cycle. This includes proposed methods for information sharing, consultation, and participation; roles and responsibilities for implementation; resource requirements; and timing and frequency of engagement activities. The plan should be proportionate to the project's environmental and social risks and tailored to the local context and needs of each stakeholder group.

The final section supports documentation of **stakeholder consultations** carried out throughout the project lifecycle, from the concept note, to the full project proposal and finally implementation stages. This includes space to capture information on when and where consultations occurred, who participated (with gender disaggregation where possible), the methods used, key issues discussed, and how input received has shaped project design.

Proponents are encouraged to use this template not only as a compliance tool, but as a means of strengthening relationships, improving project outcomes, and ensuring accountability and transparency throughout the life of the project. More information on Stakeholder Engagement Requirements can be found in the Innovation Facility ESMS Manual and the IUCN Guidance Note on Stakeholder Engagement.

Alignment with Carbon Standard Requirements

In addition to complying with the Innovation Facility requirements, this template also supports alignment with the stakeholder engagement provisions of the specific carbon standard under which the project intends to certify its carbon credits.

Different carbon standards, such as the Verified Carbon Standard (VCS) by Verra, Gold Standard, Plan Vivo, among others may include specific requirements on the timing, duration, methods and documentation of stakeholder engagement. These often include minimum disclosure periods or formal consultation steps

for Free, Prior, and Informed Consent (FPIC), particularly for Indigenous Peoples and other rights-holding communities.

This section allows you to specify those requirements, ensuring that your stakeholder engagement process is tailored to the selected standard and helps maintain the project's eligibility for certification.

Stakeholder Engagement Requirements of the Selected Carbon Standard

Please specify the carbon standard under which the project will be certified:
<write answer here>

Does the selected carbon standard include specific stakeholder engagement requirements (e.g., minimum consultation, comments and disclosure periods, documentation procedures)?

If yes, please summarise them below:

Requirement Category	Standard-Specific Requirement
Minimum consultation period	
Minimum comments period	
Minimum public disclosure period	
Timing of engagement within the project cycle	
Frequency of engagement activities	
Documentation and reporting obligations	
Others (specify and add rows as necessary)	

Analysis of Stakeholders

Stakeholder (SH)	SH's role, main activities and capacity/ expertise in areas related to the project	Potential influence of the SH on the project (a) 1=very low to 5=very high	Potential impact of the project on the SH (b) 1=very low to 5=very high	Significance (a x b)
Government agencies (at different levels i.e., national, regional, local)				
Local stakeholders (break down to Indigenous Peoples, local communities, village committees, etc)				
Civil Society Organisations (include grassroots level)				

Private Sector				
International organisations				
Research institutions & universities				
Others (Specify):				

Please explain any interactions between/among the stakeholders listed above that are relevant to the project.

Documentation of Stakeholder Engagements

Consultations (place and date)	Organisations represented and respective functions	Number of participants (disaggregated by gender)	Form/ methodology of consultation	Issues discussed and outcomes of discussion	Response to issues raised including how they influenced project design

Attach evidence including photographs, registration lists and reports

Stakeholder Engagement Plan

Stakeholder	Type/Category of Stakeholder	Purpose of Engagement	Mechanism / process of Engagement	Responsible Entity/Person	Frequency of Engagement	Timing of Engagement	Financial costs

Annex 9: Grievance Mechanism Template

<Lead Partner>

Version Control

Project title	<Project title>
Document title	Grievance Mechanism
Version	<Version number to be updated every time Grievance Mechanism is updated>
Status	<Working draft; final>.
Date of first version	dd.mm.yyyy
Date last updated	dd.mm.yyyy
Requirement for tracking changes	Once a final version of the Grievance Mechanism has been approved by the Innovation Facility, please make all further modifications to the Grievance Mechanism visible by either tracking changes or putting the modifications in a different colour in order to aid any subsequent review.

