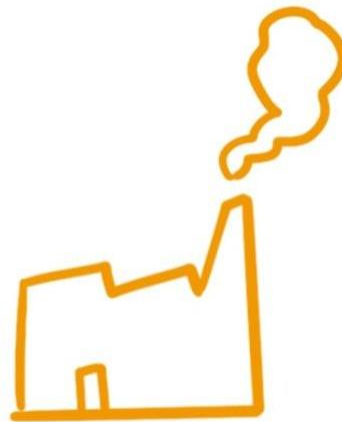


ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION

RESOURCE
EFFICIENCY AND
POLLUTION
PREVENTION



MAR FUND'S ESMS

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION

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“ESS3: Resource Efficiency and Pollution Prevention” is part of MAR Fund’s Environmental and Social Management System (ESMS). Therefore, ESS 1 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 ¹
BMZ	Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung ²
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

¹ French Development Agency

² 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 ³
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 ⁴
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

³ French Facility for Global Environment.

⁴ 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 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION

1.1 INTRODUCTION

1. The “ESS 3: Resource Efficiency and Pollution Prevention” (ESS 3) is based on the IFC’s PS 3 Resource Efficiency and Pollution Prevention and the World Bank’s ESS 3: Resource Efficiency and Pollution Prevention and Management. It reflects and integrates the aspects of these two instruments that are relevant to MAR Fund’s activities and projects. It also includes relevant elements from the KfW Sustainability Guideline and the IDB’s ESPS 3 Resource Efficiency and Pollution Prevention.

1.1.1 OBJECTIVES

2. The objectives of the ESS 3 are to:
 - i.* Avoid adverse impacts on human health and the environment by implementing the mitigation hierarchy: avoiding, mitigating, and minimizing pollution⁵, including land-based sources of pollution that contribute to the degradation of marine and coastal zone ecosystems, and managing residual pollution that cannot be avoided or mitigated.
 - ii.* Promote the sustainable use of natural resources, including energy and water.
 - iii.* Improve the environmental and social performance of projects financed by MAR Fund.

1.1.2 SCOPE OF APPLICATION

3. The applicability of the ESS 3 is decided during the environmental and social due diligence, following the ESS 1 and with the support of the ESSQ tool. Projects that include infrastructure construction, refurbishment, or decommissioning trigger this ESS. Equally, projects that include the sustainable use of living resources trigger this ESS as well.

1.2 PRINCIPLES

4. MAR Fund will not finance or otherwise support projects and activities that generate uncontrolled pollution or make inefficient use of living natural resources.

⁵ The term pollution “refers to both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases and includes other components such as pests, pathogens, thermal discharge to water, GHG emissions, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts, including light”. IDB, ESPS (ESPS 3).

5. The grantees will protect the environment and the communities from harm. They will avoid the release of pollutants into the air, water, and soil. Where total avoidance is not possible, they will minimize the release of pollutants to a minimum acceptable under the laws of Mexico, Belize, Guatemala, or Honduras (depending on the country where the project is implemented).
6. The grantees shall exert their best judgement to increase their resource use efficiency, optimize their use of energy to the extent technically and financially feasible, and implement measures to improve their resource use efficiency, including their use of water, raw materials and living resources.

1.2.1 WASTE MANAGEMENT

7. The grantees will implement a *reduce, reuse, recycle* approach to their waste. It means that they will reduce to the minimum possible the waste their projects produce; then, they will find ways to reuse the materials that were going to be disposed of as waste; and finally, when local facilities allow, they will recycle material as much as possible.
8. The grantees will explain how they will manage the waste produced during the implementation of their projects. In principle, they will avoid the generation of hazardous and non-hazardous waste. Where, despite prevention measures, the project generates some waste, they will recover and reuse as much waste as possible and dispose of the remaining waste in a manner that is safe for human health and the environment.
9. Projects with significant waste production must have a Waste Management Plan that articulates all actions to ensure the safe management of waste from generation to disposal, including safe handling and storage.
10. All projects involving the construction, renovation or decommissioning of infrastructure require such a plan. Other projects may also require such a plan. The grantees should follow the guidance for the development of the waste management plan contained in the World Bank's EHS guidelines. These plans will be integrated into the project's ESMP or ESCOP, as appropriate.

