

## ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

### ESS 10: STAKEHOLDER ENGAGEMENT, INFORMATION DISCLOSURE, AND PARTICIPATION

STAKEHOLDER  
ENGAGEMENT,  
INFORMATION  
DISCLOSURE, AND  
PARTICIPATION



MAR FUND'S ESMS

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

## ESS 10: STAKEHOLDER ENGAGEMENT, INFORMATION DISCLOSURE, AND PARTICIPATION

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“ESS 10: Stakeholder Engagement, Information Disclosure, and Participation” is part of MAR Fund’s Environmental and Social Management System (ESMS). Therefore, ESS 10 should be read and understood in conjunction with the other 9 Safeguards and the other documents that are part of the ESMS.

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## • GLOSSARY

AFD	Agence Française de Développement <sup>1</sup>
BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung <sup>2</sup>
EbA	Ecosystem-based Adaptation
CAPEX	Capital Expenditure
CSO	Civil Society Organization
CTF	Conservation Trust Fund
Due Diligence	Environmental and Social Due Diligence
EIA	Environmental Impact Assessment
ERP	Emergency Response Plans
ESAP	Environmental and Social Commitment Plan
Escazú Agreement	Regional Agreement on Access to Information, Public Participation, and Justice in Environmental Matters in Latin America and the Caribbean
ES	Environmental and Social
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESPF	Environmental and Social Performance Framework
ESSQ	Environmental and Social (ES) Screening Questionnaire
ESS	Environmental and Social Safeguards
FB	Fundación Biosfera
FCG	Fundación para la Conservación de los Recursos Naturales y Ambiente en Guatemala

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<sup>1</sup> French Development Agency

<sup>2</sup> Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany.

FC-Measures	Financial Cooperation Measures
FFEM	Fonds français pour l’environnement Mondial <sup>3</sup>
FI	Financial Intermediary
FMCN	Fondo Mexicano para la Conservación de la Naturaleza
FPIC	Free, Prior, and Informed Consent
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse gas
GMO	Genetically Modified Organism
H&S	Health & Safety
IDB	Inter-American Development Bank
IFC	International Financial Corporation
ILO	International Labour Organisation
ISPM	International Standard for Phytosanitary Measures
IUCN	International Union for Conservation of Nature
JMP	WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene
KfW	Kreditanstalt für Wiederaufbau <sup>4</sup>
LGBTQ+	Lesbian, gay, bisexual, transgender, queer (or sometimes questioning) and others. + represents other sexual identities including pansexual and Two-Spirit.
MAR	Mesoamerican Reef
MAR Fund	Mesoamerican Reef Fund
NAP	National Adaptation Plans
NDC	National Determined Contributions
NGO	Non-Governmental Organization
OH&S	Occupational Health & Safety
PACT	Protected Areas Conservation Trust

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<sup>3</sup> French Facility for Global Environment.

<sup>4</sup> Reconstruction and Credit Corporation of the Federal Republic of Germany.

PPE	Personal Protective Equipment
PS	Performance Standards
RfP	Request for Proposals
SEA	Sexual Exploitation and Abuse
SECF	Stakeholder Engagement and Communication Framework
SECP	Stakeholder Engagement and Communication Plan
SGBV	Sexual and Gender-Based Violence
SIA	Social Impact Assessment
The Policy	MAR Fund's Environmental and Social Policy
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN Protocol	United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners
WASH	Water, Sanitation, and Hygiene

## **1 ESS 10: STAKEHOLDER ENGAGEMENT, INFORMATION DISCLOSURE, AND PARTICIPATION**

### **1.1 INTRODUCTION**

1. The “ESS 10: Stakeholder Engagement, Information Disclosure, and Participation” (ESS 10) is part of MAR Fund’s Environmental and Social Management System (ESMS), which includes the Environmental and Social Management Policy and Exclusion List, nine Environmental and Social Safeguards other than this, an Environmental and Social Screening Questionnaire and formats for several plans and instruments.
2. Stakeholder engagement, information disclosure, and public participation are essential elements of the environmental and social performance of MAR Fund and the projects it approves, and the foundation to comply with MAR Fund’s safeguards.
3. This Safeguard is consistent with the World Bank’s ESS 10: Stakeholder Engagement and Information Disclosure and the IDB’s ESPS 10 Stakeholder Engagement. It also satisfies the aspects of the IFC’s PS 1 Assessment and Management of Environmental and Social Risks and Impacts that are pertinent to stakeholder engagement.
4. This Safeguard is also consistent with the objective of implementing the rights of access to environmental information, public participation in the environmental decision-making process, and access to justice in environmental matters enshrined in the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (Escazú Agreement).

#### **1.1.1 OBJECTIVES**

5. The objectives of the ESS 10 are the following:
  - i.* To facilitate and promote adequate engagement with stakeholders throughout the project life cycle, ensuring that relevant information is appropriately disclosed, and grievances are proactively and effectively managed.
  - ii.* To guide the process of meaningful consultation with stakeholders and facilitate MAR Funds grantees’ compliance with the applicable national legislation related to consultation and public participation in environmental and social issues<sup>5</sup>.