WALD Innovation Facility Grievance Mechanism Template Version 1, April 2025

Introduction

Guidance on the GM and the use of this template

- Each Innovation Facility project requires that a Grievance Mechanism tailored to the project is established by the lead partner.
- A description of the Grievance Mechanism can be found in the Facility's ESMS Manual.
- This document does not aim to be prescriptive but to rather serve as a template for a Grievance Mechanism. Therefore, as a template, text can be changed and adapted to project type and context as needed.
- Furthermore, should the lead partner wish to use their own Grievance Mechanism template, they are required to conduct a check (gap analysis) against the key contents of this template to ensure that the Facility's requirements are fully met.
- This introductory section serves to introduce the Grievance Mechanism and explains its purpose.
- Throughout the template, generic text is provided in italics as guidance on what to include. Authors can choose to keep this text and use it in their Grievance Mechanism or edit/reword it as they see fit. In many cases, project specific text will be required. Where possible, this has been indicated using "<xxx>", for example <project title>.
- The guidance provided is focused on what to include in the Grievance Mechanism and is not intended as a 'how to' guide.
- This descriptive text box (as well as others) should be removed once the GM is designed.

This document describes the Grievance Mechanism for <project title> (hereafter referred to as "the Project"), outlining the procedures that <Lead Partner> will follow to address any grievances and complaints that stakeholders may have about the Project and its activities. The Grievance Mechanism has been developed in alignment with international best practice, including the WALD Innovation Facility Environmental and Social Management System (ESMS), and also complies with <host country> requirements as well as internal <Lead Partner> policies and procedures. Details on the Project description, social context and legislative framework can be found in the first two sections of the Environmental and Social Management Plan (ESMP).

The Grievance Mechanism, including completion of any necessary preliminary assessments and consultations to understand customary and other grievance management mechanisms within the project area, should be established before implementation of project activities. Under exceptional circumstances, the GM can be established within the first three months of project implementation.

A grievance is a formal complaint or concern raised by any person, group of persons, staff member or an external stakeholder regarding a planned or ongoing project, interactions with IUCN or partners, ethical misconduct or other wrongdoing.

The grievance mechanism (GM) must remain accessible to communities and stakeholders throughout the full project lifecycle, which, for WALF Innovation Facility-funded projects, extends beyond the funding period. The Project should clearly communicate this extended period of access when disseminating the GM. If contact details provided relate to staff who will not remain involved after the funding ends, proponents must ensure alternative, up-to-date contacts are shared to maintain accessibility and responsiveness.

Purpose of the Grievance Mechanism

A Grievance Mechanism is a free, open, and accessible system that enables any Project Affected Person or stakeholder to raise concerns about the project. It complements other safeguard instruments in the ESMP.

Specifically, this Grievance Mechanism aims to:

- Guide <Lead Partner> in addressing complaints comments, questions, concerns and suggestions from Project Affected Persons and other rightsholders and stakeholders, related to the project and its activities in a fair, transparent, and practical manner;
- Identify and manage stakeholder concerns and thus support effective risk management for the project;
- Report any ethical misconduct or wrongdoing, including issues related to procurement and other processes associated with the Project;
- Provide stakeholders fearing or suffering adverse impacts from the project with the assurance that they will be heard and assisted in a timely manner;
- Build and maintain trust with all stakeholders thereby creating an enabling environment in which to operate; and
- Prevent adverse consequences of failure to adequately address grievances.

As such, the Grievance Mechanism does not intend to substitute for any existing grievance procedures (e.g., those established by the Protected Area authorities), but instead complement and build on existing procedures, while ensuring that the <Lead Partner> can identify, register (see Section 5 and Annex 1) and respond to grievances appropriately. This Grievance Mechanism reflects and operates under the good practice principles illustrated in Figure 1 below.

