**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM**

# ESS 6: BIODIVERSITY AND CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES


MAR FUND'S ESMS

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

# ESS 6: BIODIVERSITY AND CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVINGNATURAL RESOURCES

Date: 14-03-2022
Version: Final
Circulation: Open

"ESS 6: Biodiversity and Conservation and Sustainable Management of Living Natural Resources" 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.

## TABLE OF CONTENTS

## • GLOSSARY

| | |
|---|---|
| AFD | Agence Française de Développement[1] |
| BMZ | Bundesministerium für Wirtschaftliche Zusammenarbeit und Ent-wicklung[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 Wederaufbau[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 6: BIODIVERSITY AND CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

## 1.1 INTRODUCTION

1. The "**ESS 6: Biodiversity and Conservation and Sustainable Management of Living Natural Resources**" (ESS 6) pursues 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. MAR Fund is a Conservation Trust Fund (CTF), member of the IUCN, and bearer of the clear mission to drive regional funding and partnerships for the conservation, restoration, and sustainable use of the Mesoamerican Reef. Therefore, its Biodiversity Safeguard is of particular importance and, in some respects, exceeds similar safeguards of development and funding agencies. In this regard, this ESS 6 does not permit the approval or implementation of projects that affect biodiversity to the extent that compensation measures are required.[5]

3. The ESS 6 structure follows, to some extent, the IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources. It also complies with the IFC's PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources, the World Bank's ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, and the IDB's ESPS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

### 1.1.1 PURPOSE AND OBJECTIVES

4. The purpose of the ESS 6 is to ensure that projects approved by MAR Fund have a considerable net benefit for the MAR Region's biodiversity as provider of global environmental benefits, maintain ecosystem services, and support the generation of local livelihoods by making sustainable use of natural resources.

5. The objectives of the ESS 6 are the following:

[5] This provision does not prevent MAR Fund from approving projects that implement components of a compensation system, provided that the negative impacts that caused the need to compensate are not produced in a protected area nor as a consequence of a MAR Fund approved grant or project.

i. To conserve and protect freshwater, coastal, and marine biodiversity in the MAR Region and to guide restoration of the Mesoamerican Reef.
ii. To have a systems approach to ecosystems to preserve their functions and ensure the benefits from their services, especially to communities that depend on them for their livelihoods.
iii. To improve the performance of projects approved by MAR Fund to achieve net biodiversity benefits.

### 1.1.2 DEFINITIONS

6. For MAR Fund's ESMS, the terms presented in this section will have the following meaning. These definitions rely on the IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources and the Convention of Biological Diversity, unless otherwise explicitly indicated.

- *Areas with high biodiversity value* are areas with one or more of the following attributes:
  - areas important to threatened species according to the *IUCN Red List of Threatened Species*;
  - areas important to endemic or restricted-range species or to migratory and species that aggregate;
  - areas representing key evolutionary processes, providing connectivity with other critical habitats or key ecosystem services;
  - highly threatened and/or unique ecosystems[6];
  - areas identified as Key Biodiversity Areas and subsets such as:
    - important Bird and Biodiversity Areas
    - important Plant Areas
    - important Sites for Freshwater Biodiversity and
    - Alliance for Zero Extinction (AZE) sites
  - High Conservation Value areas[7] (including Indigenous Peoples' sacred sites)

[6] To be determined by the evolving IUCN Red List of Ecosystems.

[7] Referred to by other safeguard systems as Critical Habitats (IFC PS 6, IDB PS 6).

- *Biological Diversity* means the variability among living organisms from all sources including, inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems[8].
- *Critically Endangered species* is used in the context of the IUCN Red List, to refer to a species with extremely high risk of extinction in the wild in the immediate future.
- *Endangered species* is used in the context of the IUCN Red List, to refer to a species with very high risk of extinction in the wild in the immediate future.
- *Ecosystem* is a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit[4].
- *Ecosystem services* are a set of benefits that people, including businesses, derive from ecosystems. They are organized in four types:
  - Provisioning services: the products people obtain from ecosystems;
  - Regulating services: the benefits people obtain from the regulation of ecosystem processes;
  - Cultural services: the non-material benefits people obtain from ecosystems; and
  - Supporting services: the natural processes that maintain the other services
- *Habitat* means the place or type of site where an organism or population naturally occurs[4]. There may be *Modified Habitats*, that are areas that may contain a large proportion of plant or animal species of non-native origin, where human activity has substantially modified the area's primary ecological functions and species composition[9].
- *Protected Area* are clearly defined geographical spaces, recognised, dedicated, and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.
- *Sustainable use* is the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby

[8] Convention of Biological Diversity, Article 2., Use of Terms.

[9] IDB's ESPS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

maintaining its potential to meet the needs and aspirations of present and future generations[4].

### 1.1.3 APPLICABILITY AND TRIGGERS

7. The ESS 6 applies when there are risks causing harm to the biodiversity, or the project may be detrimental to ecosystem services or make unsustainable use of natural resources. The environmental and social due diligence with the support of the ESSQ determines the applicability of the ESS 6.