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<sup>5</sup> Refer to the MAR Fund’s National Legislation Overview for more information about applicable national legal frameworks.



- iii. To articulate a systematic approach to stakeholder engagement that builds trust and contributes to increasing the transparency of projects approved by MAR Fund.
- iv. To contribute to the reduction of environmental and social risks and the enhancement of the environmental and social performance of projects approved by MAR Fund by ensuring that stakeholders' views, interests, concerns, and knowledge are duly considered in the design and implementation.
- v. To increase community engagement, especially from vulnerable or disadvantaged stakeholders<sup>6</sup> throughout the project's life cycle on issues that could potentially affect or benefit them.

### 1.1.2 SCOPE OF APPLICATION

- 6. The ESS 10 applies to all projects approved (or to be approved) by MAR Fund regardless of the program, mechanism, or window.
- 7. The scope of this Safeguard includes Category B+ projects, Category B, and Category C projects (whether they are *Area-based* or *Non-area-based*). It covers projects and activities both fully and partially financed by MAR Fund.

### 1.1.3 DEFINITIONS

- 8. To the effects of MAR Fund's ESMS and particularly this Safeguard, the meaning of the term stakeholder is ample and inclusive. It refers to individuals, groups of people, and organizations affected by, or likely to be affected by, or who have any interest in, projects approved by MAR Fund or other activities funded by MAR Fund.
- 9. The term stakeholder comprises partners (including donors, bilateral agencies, and Multilateral Development Banks); authorities at regional, national, and local levels; Indigenous Peoples, Traditional Local Communities; communities participating in, or affected by, the projects; grantees and sub-grantees; MAR Fund's member funds; peer organizations; the private sector, the Academia, and other organizations.
- 10. Disadvantaged or vulnerable stakeholders are these who "may be more likely to be adversely affected by the project impacts and/or less able to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from or

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<sup>6</sup> See definition in point 13.1.3.

unable to participate fully in the mainstream consultation process and may require specific measures or assistance to do so”<sup>7</sup>.

11. Indigenous Peoples and Local Traditional Communities are generically included in the ample meaning of the term stakeholder. Nevertheless, projects involving Indigenous Peoples and Local Traditional Communities must comply with the requirements set forth by MAR Fund's ESS 7 Indigenous Peoples and Local Traditional Communities, including obtaining their Free, Prior, and Informed Consent (FPIC).

## 1.2 REQUIREMENTS

12. MAR Fund requires that, in the spirit of the Escazú Agreement, all its projects support, and align with, the implementation of the rights of access to environmental information and public participation in the environmental decision-making process with regards to environmental and social matters. Meaningful engagement and consultation with local stakeholders during proposal development and project implementation is required to realize these rights.
13. Stakeholders must have opportunities to express their opinions about the proposed project in a manner that is free from fear of reprisals, negative consequences in their potential participation in the project activities, and any other retaliatory action. Stakeholder views, opinions, and concerns shall be considered in the final design of the proposed project.
14. All MAR Fund grantees will engage with their projects' stakeholders in meaningful consultations early in the process of developing their project proposals. The length and depth of these consultations should be proportional to the environmental and social risks and impacts of the projects. (See *section 12.3 Engagement and Consultation Procedures*).
15. Vulnerable and disadvantaged stakeholders (as defined in *point 12.1.3 Definitions*) may lack the agency and ability to act on their behalf. Therefore, they could be left behind or ignored if there is not an articulated and systematic effort to identify them and enable their informed participation in stakeholder engagement processes and public consultations.

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<sup>7</sup> “World Bank Environmental and Social Framework.” World Bank, Washington, DC. License: Creative Commons Attribution CC BY 3.0 IGO) *and* IDB – ESPF – ESPS 10 Stakeholder Engagement and Information Disclosure.

16. These stakeholders must have fair opportunities to participate in meaningful and fruitful consultation and engagement processes related to project proposals and projects approved by MAR Fund. The grantees must ensure that the engagement and consultation processes include vulnerable and disadvantaged stakeholders. It may imply carrying out independent meetings for women and men or seniors or independent sessions with specific population groups
17. MAR Fund requires equitable participation of people of all genders in stakeholder engagement and consultation processes related to the projects, both at the project-proposal stage and at the project-execution stage. The grantees will ensure that the consultation process reflects the concerns of people of all genders, gender identities, and sexual orientations without discrimination based on gender or sexual orientation.
18. Projects approved by MAR Fund will have stakeholder engagement and communication plans (SECP) that include information disclosure and public participation measures, commensurate to their environmental and social risks and potential adverse impacts. These SECPs shall be made accessible in the grantees' websites and/or social media. The characteristics of these plans are presented in *section 12.2.4 Stakeholder Engagement and Communication Plan (SECP)*.
19. It is important to note that the requirements of information disclosure and public participation of this Safeguard do not replace the requirements of MAR Fund's ESS 7 Indigenous Peoples and Local Traditional Communities, that apply when a project involves or otherwise affects Indigenous Peoples and Local Traditional Communities.