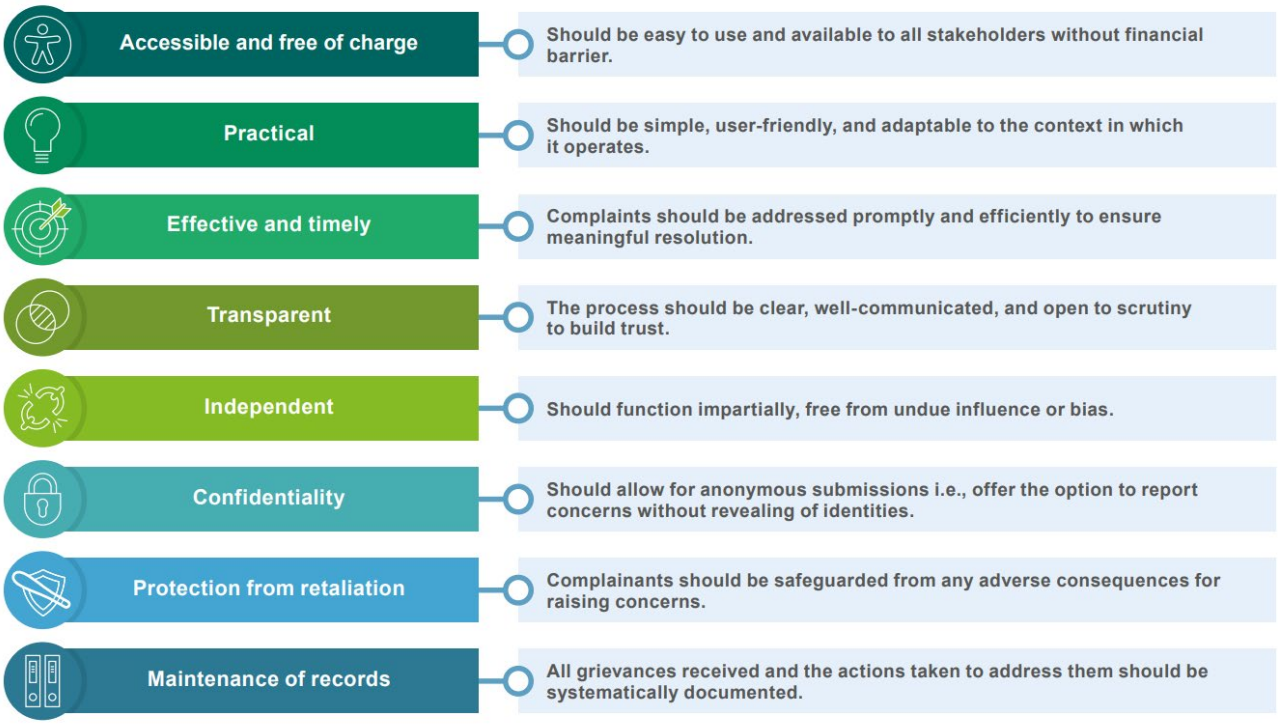


Figure 1: Good practice principles of the ESMS Grievance Mechanism[1]

<Lead Partner> will align the Grievance Mechanism procedures with good international practice reflected in the principles above.

All staff involved in receiving, registering, and managing grievances need to be provided with sufficient training in the procedures and principles of the grievance mechanism. The training should also focus on the confidential handling of grievances when required and on measures to protect complainants from retaliation.

The grievance officer or contact person should be available at the implementation site from time to time so that they can be directly approached by complainants who want to raise grievances verbally.

1 Confidentiality is not only about protecting the complainant's identity but also ensuring that all information shared is handled with discretion. While anonymity will be preserved where possible, some information may need to be shared to successfully address the grievance. In such cases, the information will be shared strictly on a need-to-know basis.

Eligibility

Section description:

- The purpose of this section is to set out the criteria that make a submitted grievance eligible or ineligible, thereby determining which grievances proceed through the grievance procedures and which ones do not.

The project grievance and complaint mechanism address concerns that are caused by the Project Hence, a complaint will first be assessed to determine whether the alleged adverse social or environmental impact or wrongdoing is the consequence of the Project, caused by other parties or by purely contextual factors.

The mechanism accepts not only complaints about a negative impact or wrongdoing that has already occurred (**actual impact/wrongdoing**) but also those that are **suspected or feared**, e.g., where the complainant fears negative impacts. Complaints might relate to issues arising at any time during the project cycle, including during a project's planning, design or implementation phase, or up to two years after project closure (not at the end of the funding period).