8. The ESS 6 does not apply to Non-Area-Based projects, as defined in ESS 1 (*section 3.2.2 Area-Based and Non-Area-Based Projects),* nor does it apply to projects classified as Category C *(section 3.2.1 Risk-Based Classification*).

9. By general rule, the ESS 6 is not applicable for projects that are implemented exclusively in Modified Habitats, as defined in *section 8.1.2 Definitions above*, and that do not include the use of living natural resources.

10. Projects of the following type will most probably trigger the ESS 6. It is important to keep in mind that this is just an indicative list and the decision regarding the applicability of the ESS 6 will be made case by case:

- Projects involving the creation of a Protected Area
- Projects changing the management regime of a Protected Area
- Projects that include the introduction of non-native species
- Projects that are carried out in a Protected Area or in an area with high biodiversity value, *and:*
  - Include infrastructure construction, upgrades, or decommissioning
  - Include agriculture or aquaculture activities
  - include wild-harvest fisheries or wildlife management activities
  - involve the use of timber or non-timber forest products
  - Involve the risk of creating pathways for spreading invasive species

## 1.2 REQUIREMENTS

### 1.2.1 PROTECTED AREAS

11. All projects to be implemented in a Protected Area should comply with the pertinent national legislation of the country where the Protected Area is located (Mexico, Belize, Guatemala, and Honduras)[10]. When a project involves Protected Areas located in more than one country, the grantee should comply with the national pertinent legislation of the involved countries. When two different national legislations can be applied to the same project at the same time, in accordance with MAR Fund's *Most Stringent Policy Provision*[11], the most stringent standard or provision must apply.

12. In Protected Areas, grantees only can implement projects intended to support and strengthen these areas. Their projects will not lead to adverse impacts on the biodiversity, nor affect the ecological processes supporting this biodiversity, nor lead to a net reduction of the population of any Critically Endangered or Endangered species, as defined in *section 8.1.2 Definitions above*.

13. When a project is to be implemented in a Protected Area, the grantee shall ensure alignment with the management plan (or an equivalent document) of that area unless the project is intended to formulate the management plan of the Protected Area -in such case the provisions of *§ 14* apply.

14. When the project includes formulating a management plan of a Protected Area or making significant changes to the existing management plan of a Protected Area, the grantee shall follow the national legal, institutional, and regulatory requirements for this specific purpose, including when necessary, carrying out a fit-for-purpose ESIA to inform the formulation of such plan or the changes to the existing plan.

15. The management plan of a Protected Area must not impinge on the lands owned, or claimed, by Indigenous Peoples, impact territory under traditional use by indigenous Peoples; affect indigenous Peoples' access to resources unless the project satisfies the requirements set forth in MAR Fund's ESS 7 Indigenous Peoples and Local Communities (*section 9* of this document). When formulating or modifying protected area management plans, grantees shall be vigilant of not disempowering Indigenous Peoples and Traditional Local Communities, including violating their rights or creating the conditions for removing them from their lands.

[10] For more information about the legal framework see MAR Fund National Legislation Overview.

[11] *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. MAR Fund's Environmental and Social Policy (section 2 of this document).

#### 1.2.1.1 INFRASTRUCTURE IN A PROTECTED AREA

16. Projects approved by MAR Fund to be implemented in protected areas may include only small (to be analyzed on a case-by-case bases) infrastructure construction, refurbishment, or decommissioning. These projects must satisfy all the requirements established by the national legislation and secure all the necessary permits and licenses. In addition, these projects must satisfy the requirements of MAR Fund's ESSs that are not included in the national legislation.

17. The grantees executing projects involving infrastructure construction, upgrade, or decommissioning shall ensure that their activities will not cause negative permanent impact on the Protected Area and that any temporary negative impact is minimized and mitigated.

18. The grantees shall conduct a fit-for-purpose ESIA and formulate an ESMP before executing projects involving small infrastructure construction, refurbishment, or decommissioning in a protected area. If the national legislation does not require an ESIA for this type of projects, and the environmental and social due diligence does not identify the need to carry out an ESIA, grantees shall carry out an Environmental and Social Site Risk Assessment and formulate an ESCOP. This also applies to projects involving sustainable use of living resources in protected areas. (See more information about this topic in sections *3.3.5 Procedures related to the ESIA and 3.3.6 Procedures related to the ESCOP*).

19. Any new or refurbished infrastructure in a protected area shall satisfy the requirements set forth in MAR Fund's ESS 3 (*section 5.2.3 Infrastructure Construction, Upgrade, or Decommissioning*).

### 1.2.2 OTHER AREAS WITH HIGH BIODIVERSITY VALUE

20. Projects to be implemented in Areas with High Biodiversity Value, as defined in *section 8.1.2 Definitions above*, will not lead to adverse impacts on the biodiversity, nor affect the ecological processes supporting this biodiversity, nor lead to a net reduction of the population of any Critically Endangered or Endangered species.

21. Areas with High Biodiversity Value may include modified habitats.

22. For the purposes of this Safeguard, *Fish Spawning Aggregation Sites* are considered areas with high biodiversity value whether they are part of a Protected Area or not.