#### 1.2.1 STAKEHOLDER IDENTIFICATION AND ANALYSIS

20. Stakeholder identification and analysis is a continuous activity in every project approved by MAR Fund. The grantees will identify the stakeholders of their proposed projects, including those who may oppose, those who support, and those that are directly or indirectly affected by the project. This identification should be as exhaustive as possible.
21. If during the stakeholder identification exercise, it becomes evident that Indigenous Peoples and Traditional Local Communities are participating in the proposed project, are -or may be- affected otherwise by the proposed project or are present in the area where the project will be implemented, MAR Fund's ESS 7 will be triggered. In this case, that the Free, Prior, and Informed Consent (FPIC) of the concerned Indigenous

Peoples and Traditional Local Communities is required, the grantee will follow the procedure established in the ESS 7.

22. The organization proposing the project must identify the project stakeholders who comprise a wide variety of organizations and people, including vulnerable or disadvantaged stakeholders as defined in *point 12.1.3 Definitions*.
23. The project stakeholders may be persons participating in the project -*referred to as beneficiaries-*, persons affected by the project -*referred to as project-affected peoples or PAPs*. They may be governmental and public organizations, elected officials, and other local authorities holding decision power over the project, such as an office granting licenses or permits, or a Ministry that can create a protected area. They may also be organizations like the grantees (*peers*), NGOs, and other civil society organizations. They may also be private sector organizations, farmers, and grassroots organizations. Donors, Multilateral Development Banks, and bilateral cooperation agencies may also be stakeholders.
24. Stakeholders shall be analyzed in terms of their interest and motivation to participate in, support, or oppose the project (Interest); their influence and power over the project (Influence); the legitimacy of their involvement in the project activities (Legitimacy); and the urgency of their needs and concerns (Urgency).
25. The analysis will facilitate the categorization of stakeholders in different groups. The resulting categories of the initial stakeholder analysis will be useful for stakeholder engagement and communication planning.
26. A summary of the stakeholder identification and analysis should be presented with the project proposal. This information will be used by the grantee to formulate its SECP.
27. The stakeholder categorization is dynamic, and it is expected to change over time in response to the evolving local context, the development of the project, and the execution of the SECP. For these reasons, the stakeholder analysis needs to be performed periodically. It is advisable that grantees revisit their stakeholder analysis at least once a year.

### 1.2.2 PLANNING COMMUNICATION WITH STAKEHOLDERS

28. Stakeholder engagement is a communication process in which the organization proposing the project (the grantee) and the stakeholders interact.

29. Communication with stakeholders should be a horizontal, two-way process, in the sense that the grantee and the project's stakeholders establish a dialogue in good faith, respectful of their differences, with the shared interest of finding common ground. Both parties must have timely access to accurate and understandable information about the proposed project and its implications.
30. The stakeholders do not constitute a monolithic communication audience. They are divided into several groups and sub-groups that constitute different communication audiences with specific interests, profiles, habits, abilities, and ways of communicating.
31. The stakeholder's differentiated communication needs shall be satisfied with multimedia, multichannel, and multilevel communication. Some of this communication shall be face-to-face, without mediation, as in the case of public hearings, workshops, and other public gatherings. Other communication shall be mediated to reach wider audiences, ensure repetition and exposure, and overcome barriers such as the challenges posed by the COVID 19 pandemic (*see section 12.2.3 Stakeholder Engagement in the Context of Social and Physical Distancing*)
32. The organization proposing the project will inquire into the stakeholders' ability to engage in digitally mediated interpersonal communication processes with the view of using this kind of communication as much as feasible. This includes virtual meetings and face-to-face conversations supported by digital platforms.
33. Communication with stakeholders will be also conducted with the use of traditional media such radio, TV, and newspapers, as well as mobile phones and social media.

### 1.2.3 STAKEHOLDER ENGAGEMENT IN THE CONTEXT OF SOCIAL AND PHYSICAL DISTANCING

34. The emerging environmental and social risks such as the COVID 19 pandemic dramatically modify the conditions of the communication process with the stakeholders. The restriction of large gatherings, due to social distancing mandates and other public health measures, demands changes in the way communication with stakeholders is planned and executed, especially with regards to public consultation and public participation. The health and safety of stakeholders and the organization's staff participating in public consultation and public participation events that require face-to-face interaction is paramount.

35. Social distancing mandates in the MAR countries may restrict large gatherings of stakeholders and, in some cases, even their movement from one place to another. These measures may have direct negative consequences in public consultation and participation processes.
36. MAR Fund's grantees must comply with public health regulations, including the social and physical distancing and at the same time satisfying the requirements of this Safeguard. The challenge is to engage with their stakeholders while preserving their health and wellbeing. For these reasons, MAR Fund's grantees will conduct their stakeholder engagement with the support of digital media, including social media, in addition to traditional media.
37. The grantees may organize meetings, consultations, public hearings, and other events of this type using digital platforms. In these cases, they will keep available digital records of such meetings. They will inform the participants that the meeting is being recorded, that the record will be kept in the file of the project, and it may be accessed by MAR Fund, or a third-party organization mandated to do so.
38. It is the responsibility of grantees to find out whether the type of meetings described above in § 37 are acceptable for the national legislation of Mexico, Belize, Guatemala, or Honduras, as the case may be, as a proof that the public consultation or public hearing were held.