<Lead Partner> <has established> the eligibility criteria for the Grievance Mechanism and eligible grievances include:

- Any community, organisation, project stakeholder or affected group (including individuals) who believe it is or may be negatively affected by any project activities implemented under the <Project Name>, and/or owing to the project's failure to follow the Facility's and <Lead Partner's> Environmental and Social Standards as set out in their ESMSs, during the design or implementation of the Project activity is considered a "Project Affected Party" and is entitled to submit a complaint;

- Negative impacts can include all forms of project impact, including direct and indirect impacts of project activities. As with the scope of application of the Facility's ESMS, negative effects are not restricted to the activities of the <Lead Partner>, but include the effects of activities of project partners[2] (including collaborating project partners such as Protected Area authorities) that are financially or technically supported by the Project;

- Representatives (a person or local organisation) can submit a complaint on behalf of a Project Affected Party, but they must provide concrete evidence of authority to represent them;

- Wrongdoing or ethical misconduct that represent a violation of the Innovation Facility, IUCN and/or KfW policies on ethical standards and accountability including (but not limited to):
  - Violation of human rights of any kind;
  - Discrimination against any Staff Member or project stakeholder;
  - Sexual exploitation and abuse;
  - Harassment or bullying;
  - Breach of confidentiality or privacy;
  - Money laundering or terrorism financing;
  - Accounting, internal controls or auditing matters;

2 Note that in these cases, where the Project cannot effectively respond to a grievance because it is related to a government partner, and it is outside of the Lead Partner's mandate to respond to such grievances, the grievance can be registered (see Annex 1), and the government partner informed of the nature of the grievance. The affected party would be informed of the mandate of the Lead Partner and directed towards the appropriate channels to report the grievance to the government partner. How this works in practice varies considerably. Projects should consider this eventuality when planning activities, particularly in projects with law enforcement and access restrictions, and encourage and support partners to establish or improve Grievance Mechanisms where this is the case.

- Asset misappropriation;
- Failure to disclose conflicts of interest;
- Fraud, bribery, or corruption;
- Breach of any legal or contractual provisions that may put local communities, project staff or the Facility at risk

- Anonymous[3] complaints will be considered only if they include sufficient factual details. Complaints, especially those involving misconduct, will be handled with discretion. Personal data will not be publicly disclosed, and complainants may request additional confidentiality measures, such as withholding their identity from specific project team members.

On the other hand, the current criteria for ineligible grievances include:

- Complaints with respect to actions or omissions that are not technically or financially supported by the Project, or about parties that are not partners or collaborating partners in the Project;
- Complaints about issues outside of the Project scope, including outside of the Project Area of Influence;
- Complaints filed 24 months after the date of the official closure of the project in cases where the complaint addresses an impact resulting from project activities that was not, and reasonably could not have been, known prior to the date of official closure.
- Complaints that relate to the laws, policies, and regulations of <host country>, unless this directly relates to the <Lead Partner's> obligation to comply with the Project's ESMS principles, standards and procedures;
- Complaints that relate to the <Lead Partner's> non-project-related housekeeping matters, such as finance, human resources and administration;
- Complaints submitted by the same claimant on matters they submitted to the Grievance Mechanism earlier, unless new evidence is provided, or the project has not responded to this complaint in the timeframe explained in Section 3.

Each grievance will be reviewed by <Position e.g., complaint officer/ focal person> in order to determine if it is eligible or ineligible. If the complaint is not eligible, the <focal person> will inform the complainants stating the reason for ineligibility and this will be documented (see Annex 1 for Grievance Register Template).

Project staff and contractors:

In addition to Project Affected Parties, this Grievance Mechanism should be available to project staff, including contractors and volunteers [unless the Lead Partner has a separate mechanism in place already in which case they should share it with the Facility ESMS Officer]. <Lead Partner> must ensure that its contractor(s) use or establish their own Grievance Mechanism for all workers. Where this is not feasible, this Grievance Mechanism should be made available to all the contractor's personnel. This will be included in all contracts and agreements that <Lead Partner> enters into with contractor(s). All workers will be informed of the grievance procedures and new workers will be informed when they join the project. Information on contact points will be posted on staff information boards and on-site information boards. Alternatively, the Grievance Mechanism of the <Lead Partner> can be made available to the contractor's workers.

