



ENVIRONMENTAL AND SOCIAL POLICY

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MAR FUND

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

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GLOSSARY

AFD	Agence française de développement ¹
BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung ² BZ
Belize	
EbA	Ecosystem-based Adaptation
CSO	Civil Society Organization
DD	Due Diligence
ESDD	Environmental and Social Due Diligence
ES	Environmental and Social
ESMS	Environmental and Social Management System
ESPF	Environmental and Social Performance Framework
ESS	Environmental and Social Safeguards
FB	Fundación Biosfera
FC	Financial Cooperation
FCG	Fundación para la Conservación de los Recursos Naturales y Ambiente en Guatemala
FI	Financial Intermediary
FFEM	Fonds français pour l'environnement Mondial ³
FMCN	Fondo Mexicano para la Conservación de la Naturaleza
FC-Measures	Financial Cooperation Measures
FPIC	Free, Prior, and Informed Consent
GCF	Green Climate Fund
GEF	Global Environment Facility
GMO	Genetically Modified Organism

¹French Development Agency

²Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany.

³French Facility for Global Environment.

GT Guatemala

HN Honduras

IDB Inter-American Development Bank

IFC International Financial Corporation

ILO International Labour Organisation

KfW Kreditanstalt für Wiederaufbau⁴

MAR Fund Mesoamerican Reef Fund

MX Mexico

NGO Non-Governmental Organization

OECD Organisation for Economic Co-operation and Development

PACT Protected Areas Conservation Trust

PS Performance Standards

SDG Sustainable Development Goal

SEA Sexual Exploitation and Abuse

ToR Terms of Reference

IUCN International Union for Conservation of Nature UN United Nations

UNDP United Nations Development Programme

UNEP United Nations Environmental Programme

⁴Reconstruction and Credit Corporation of the Federal Republic Germany.

MAR FUND ENVIRONMENTAL AND SOCIAL POLICY

1. The Environmental and Social Policy (the Policy) contributes to the achievement of MAR Fund's vision, shared with donors, founders and implementing partners, of a thriving Mesoamerican Reef system that sustains, and is supported by, society within a regenerative economy.
2. The purpose of the Policy is to ensure that grants and projects approved by MAR Fund and MAR Fund projects and activities have a considerable net benefit for the environment and communities of the MAR. The Policy provides the MAR Fund Board of Directors, staff members, consultants and grantees with principles, safeguards, and procedures to avoid (or minimize, when avoidance is not possible) adverse environmental and social impacts, and to enhance positive impacts to the maximum extent possible in the MAR region
3. The following principles inform MAR Fund's Policy:
4. *Mitigation Hierarchy*: First, it is required to anticipate and avoid environmental, social, and Climate Change-related risks and potential adverse impacts; second, it is required to minimise the remaining risks and impacts; third, it is required to mitigate any residual risks and impacts; and, finally, when total avoidance is not possible and residual impacts remain, as a last resort measure it is required to compensate or offset these residual adverse impacts.
5. *Alignment with National Conservation Priorities*: MAR Fund's activities are aligned with the conservation priorities of the Governments of Mexico, Belize, Guatemala and Honduras and observe their national legal frameworks.
6. *Most Stringent ES Policy provision*: When MAR Fund's environmental and social provisions are to be considered in parallel with the provisions of any of the Governments of Mexico, Belize, Guatemala and Honduras, the most stringent environmental and social Policy provision should apply.
7. *Respect for Human Rights*: MAR Fund ensures full respect for Human Rights in all its activities and takes special care to protect the rights of vulnerable individuals and local communities, and Indigenous Peoples. In the spirit of the Escazú Agreement, MAR Fund supports a safe and enabling environment for persons, groups, and organizations that promote and defend human rights in environmental matters, so that they can act free from threat, restriction, and insecurity.
8. *Proportionality*: The environmental and social actions and procedures required by MAR Fund are proportional and commensurate to the environmental and social risks and potential adverse impacts of the proposed activities.

9. Precautionary Principle: When in doubt about a project's environmental and social risk classification (see § 15 below), the higher risk classification should be assigned.
10. Comprehensiveness – The ES Policy applies to all of MAR Fund activities, including the activities of MAR Fund grantees that are fully or partially funded by MAR Fund, regardless of other financial sources.
11. Efficiency and Effectiveness – MAR Fund implements its ES Policy with optimal use of resources as an integral part of MAR Fund's decision-making, management, and quality systems. In doing so, MAR Fund avoids duplication of information, activities, and processes.
12. Cooperation – The ES Policy is implemented with partners and communities with the technical support of, and in cooperation with, MAR Fund.
13. MAR Fund mainstreams the application of the following Environmental and Social Safeguards (ESS) in its project cycle:
 - ESS 1: Assessment and Management of Environmental and Social Risks and Impacts.
 - ESS 2: Labour and Working Conditions.
 - ESS 3: Resource Efficiency and Pollution Prevention
 - ESS 4: Community Health, Safety, and Security.
 - ESS 5: Access Restrictions to Natural Resources, Livelihood Lost, and Limited Involuntary Resettlement.
 - ESS 6: Biodiversity and Conservation and Sustainable Management of Living Natural Resources.
 - ESS 7: Indigenous Peoples and Traditional Local Communities.
 - ESS 8: Cultural Heritage.
 - ESS 9: Gender
 - ESS 10: Stakeholder Engagement, Information Disclosure, and Participation.
14. The Policy, the ESSs, and the procedures, processes, and tools necessary for its implementation constitute the Environmental and Social Management System (ESMS) of MAR Fund.
15. As per the MAR Fund's ESS 1: Assessment and Management of ES Risks and Impacts, MAR Fund's activities must be classified in terms of their ES risks and potential adverse impacts, in one of the following categories:
 - Category A (High Risk)

Activities with significantly adverse risks to, and potential impacts on, the environment and/or communities. Environmental and social risks and potential impacts are diverse, extended, irreversible, or unprecedented.

- Category B+ (Substantial Risk)

Activities otherwise categorized as Category B, except that there is a single environmental and social risk or potential impact that is significant, irreversible, extended, or unprecedented¹.

- Category B (Moderate Risk)

Activities with environmental and social risks and potential impacts that are limited, largely reversible, generally site-specific, and readily addressed through mitigation measures.

- Category C (Low Risk)

Activities with minimal or no adverse environmental and social risks and/or impacts.

16. *Conformity with other policies and systems:* Although clearly distinct, MAR Fund's ES Policy and its ESSs are consistent with the KfW Sustainability Guideline, the International Financial Corporation (IFC) Policy on Environmental and Social Sustainability, and the World Bank Environmental and Social Policy for Investment in Project Financing.
17. The application of the environmental and social Policy and the implementation of the ESMS is the responsibility of MAR Fund's Board of Directors, staff members, and grantees, mirroring the project cycle. Their roles and responsibilities with regards to the Policy and the implementation of the ESMS are established in MAR Fund's ESMS Operation Manual.

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¹ If there is more than one ES risk or potential impact of these characteristics, the activity is classified as Category A.