#### 1.2.4 STAKEHOLDER ENGAGEMENT AND COMMUNICATION PLAN (SECP)

39. Considering the importance of stakeholder engagement, information disclosure, and public participation for the environmental and social performance of MAR Fund and of the projects it bestows, all projects must have a Stakeholder Engagement and Communication Plan (SECP), regardless of their risk category or their budget.
40. The SECP shall be *proportional* and *commensurate* to the risks, impacts, activities, scope, budget, and duration of the project.
41. Project proposals do not need to have a SECP but only a summary of the stakeholder identification and analysis.
42. The SECP shall be formulated after the proposed project is approved by MAR Fund, as one of the first expected outputs of the project. The cost of formulating the SECP may be included in the total cost of the project.

43. When the project proposed to MAR Fund is a part of a wider project and that wider project has a stakeholder engagement plan in place, that plan can be presented as the SECP of the project, if it satisfies the requirements of this Safeguard.
44. For projects classified as Category C, the SECP does not need to be a stand-alone document as it can be a section of their Environmental and Social Action Plan. For projects classified as Category B and Category B+, the SECP needs to be a separate document.
45. The SECP consists of the articulation of all the meaningful engagement and consultation actions related to a project, including the roles and responsibilities in conducting the different stakeholder engagement and communication processes, the type and timing of the information to be disclosed to stakeholders, the management of stakeholder grievances, the budget to implement the plan, and the continuous identification and analysis of stakeholders as well.
46. The objectives of the SECP are the following:
  - i. Facilitate meaningful engagement and consultation with stakeholders.
  - ii. Increase trust between the grantees, communities, and other stakeholders.
  - iii. Facilitate information disclosure and compliance with national legislation regarding consultation and citizen participation<sup>8</sup>.
  - iv. Increase community engagement, especially for disadvantaged, vulnerable stakeholders.
  - v. Facilitate operationalization of the Grievance Mechanism.
  - vi. Increase transparency in projects approved by MAR Fund.
  - vii. Contribute to the project's environmental and social performance enhancement.
47. The standard content of the SECP includes the following aspects. A format of a SECP is presented in the Annex section of this document and it is available in the MAR Fund's website.
  - Introduction
  - Purpose and objectives of the SECP
  - Stakeholder Identification and Analysis

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<sup>8</sup> Refer to the MAR Fund's National Legislation Overview.

- Stakeholder Engagement Strategy
- Information Disclosure
- Grievance Mechanism
- Record Keeping and Documentation

Additional content that may be necessary for certain projects and not for others:

- Legal and Institutional Framework
  - Process to obtain FPIC.
  - Stakeholder Engagement Activities
  - Reporting to Stakeholders
  - Documenting Stakeholders Engagement
48. When the proposed project is composed of several sub-grants or sub-projects that are not yet completely defined but they will be defined as part of the implementation of the project, the grantees will produce a Stakeholder Engagement and Communication Framework (SECF) rather than a SECP. The SECF will be applied to all subsequent sub-projects. The SECF will develop most of the elements of the SECP with less detail and without budget as the specific activities are unknown. In most of the cases, this SECF will be complementary to the Environmental and Social Management Framework (ESMF) required for the project.

#### 1.2.5 INFORMATION DISCLOSURE

49. Accurate, timely, and culturally appropriate information is essential for adequate stakeholder engagement and informed participation.
50. For this reason, MAR Fund’s grantees and organizations submitting proposals to MAR Fund will actively disclose information related to their proposals and projects. that allows for the meaningful engagement and consultation process to be conducted in a transparent, equitable, and well-informed manner.
51. The Information Disclosure Matrix presented below lays out the minimum standard of information disclosure in projects approved by MAR Fund.

**Table 1: Information Disclosure Matrix**



PHASE	ITEM	TO WHO	HOW
DESIGN (All categories)	Concept	Participating <sup>9</sup> and affected stakeholders	Workshops, hearings, and/or proponent website, and/or printed copies
PROPOSAL (All categories)	Proposed project brief (or) summary	Participating and affected stakeholders	Workshops or hearings, and proponent website, and printed copies
Proposed Category C Projects	Nothing additional		
Proposed Category B Projects	Executive Summary of due diligence	Participating, affected, and other stakeholders	Workshops or hearings, and proponent website, and printed copies
Proposed Category B+ Projects	Executive Summary of due diligence, TORs and summary of results of ESIA + other studies <sup>10</sup> .	Participating, affected and other stakeholders. Special guidance when FPIC is sought after	Workshops or hearings, and proponent website, and printed copies. Special guidance when FPIC is sought <sup>11</sup>
APPROVAL (All categories)	Project summary Budget	Participating and affected stakeholders	Grantee's website

<sup>9</sup> Also called "*beneficiaries*"

<sup>10</sup> Other studies are environmental and social inquiries and investigations additional to the ESIA that may be required by the ESSs.

<sup>11</sup> For special guidance when FPIC is sought after see MAR Fund's ESS 7: Indigenous Peoples and Local Communities.