3

Grievance Procedures

Description of section:

- This section describes the project's grievance procedures, including the process of submitting a grievance as well as how it is addressed.
- Lead Partners will have different procedures, so the text below is simply illustrative and Lead Partners should include their own procedures.
- The emphasis should be on registering and resolving grievances at as local a level as possible, and only escalating grievances where no resolution is identified. This said, all grievances are registered, even if they are resolved on the local level.

The grievance resolution procedure for the Project comprises three stages/levels, described in the next sections. In order to be practical and cost-effective, resolution of complaints should be sought at the lowest possible level. This procedure aims to address stakeholder concerns promptly, effectively and transparently.

Figure 2: Three-stage process of the Innovation Facility Grievance Mechanism

Stage 1: Grantee / Local Project Team

The best approach to resolving grievances involves <Lead Partner> and the Project Affected Party reviewing the conflict and deciding together on a way forward that advances their mutual interests. This reflects the fact that local and country authorities often have better information on and understanding of the causes of disputes arising from project implementation. 'Deciding together' approaches are usually the most accessible, natural, non-threatening and cost-effective ways for communities and project management to resolve differences.

Grievance procedures

Refer to Annex 1 for an example of a Grievance Register which serves as a record of the grievance procedures. Note that the procedures below should be adapted to your project context: there is no standard procedure, this just provides a commonly used approach.

1. **Submission of a grievance[4]:**

a) The Project will identify one Contact Person in each project village to act as a conduit for any grievances from groups or individuals who do not feel confident to raise the complaint directly. This person may or may not be involved in the project implementation and will be made known to the community. Ideal candidates are widely respected and trusted individuals such as religious leaders, teachers or village elders. Women will be encouraged to stand as the Contact Person. Where possible they will be selected by open vote, e.g., during stakeholder engagements. The Contact Person will be made familiar with the project and the partners and will be named on signs/ relevant information in each project village detailing this grievance mechanism, where this is appropriate.

b) Alternatively, Project Affected Parties shall be able to use the following methods to submit a grievance:

<Insert applicable methods to submit a grievance for your project, some examples are provided below>.

Table 2 Grievance communication channels

Channel	Contact details	Responsible*
Verbally (in person) via project information hotline or to a member of project staff		
Institutional email		
Social media accounts		
Telephone calls and fax		
Correspondence address		
In writing via Grievance Boxes	(include the locations)	
Online channel (Filling out the Grievance Form online)	(Provide link to website)	

c) Complaints may be submitted in writing, in person or by telephone or email to the project field offices or the <Lead Partner's> office in <location> (details also to be provided on signs in each village).

d) The grievance is then recorded and classified in a Grievance Log or Register (written and/ or electronic) by the <Position>. See example Grievance Register in Annex 1. This register should be maintained in a location accessible only to the responsible staff members and not shared with outside parties5.

4 The Lead Partner should provide more than one avenue through which PAPs can submit grievances.

5 In some cases, sharing the Grievance Register with an outside party can be required, for example, in the case of Facility project evaluation. In these cases, personal information should first be redacted from the register, and the terms of the sharing and use clearly stated. The World Bank Environmental and Social Framework (2017) also requires that during the course of the Project, a record documenting the responses to all grievances received is made publicly available: this record can be based on the Grievance Register but without the personal information.

e) When submitting a grievance, the complaint should include the following information [responsible project staff will support complainants submitting verbal complaints to include all of this information]:

I. Complainant's name and contact information;
II. If not filed directly by the complainant, proof that those representing the affected people have authority to do so;
III. The specific project or program of concern including location;
IV. The harm that is or may be resulting from the Project;
V. The relevant policy violated (if known);
VI. Any other relevant information or documents (e.g., date of event);
VII. Any actions taken so far (if any) to resolve the problem;
VIII. Proposed solution; and
IX. Whether confidentiality is requested (stating reason if they wish).

f) The complaint can be filed either in English or any of the local languages. If the grievance has not been submitted anonymously and regardless as to whether confidentiality is requested, the identity of the complainant(s) will be maintained only by the <Project Complaints Team>, or the project staff member working at the field site who has handled the case directly. When working to resolve the case, the identity of the complainants will be maintained within as small a group as possible to assure protection against retaliation.