1.2.1.1 HAZARDOUS MATERIALS

11. The grantees shall avoid the use of hazardous materials as much as possible and shall give preference to less hazardous substitutes when they must use them. Hazardous materials include persistent organic pollutants, ozone depleting substances,

batteries, petroleum products, biocides and other pesticides, infectious agents of any host (plant, animal, human), cleaning products, paint, and radioactive, mutagenic, or carcinogenic materials, etc. Where hazardous materials are to be used despite avoidance and mitigation measures, grantees shall take special care in their safe handling, use and disposal, as set forth in § 12 and 13 below.

12. If the waste is totally or partially hazardous, grantees shall ensure that it is always segregated from non-hazardous waste, safely stored to prevent accidental releases, and managed by fully trained staff, respecting the national laws of Mexico, Belize, Guatemala, or Honduras (depending on the country where the project is implemented) and the pertinent international instruments and agreements. For this, they will implement a Hazardous Waste Management plan, following the World Bank's EHS Guidelines.
13. When the project produces small quantities of hazardous waste, such as electrical equipment waste, used batteries (nickel-cadmium or lead acid), spent solvents, used lubricated oil, lamp ballast, etc., the grantee shall ensure that this waste is stored, managed, and disposed of using the same precaution and care as requested in § 12 above.

1.2.2 PESTICIDE USE AND MANAGEMENT

14. In some circumstances, grantees may be required to control pests. In these cases, they shall use cultural, biological, and genetic practices for pest control – unless it is determined that doing so will impact biodiversity negatively.
15. When the use of these preferred practices is not feasible, the use of biocides may be considered as a last resort solution.
16. In that case, to ensure that the environmental and health risks associated with pesticide use are minimized and managed, the grantee should formulate and implement an Integrated Pest Management Plan (IPM Plan). An Integrated Pest Management Plan is a set of articulated ecosystem-based actions for effective and environmentally sound pest management while minimising health and environmental risks (including risks to terrestrial and aquatic ecosystems, non-target species and other important ecological resources associated with the use of biocides and other pest management techniques). An IPM comprehends a combination of techniques, including biological control, habitat manipulation, cultural practices and, at the last resort as it was said, reasonable and safe use of biocides.

17. The IPM Plan shall include biocides of low human toxicity, known efficacy against target species and be safe for non-target species and the environment. Biocides shall be packaged in safe containers and clearly labeled for safe and appropriate use. For labeling, preference will be given to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) classification. These plans will be integrated into the Activity's ESMP or ESCOP, as required.
18. If biological control agents are employed, the provisions of the International Standard for Phytosanitary Measures (ISPM) #3 '*Guidelines for the export, shipment, import and release of biological control agents and other beneficial organisms*' will be followed.
19. The grantees must not purchase, trade, store, or otherwise use products included in the WHO Recommended Classification of Pesticides by Hazard Class I.a. (extremely hazardous) or Class I.b. (highly hazardous).
20. The grantees must not purchase, trade, store, or otherwise use products included in the WHO Recommended Classification of Pesticides by Hazard Class II. (moderately hazardous) pesticides unless they have adequate controls in place, including restricted access to properly trained and equipped personnel (with Personal Protective Equipment (PPE)), and appropriate facilities to handle, store and dispose of these products. These controls and capabilities must be demonstrated to MAR Fund's satisfaction and may be verified by MAR Fund.