PHASE	ITEM	TO WHO	HOW
	Schedule		MAR Fund’s website posts only the project summary.
Category C Projects	Nothing additional		
Category B Projects	Brief of the ESAP	Participating, affected, and other stakeholders	Grantee’s website
Category B+ Projects	Executive summary and findings of the ESAP (Full ESAP available at request). Other plans to comply with ESSs	Participating, affected, and other stakeholders. Special guidance when FPIC was secured	Workshops or hearings, and proponent website, and printed copies. Special guidance for FPIC
EXECUTION (All categories)	Grievances Monitoring reports	Participating and affected stakeholders	Grantee’s website MAR Fund’s website shall show aggregated information on grievance management
Category C Projects	Nothing additional		
Category B Projects	ESAP monitoring reports	Participating and affected stakeholders	Grantee’s website

PHASE	ITEM	TO WHO	HOW
Category B+ Projects	ESAP monitoring reports Other plans' monitoring reports	Participating, affected, and other stakeholders. Special guidance when FPIC was secured	Workshops or hearings, printed copies, and proponent website. Special guidance when FPIC is sought after
CLOSING (All categories)	ESAP closing report – including grievances report	Participating, affected, and other stakeholders	Grantee's website. MAR Fund's website shall show aggregated information on all projects' grievance management and environmental and social management.

### 1.2.6 GRIEVANCE MECHANISM

52. As outlined in ESS 1, MAR Fund has a Grievance Mechanism to receive and manage grievances, address concerns, and facilitate resolution of complaints with regards to the environmental and social performance of projects funded by MAR Fund and of any other activity financed by MAR Fund. The Grievance Mechanism is especially pertinent when the execution of a project fails to comply with MAR Fund's Policy, or any of its applicable ESSs.
53. MAR Fund requires all its projects to have a functional similar mechanism. The specific requirements to this respect are presented in *section 12.2.8 Grant-Level Grievance Mechanism*.
54. When a grantee has in place its own grievance mechanism, MAR Fund can agree to use it, provided that such a mechanism satisfies this Safeguard.
55. The Grievance Mechanism must be easily accessible to all stakeholders (participating, affected, and other). It will function in the languages spoken in the project location. It will timely process all grievances in a culturally appropriate manner.

56. The Mechanism will permit reception and processing of confidential and anonymous complaints. The responses will be discrete, and sensitive with the *complainer*.
57. The Mechanism does not preclude any legal recourse (or other type of action) related to the execution of a project to which an aggrieved party may feel entitled to, or that MAR Fund may find appropriated. Equally, the reception and processing of grievances by the grantees or by MAR Fund do not imply recognition of fault by any of them.

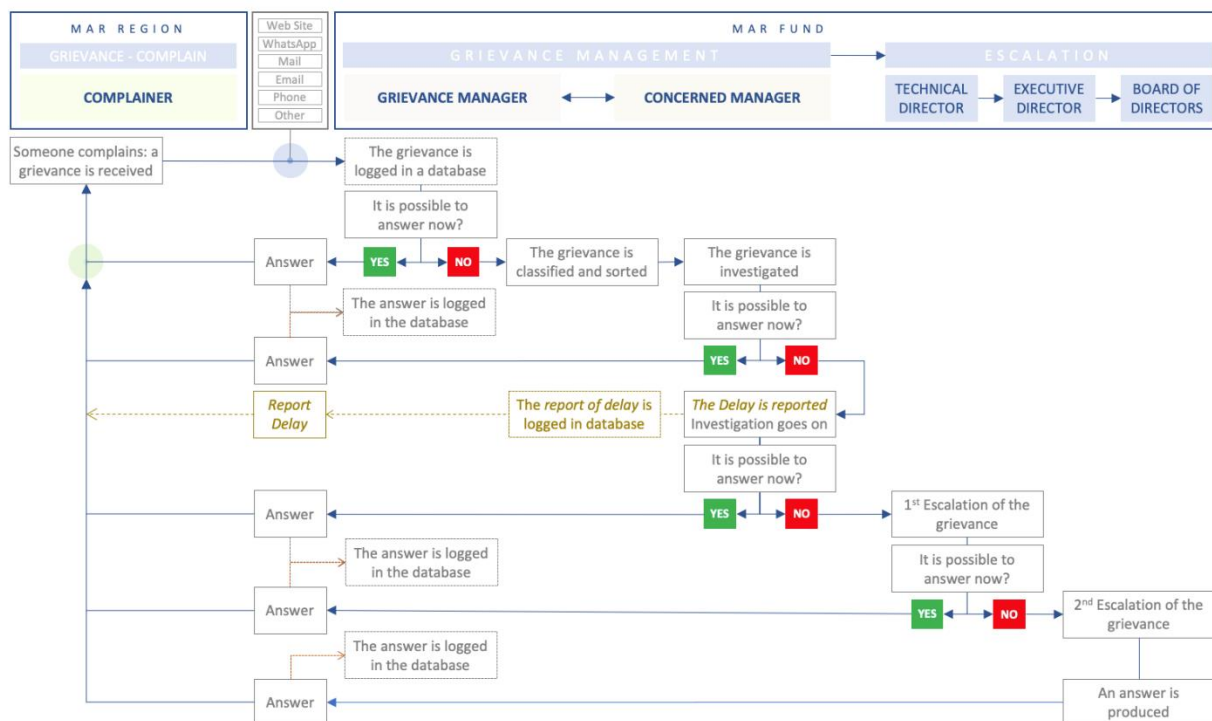
#### 1.2.7 GRIEVANCE MECHANISM AT MAR FUND

58. MAR Fund's Grievance Mechanism consists of the following elements: access, record keeping, process, consolidation, and reporting. All grievances received by the Grievance Mechanism will follow the process presented in next page, Figure 3: MAR Fund's Grievance Mechanism (<https://marfund.org/en/esms/>).