2. Acknowledgement and addressing the grievance:

a) Grievance is formally acknowledged through a personal meeting, phone call, email or letter as appropriate, within <5 working days> of submission. If the grievance is not well understood or if additional information is required, clarification should be sought from the complainant during this step.

b) The grievance is recorded in the register (Annex 1) and this register is updated at each stage of the redress cycle. Required actions to resolve the issue and deadlines are included in the register as soon as they are known. If not found to be eligible, the grievance will still be recorded in the grievance register, including the reason for ineligibility, and the PAP informed of this.

c) The <Complaints Manager> will assess the validity and eligibility of the grievance. If found to be valid and eligible, they will then refer the grievance to the appropriate 'responsible staff member'. The root cause will be investigated and the risk category (i.e., the risk that the grievance poses to the Project Affected Person and to the Project is ranked as high, medium or low) identified.

d) A response is developed by the responsible staff with input from others, as necessary. Projects should consider the use of existing customary conflict resolution mechanisms, which would be identified during consultations with communities. This can include working with existing customary mechanisms (including any customary dispute settlement mechanisms among Indigenous Peoples, Local Communities, etc) or establishing a project conflict resolution "committee" for the management of complex grievance issues. This can include project staff, local authorities and traditional leaders/ community representatives.

e) The response is signed off by the responsible staff. The sign off may be a signature on the grievance register or in correspondence that should be filed with the grievance to indicate agreement.

f) The response is communicated to the affected party; the response should be carefully coordinated. The responsible staff ensures that a suitable approach to communicating the response to the affected party is agreed and implemented. The response to a grievance shall be provided 20 working days after receipt of the grievance.

g) The response of the complainant is recorded to help keep track of whether the grievance is closed or whether further action is needed. The responsible staff should use appropriate communication channels to confirm whether the complainant has understood and is satisfied with the response. The complainants' response should be recorded in the Grievance Register. Ideally, both parties should sign off the grievance to confirm closure. Or, alternatively, a written confirmation that the grievance has been closed satisfactorily should be obtained.

h) The grievance is closed with sign-off from the responsible staff, who determines whether the grievance can be closed or whether further attention and action is required. If further attention is required, the responsible staff should return to Step 2 to re-assess the grievance and then take appropriate action. Once the responsible staff has assessed whether the grievance can be closed, he/she will sign off to approve closure of the grievance on the Grievance Register or by written communication.

Stage 2: Innovation Facility Secretariat

Where the response of any grievance through Stage 1 is considered unsatisfactory or if the aggrieved party does not think it can be resolved by the PMU, they can lodge a complaint with the Innovation Facility by sending an email to the innovationfacility@iucn.org or calling +49 228 269 2231.

1. The ESMS Officer of the Innovation Facility will assess the eligibility of the complaint and provide a response as to whether or not it is eligible, in accordance with the above criteria (within 5 business days after receiving the complaint).

2. If the complaint is deemed eligible, Innovation Facility will devise a plan and timeframe to investigate, which will be communicated to the complainant, ideally within 5 business days of the complaint being logged.

3. The Innovation Facility team will then look into the matter, with additional technical support if required (e.g., from the Country Office, or an independent third party). Based on the results, the team will then work with concerned parties to develop and implement an action plan and timeframe to resolve any issues.

4. A summary of the concern raised, actions taken, conclusions reached, follow up plan and timeframe for completion will be documented (in the Grievance Register) and communicated as agreed between the parties. The Innovation Facility will facilitate support to further clarify, assess, and resolve further issues, as needed.

In the event of serious complaints or those that cannot be resolved promptly, <Lead Partner> will inform the Facility of the details.

Stage 3: IUCN Head Oversight Unit (HQ) through Whistleblowing Platform

If the second stage has also not been successful, the complainant can submit the grievance to the centralized IUCN Whistleblower Platform that will direct the complaint to the IUCN Head of Oversight Unit. Complaints can be submitted anonymously via a confidential hotline at +41 22 999 03 50 or through a confidential email at ethics@iucn.org.

For more information, visit the IUCN Whistleblowing Platform at: https://www.iucn.org/about/accountability-and-reporting/ethics-office.