1.2.3 INFRASTRUCTURE CONSTRUCTION, UPGRADE, OR DECOMMISSIONING

21. When a project includes the construction, improvement or dismantling of infrastructure, the grantee shall obtain the necessary permits and licenses required by the national regulations of Mexico, Belize, Guatemala, or Honduras, as the case may be.
22. Project proposals including infrastructure activities will be subject to the procedures for the assessment and management of environmental and social risks established by the ESS 1. With the occasion of the due diligence, the infrastructure activities will be categorized as follows:
 - Major infrastructure is defined as activities with a capital expenditure (capex) of more than US\$10 million;
 - Large infrastructure is defined as activities with a Capex between US\$5 million and US\$10 million;

- Medium/repair infrastructure is defined as activities with a CAPEX between US\$ 500,000 to US\$5 million; and
 - Small/repair infrastructure is defined as activities with a CAPEX of up to US\$ 500,000.
23. Project proposals that include major, large or medium infrastructure activities will be automatically classified at least as Category B+ (Substantial Risk), and therefore, there will be necessarily an ESIA. If the ESIA study find that the environmental and social risks and impacts of the project comprising *major, large or medium* infrastructure are significant, diverse, extended, irreversible, or unprecedented, the proposal might be classified as Category A (High Risk) and denied because of the Exclusion List. If it is found to be Category B+ (Substantial Risk), the proposal must follow the procedures for projects of this category.
24. Project proposals that include small infrastructure activities will be automatically classified at least as Category B (Moderate Risk). Small infrastructure is defined as facilities such as: wooden docks, palapas, trails and wooden watchtowers. The organization proposing the project with small infrastructure activities should plan, design, construct or decommission the infrastructure in a manner that ensures environmental and social sustainability (including climate resilience) throughout its life cycle. If the proposed project has minor environmental and social risks and impacts and the national legislation does not require an ESIA, an Environmental and Social Site Assessment shall be carried out and an ESCOP shall be formulated. If the national legislation requires, an ESIA will be conducted and an ESMP formulated. In either case, the ESMP or ESCOP should include the environmental and social management measures necessary to avoid, minimize, and mitigate environmental and social risks and impacts of the construction, upgrading, or decommissioning of the infrastructure.
25. The grantees executing or proposing projects that include the construction, improvement or dismantling of infrastructure shall follow the ESMP or ESCOP⁶ measures, ensuring that their activities do not cause a permanent negative impact and that any temporary negative impact is minimized and mitigated.

⁶ ESMP in case the project required an ESIA. ESCOP in case the project did not require an ESIA. For more information regarding ESMP and ESCOP, please refer to MAR Fund's ESS 1, sections 4.3.5 and 4.3.6 of this document.

26. If the infrastructure construction, upgrade, or decommissioning will take place in a protected area, the project shall be aligned with the area's management plan, as established in MAR Fund's ESS 6.
27. If the new or the upgraded infrastructure will be used by people⁷ or will increase the influx of people on the premises, the grantee needs to implement a Drinking Water and Sanitation Plan to i) make sure that people using the infrastructure have access to drinking water, and b) people using the infrastructure have access to sanitation services, as per the following Water, Sanitation, and Hygiene (WASH) standard⁸:
28. The infrastructure shall have safely managed drinking water⁹ that is accessible on premises, available when needed, and free from contamination. This improved drinking water shall be at least limited drinking water, that is drinking water from an improved source for which collection time does not exceed 30 minutes for a roundtrip including queuing (which includes bottled drinking water).
29. The infrastructure shall have sanitation services that hygienically separate excreta from human contact, either treated and disposed of *in situ*, stored temporarily and then emptied and treated off-site, or transported through a sewer with wastewater and then treated off-site.
30. The infrastructure shall have basic hygiene service, that is an available handwashing facility with soap and water on-premises.

** ** END OF ESS 3 ** **

**** END OF DOCUMENT ****



⁷ I.e., the infrastructure is a building, a school, a community center, a health center, etc.

⁸ Definitions are from the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP).

⁹ Safely Managed Drinking Water: is drinking water from an improved water source that is accessible on premises, available when needed and free from faecal and priority chemical contamination.