##### 1.2.7.1 ACCESS TO MAR FUND'S GRIEVANCE MECHANISM

59. The Grievance Mechanism can be accessed by any of the following channels: a dedicated email address; functional WhatsApp number; physical (civic) MAR Fund address to receive regular mail; a dedicated sub-section on MAR Fund's website.
60. The Grievance Mechanism is advertised in MAR Fund's website and social media accounts.
61. Grievances can be received by MAR Fund directly from the affected stakeholder. They can also be received as the result of an escalation from a project's Grievance Mechanism.

Figure 3: MAR Fund's Grievance Mechanism



1.2.7.2 RECORD KEEPING

- 62. MAR Fund records the received grievances and the triggered actions on a Grievance Database hosted by the ESMS.
- 63. Grievances are logged on the database at their reception and are assigned with a unique identification number that will be kept all throughout the process.

1.2.7.3 MAR FUND'S PROCESS OF GRIEVANCES

- 64. All grievances received by MAR Fund are processed in the next 25 working days after being logged on the database. If the grievance refers to an issue that requires urgent corrective or preventive action, MAR Fund will act on time to avoid or prevent any harm to people or nature and then process the grievance.
- 65. In this term, MAR Fund delivers, if it is feasible, a complete response looking into the matter of the grievance. If a complete response is not feasible in that period, MAR Fund produces an acknowledgment of reception of the grievance and an explanation of the processing time and the expected date of a complete response. In this case, the full response is due in a reasonable timeframe.

66. If the grievance relates to any of MAR Fund's programs/projects, the manager of the concerned program/project is responsible for the grievance process and response. This person will produce an answer to the grievance in collaboration with the environmental and social safeguards manager of MAR Fund.
67. If the manager of the concerned program, is not available, MAR Fund's environmental and social safeguards manager is responsible for the response process.
68. If the grievance concerns the manager of a program/project, MAR Fund's Technical Director is responsible for the grievance process and response.
69. If the grievance concerns MAR Fund's Technical Director, MAR Fund's Executive Director is responsible for the grievance process and response.
70. If the grievance concerns MAR Fund's Executive Director, MAR Fund should escalate it to the Board of Directors which will abide by the same response processing times

#### *1.2.7.4 CONSOLIDATION AND REPORTING BY MAR FUND*

71. All grievances are consolidated in a database hosted by the ESMS.
72. MAR Fund reports to the Board of Directors on grievances received and the processed as part of the regular reporting arrangements but not less than once per year.

#### **1.2.8 PROJECT-LEVEL GRIEVANCE MECHANISM**

73. The project-level Grievance Mechanism consists of the following elements: access, record keeping, process, escalation, consolidation, and reporting.

##### *1.2.8.1 ACCESS TO THE PROJECT-LEVEL GRIEVANCE MECHANISM*

74. There are a dedicated email address and a functional WhatsApp number to receive grievances at the grantee organization, at a minimum.
75. If the grantee has social media accounts, the Grievance Mechanism and information about how to access it and present a grievance should be available in those accounts.
76. The Grievance Mechanism is advertised in the grantee's communication pieces and social media accounts.
77. Projects implemented in the field have a visible letter box close by a known location such as a community center, the office of an administrator of a Protected Area, a fish market, etc., where letters and other documents can be deposited. These letter boxes

should be checked periodically, and any grievance received should be promptly remitted to the grantee. The project pays the remittance cost.

78. Persons working in the project have access to the Grievance Mechanism and may use it free from reprisal. The grantee will provide them with clear and simple information about the grievance mechanism at the time of recruitment (if they are hired to work on the project) or at the time of incorporation into the project team.

#### 1.2.8.2 PROJECT-LEVEL RECORD KEEPING

79. All grievances are logged on a project-level Grievance Database (on a spreadsheet or similar) and identified with a number that allows for tracking and record keeping.
80. The grievance process and triggered actions are recorded in the project-level Grievance Database and aggregated at the MAR Fund Grievance Database hosted by the ESMS.

#### 1.2.8.3 PROJECT-LEVEL PROCESS

81. The grantee processes the grievance in the next 25 working days after reception.
82. In this term, the grantee delivers, if it is feasible, a complete response to the grievance, or if it is not possible, produces an acknowledgment of reception of the grievance and an explanation of the processing time and the expected date for a complete response. In this case, the full response is due in a *reasonable* timeframe.
83. If the grievance affects MAR Fund's reputation or the reputation of its partners and donors, the grantee should pass this information to MAR Fund without delay.
84. This process is recorded in the project-level Grievance Database (on a spreadsheet or similar) and in the MAR Fund Grievance Database.