Please note that any Project Affected Person may submit a complaint directly to the Innovation Facility (Stage 2) or escalate it to the Head of the Oversight Unit (Stage 3) where appropriate. This applies particularly in cases where the PAP fears retaliation, the complaint involves members of the project team, or the matter is of a sensitive or confidential nature.

<Lead Partner> may provide mediation as an option where Project Affected Parties are not satisfied with the proposed resolution. Ultimately, stakeholders may turn to court in accordance with the existing legislation of the host country, and this grievance procedure should not impede access to other judicial or administrative remedies that are available under the national law.

Table 3: Summary of contact details to be provided on communications regarding the project Grievance Mechanism

	Stage 1: Grantee / Project Team	Stage 2: Innovation Facility	Stage 3: IUCN Head Oversight Unit
Name			
Position		ESMS Officer	Head, Oversight Unit
Email		innovationfacility@iucn.org	ethics@iucn.org
Phone		+49 228 269 2231	+41 22 999 03 50
Address			

A template for the Grievance Form is presented in Annex 2.

Informing Stakeholders about the Grievance System

Description of section:

- This section describes how stakeholders will be made aware of the grievance procedure and in turn, how the procedure will be made accessible to all stakeholders.

For the Grievance Mechanism to be effective and accessible, <Lead Partner> will take active steps to inform all relevant project stakeholders of the existence and scope of the Grievance Mechanism and about the relevant provisions of the ESMS. It is vital that stakeholders are aware of the eligibility criteria for a grievance and the mechanism for grievance submission. The mechanism should ideally be established and disseminated during the stakeholder consultation prior to full project proposal submission and would be completed no later than the first three months of project implementation.

Therefore, the Grievance Mechanism will be translated into <list the local language(s)>, to ensure that the information is delivered in a culturally appropriate way reaching all relevant stakeholder groups, including women, indigenous people <delete if not applicable> and vulnerable groups. Various methods will be used to raise awareness about the Grievance Mechanism and procedures including verbal communication (e.g., through consultation meetings, trainings, project website as well at local offices in the project area(s) <please specify where if known>). In addition, the location of grievance boxes will be clearly communicated at stakeholder meetings and in training sessions. Grievances can be submitted in English or <list the local language(s)>.

Accessibility also requires that complaint submission, handling and recording is designed in such way that stakeholders have confidence in the mechanism and that procedures are in place to protect complainants from any form of retaliatory action, including provisions for disciplinary or other appropriate action in case of violations of this principle. <Lead Partner> will ensure that all stakeholders are aware of this.

Maintaining Records and Monitoring Actions

Description of section:

- All grievances, whether eligible or not, need to be recorded.
- This section describes how grievance records need to be kept and monitored.
- Reporting on grievance management to the Innovation Facility is done via the ESMS section in the progress reports. Some suggested indicators to be included in monitoring and reporting are provided below.
- As much as possible, disaggregate the grievance data by gender, age, and vulnerability status

All grievances, whether eligible or not, need to be recorded in a Grievance Register (Annex 1). This register will document all complaints and concerns submitted by stakeholders in a categorical way under five main headings:

1. Registration of Grievance: including subject of complaint, description of complaint and eligibility criteria;

2. Acknowledgement: <Lead Partner> acknowledges receipt of the grievance within <include number of working days>;

3. Examination (of eligible grievances only): <Lead Partner> investigates the root cause, whether the claim is true or false and proposes corrective actions;

4. Response: <Lead Partner> provides a response to the complainant; and

5. Close out: <Lead Partner> closes the grievance once it has been adequately addressed and remedied and a response provided to the complainant.

Agreed action plans will establish timeframes for regular process monitoring towards resolution of the grievance. <The Project Complaints team> will coordinate the monitoring by organising periodic checks, bringing together the concerned parties and relevant technical advisors for meetings or other communication on the status of action plants, until they are completed. <Lead Partner> will assess the effectiveness of this complaint's resolution process on an annual basis and identify any needs for improvement.