#### 1.2.8.4 ESCALATION

85. Although it is preferable to resolve project-related grievances at the grantee level, it may be necessary to escalate the grievance to MAR Fund for further processing. Any grievance could also be escalated autonomously by the aggrieved party if the grantee response is found unsatisfactory.
86. For the escalation, the grantee sends the grievance and the record of the process (partial answers, investigations) to MAR Fund through the regular communication

channels used by the two organizations. The grantee informs the aggrieved party of the escalation.

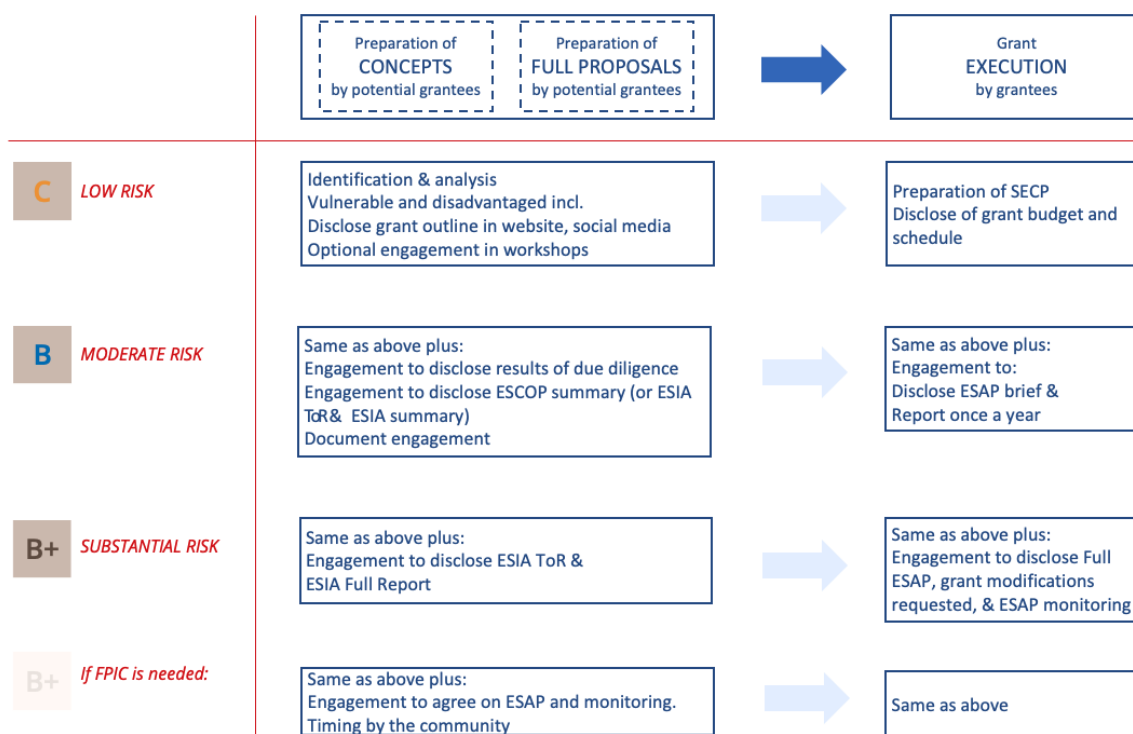
1.2.8.5 PROJECT-LEVEL CONSOLIDATION AND REPORTING

- 87. All grievances at the project-level are consolidated by the grantee.
- 88. The grantee reports to MAR Fund on the grievances received and the processes triggered as part of the regular project reporting arrangements but no less than twice a year.

1.3 ENGAGEMENT AND CONSULTATION PROCEDURES

- 89. The extent and intensity of the stakeholder engagement and consultation is commensurate to the environmental and social risks, potential adverse impacts, and opportunities of the proposed project, as presented in *Figure 4: Stakeholder Engagement by Risk Category*.

Figure 4: Stakeholder Engagement by Risk Category





### 1.3.1 STAKEHOLDER ENGAGEMENT IN CATEGORY C PROJECTS

90. Organizations preparing proposals of Category C projects need to carry out the stakeholder identification and analysis as described before in *section 12.2.1 Stakeholder Identification and Analysis*. They shall disclose an outline of the proposed project and the organizations that eventually will participate in their website or other media<sup>12</sup>.
91. During the preparation of their project proposals, these organizations have the option to organize stakeholder engagement sessions with the participating stakeholders (or “beneficiaries”), should they consider it appropriate. In that case, these organizations may include documentations of these sessions with their proposal. The grantees must consider that Category C project proposals that have been shared and discussed with stakeholders are much more likely to be approved than proposals that have not been shared and discussed.
92. Once the proposals are approved, projects classified as Category C require a simple SECP, as described before in section 12.2.4 Stakeholder Engagement and Communication Plan (SECP). This SECP shall not be a stand-alone document but a part of the ESAP of the project. This SECP must include a functional Grievance Mechanism, as described in *section 12.2.8 Project-Level Grievance Mechanism*.
93. The grantees will disclose the project outline, budget, and schedule in their websites and other media.
94. The grantees executing Category C projects are not requested to comply with anything else regarding stakeholder engagement unless their projects include specific stakeholder engagement activities, or the ESAP include additional engagement activities different than consultation.

### 1.3.2 STAKEHOLDER ENGAGEMENT IN CATEGORY B PROJECTS

95. In addition to the requirements for Category C projects, organizations preparing proposals of Category B (Moderate Risk) projects shall engage with stakeholders to disclose to them the results of the preliminary environmental and social due diligence.
96. During the preparation of their project proposals, the grantees shall engage with the participating stakeholders (or “beneficiaries”) and with other affected stakeholders to

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<sup>12</sup> They shall not disclose any sensitive information.

disclose the concept of their proposed project and consult with them in view of enhancing the design of the proposal by reflecting the stakeholders' views, ideas, and concerns.

97. Similar engagement shall be carried out to discuss the ToR of the studies that may be necessary to complete the proposal, such as the Environmental and Social Site Risk Assessment and an ESCOP. In the remote case that the Category B project proposal requires an ESIA, the procedure established in *point 108* shall be followed.
98. This stakeholder engagement and consultation should be carried out through workshops, public hearings, working meetings, and other similar situations. It can also be carried out through alternative digitally mediated interpersonal communication processes if the emerging environmental and social risks such as the COVID 19 pandemic prevents stakeholders from participating in public meetings.
99. These events should be documented, and records of them should be kept available for a period equivalent to the duration of the project plus two years. MAR Fund may request them.
100. It may be the case that the proposed project is enhanced because of these consultations, by including stakeholder suggestions, responding to their concerns, and accommodating their requirements.
101. The documentation of the engagement and consultation for project proposal preparation should include a summary of the modification or changes made because of this process, as well as the reasons for not considering or not acting upon other proposals, ideas, and concerns of stakeholders.
102. Once the proposals are approved, projects classified as Category B require a full SECP, as described before in section 12.2.4 Stakeholder Engagement and Communication Plan (SECP) with a fully functional Grievance Mechanism, as described in *section 12.2.8 Project-Level Grievance Mechanism*.
103. The grantees shall reach out to and engage with the project's stakeholders, including the vulnerable and disadvantaged stakeholders and promote their involvement in the project.
104. The grantees will engage with stakeholders to disclose a brief of the project's ESAP and any other matter of interest to them.
105. For multi-year projects, grantees will organize update sessions with stakeholders at least once a year to present the partial results of the project and discuss the next

scheduled actions. These updates could be provided in workshops, public hearings, working meetings, and other similar situations, or through alternative digitally mediated interpersonal communication processes.

106. If there is a significant change in the project that may result in additional environmental and social risks and impacts, the grantees should inform their stakeholders timely and appropriately.

### 1.3.3 STAKEHOLDER ENGAGEMENT IN CATEGORY B+ PROJECTS

107. In addition to the requirements for Category C and Category B projects, organizations preparing proposals of Category B + (Substantial Risk) projects shall engage with participating and affected stakeholders to discuss the ToR document of the ESIA before it is finalized with the purpose of integrating stakeholder's suggestions. In the remote case that the Category B + project proposal does not require an ESIA, the same procedure will be followed with the ToRs of the Environmental and Social Site Risk Assessment and an ESCOP.
108. Similar stakeholder engagements shall be carried out to disclose the results of the ESIA and discuss its findings, especially with regards to the single environmental and social risk or potential impact that is significant, irreversible, extended, or unprecedented.
109. Documentation of these consultations shall be presented with the proposal.
110. Once the proposals are approved, projects classified as Category B + require a full SECP, as described before in section 12.2.4 Stakeholder Engagement and Communication Plan (SECP) with a fully functional Grievance Mechanism, as described in *section 12.2.8 Project-Level Grievance Mechanism*.
111. The grantees shall reach out to and engage with the project's stakeholders, including the vulnerable and disadvantaged stakeholders and promote their involvement in the project.
112. The grantees will engage with stakeholders to disclose a full version of the project's ESAP, and the monitoring arrangements, especially these related to the social risk or potential impact that is significant, irreversible, extended, or unprecedented.
113. Category B + projects that involve access restrictions to natural resources, must satisfy the requirements set forth by MAR Fund's ESS 5: Access Restrictions to Natural

Resources, Livelihood Lost, and Limited Involuntary Resettlement (section 7 of this document).

114. For multi-year projects, grantees will organize update sessions with stakeholders at least once a year to present the partial results of the project and discuss the next scheduled actions. These updates could be provided in workshops, public hearings, working meetings, and other similar situations, or through alternative digitally mediated interpersonal communication processes.
115. When a Category B + project required the FPIC of the affected communities, in addition to the FPIC specific requirements established in *section 9.2.2 Free, Prior, and Informed Consent* of this document, the affected communities need to be engaged during project preparation to discuss and agree on the ESAP elements of the future project and the monitoring arrangements. The timing of the stakeholder engagement and consultation cannot be established unilaterally by the organization proposing the project because it should respond to the needs and customs of the community whose FPIC is sought after.
116. If there is a significant change in the project that may result in additional environmental and social risks and impacts, the grantees should inform their stakeholders timely and appropriately.

\*\* \*\* END OF ESS 10 \*\* \*\*