The Grievance Mechanism and accompanying excel spreadsheet (Grievance Register) should be maintained, saved in a secure place and updated regularly. Examples of basic indicators commonly used to monitor and evaluate the effectiveness of a Project's Grievance Mechanism are listed below, and all can be monitored simply through use of the Grievance Register template and serious incident forms:

- Number of grievances received and recorded (disaggregated by eligible and ineligible) during the reporting/ review period;
- Number of grievances acknowledged on time/not acknowledged on time, including why;
- Number of grievances where the investigation was/was not completed on time, including why;
- Number of grievances resolved and unresolved;
- Nature of grievance e.g., conflict with project staff, benefit sharing, etc.

Annex 1: Grievance Register Template

WALD
IF-ESMS_Grievance-

Annex 2: Template for Public Grievance Form

Adapt, if necessary. Grievance Form needs to be translated into the local language(s)

Public Grievance Form	
Reference No. (assigned by Lead Partner):	
Please enter your contact information and grievance. This information will be dealt with confidentially. Please note: If you wish to remain anonymous, please enter your comment/ grievance in the box below without indicating any contact information – your comments will still be considered.	
Full Name	
Anonymous submission	☐ **I want to remain anonymous**
Please mark how you wish to be contacted (mail, telephone, e-mail).	☐ **By mail (please provide mailing address):** _____ ☐ **By telephone (please provide telephone number):** _____ ☐ **By e-mail (please provide e-mail address):** _____
Preferred language for communication	☐ [insert other applicable language(s)] ☐ **English** ☐ **Other, please specify:** _____
Description of incident or grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of occurrence of grievance: _____	☐ **One time incident/ grievance (date _____)** ☐ **Happened more than once (how many times? _____)** ☐ **On-going (currently experiencing problem)**
Date of reporting:	
What would you like to see happen to resolve the problem?	

Please return grievance form to <Provide contact person and address>

Annex 10: Serious Incident Reporting Template

Serious Incident Report

<Lead Partner>

General information

Project name	
Lead Partner	
Country, Region	
Date (of reporting)	DD Month YYYY

Details of person(s) / agency(s) involved

Name(s) of person submitting the information	
Agency(s) of person submitting the information [if applicable]	
Name(s) of person involved in the incident	
Agency(s), company(s) involved in the incident	

Details of people/ community(s) affected by the incident	

Details of the incident

Date and time the Incident occurred	DD Month YYYY, hh:mm AM/PM
Location [be as specific as possible]	
Type of Incident	Fatalities, serious injuries and accidents at work ☐
	Fatalities, serious injuries and accidents affecting local communities and others ☐
	Violations of human rights or accusation of human rights violations, incl. sexual and gender-based violence and harmful child labor ☐
	Forced Eviction ☐
	Conflicts, disputes and disturbances leading to loss of life, violence or the risk of violence ☐
	Environmental incidents ☐
	Others (specify):
Severity level of the Incident	Level 1 – High-severity (fatality, irreversible damage) ☐ Level 2 – Moderate (reversible harm, potential media impact) ☐ Level 3 – Low (near misses, internal issues) ☐
Detailed chronological description of the Incident and its circumstances [attach photos if available]	

Root Cause Analysis and Stakeholder Enagagement

Detailed description of key causal factors (internal and external), potential management failings and identification of absent / inadequate / failed / unused management and control measures (e.g., non-compliances with ESMS standards or measures)	
Specify the relevant roles and responsibilities of the agency(s), authorities and others involved	
Were all of the affected / concerned persons / communities informed?	Yes ☐ No ☐
Reaction to the incident by the affected party(s) / community(s) as well as local/national/international media	
Agency(s) responsible for investigation of the case. What is the scope of the investigation? Does this include a root cause analysis?	

Response and Corrective Actions

Describe the actions taken immediately to contain harm or support victims (e.g., evacuation, medical care, notification of authorities, etc).	
Describe any corrective actions, plans or next steps to prevent the incident from recurring or follow up to close the case or proceed with further investigations (include action plan with responsibilities and schedule)	

Incident Report Approval

	Position	Name	Date
Prepared by			DD/MM/YY
Approved by (ESMS or Senior Manager)			DD/MM/YY

Annex 11: ESMS Security and Human Rights Risk Questionnaire

INTERNATIONAL UNION
FOR CONSERVATION OF NATURE

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