23. To determine whether the project is inside an Area with High Biodiversity Value, grantees are encouraged to use the best available data, including spatial data and landscape mapping, land classification and land use maps, satellite imagery, ecosystem maps, and topographical and hydrological maps.[12]

24. If the project involves infrastructure construction, upgrade, or decommissioning inside an Area with High Biodiversity Value, grantees shall satisfy the provisions established in section *8.2.1.1 Infrastructure in a Protected Area*.

### 1.2.3 RESEARCH ACTIVITIES

25. Research is essential to improve long-term biodiversity conservation and use of living natural resources. Accordingly, some projects may include research activities intended to increase critical knowledge of biodiversity and natural resources.

26. All research-related activities of projects approved by MAR Fund shall involve the participation of scientists, use the best available expert advice. They should also involve local communities and their traditional and ancestral knowledge with their FPIC, use local fishers when feasible, and share research results with local communities, organizations managing Protected Areas, and other stakeholders.

27. The use of animals for scientific purposes projects approved by MAR Fund shall always be justified in terms of its contribution to the achievement of net biodiversity benefits. Projects that include research activities using animals and other natural living resources shall have a Research Protocol that summarizes the measures to prevent harm, minimize stress, and avoid other unintentional adverse impacts. The grantees are welcome to adopt commonly used research protocols for this purpose. If the activity requires the collection of specimens, it must be carried out in accordance with national legislation, after obtaining the necessary permits.

### 1.2.4 RESTORATION ACTIVITIES

28. To preserve the genetic variability of ecosystems/populations in restoration projects, MAR Fund will preferentially support projects that include or consider genetic studies to maintain genetic variability in the ecosystem/population being restored. The Grantees shall always follow the best available science to guide their restoration activities.

[12] World Bank's Guidance Note on ESS 6.

29. All proposals that involve restoration activities, including coral restoration and other type of restoration, must have all the relevant permits and licenses –or proof that the permits are being processed– required by the legislation of Mexico, Belize, Guatemala, or Honduras, as the case may be, before being considered by MAR Fund. When a proposal is presented without the required permits and licenses, it shall not be approved by MAR Fund.

30. When a project proposal includes coral restoration[13], the grantee shall justify the activity a thorough review of the status of coral species in the region where the activity is to be implemented, as well as the geographic location, the site ecology, the available human resources, and the required permits.

31. For asexual coral restoration, preference will be given to "fragments of opportunity"[14]. After "fragments of opportunity" are used, restoration can be carried out using fragments removed from intact colonies (donor colonies) in reference sites or similar reefs that are located close to the recipient sites.

32. It is highly recommended that the amount of extracted material from intact colonies does not exceed 10 percent of each colony as to avoid damage to, and minimize stress of, donor areas. This decision, however, will be made on a case-by-case basis.

### 1.2.5 INTRODUCTION OF INVASIVE ALIEN SPECIES

33. Projects approved by MAR Fund shall avoid introducing invasive alien species in the MAR Region.

34. Invasive alien species are alien species whose introduction and/or spread threaten biological diversity[15].

[13] Understood as the "processes of recovering reefs that have been damaged or disturbed in their physical, biological, or functional integrity, by implementing actions to revert it, as much as possible, to its original state" MAR Fund's Training Guide for Coral Reef Restoration. The section of Coral Reef Restoration has been developed under the basis of the training guide prepared by MAR Fund and the Mesoamerican Reef Rescue Initiative (RRI) with the support of the International Coral Reef Initiative (ICRI) and the Small Grants Program for United Nations Environmental Programme (UN/UNEP.

[14] Fragment of opportunity is a portion of a coral that is broken off. These fragments are abundant after damaging events such as boat grounding or storms. (MAR Fund's Training Guide for Coral Reef Restoration).

[15] Convention on Biological Diversity Secretariat (2000).

35. MAR Fund's grantees shall identify and manage potential pathways of introduction of invasive species in their projects, especially in projects involving the sustainable use of living natural resources[16].

36. Projects with high risk of introduction of invasive alien species will be classified as Category A and, therefore, excluded from MAR Fund support.

37. Projects that present moderate risk of introduction of invasive alien species will be classified as Category B+ unless they present strong Management Plans of Invasive Alien Species that include preventive and mitigation measures such as inspection, wash-down and quarantine procedures specifically designed to address the risk of spread of invasive species[17]. When this risk is moderate and the project is implemented in vulnerable ecosystems such as islands and isolated ecosystems, the project shall be classified as Category B+.

38. The grantees may refer to the Technical Note of the Convention of Biological Diversity: "Pathways of Introduction of Invasive Species, their Prioritization and Management" for further guidance, resources, and tools[18].

### 1.2.6 SUSTAINABLE USE OF LIVING NATURAL RESOURCES

39. Living natural resources are wild living resources or plants and animals cultivated or harvested for human or animal consumption. The term relates to agriculture, animal husbandry, wild-harvest fisheries, aquaculture, forestry, wildlife management and the harvest of wild plants and other non-timber forest products.

40. Projects involving plantation development (agriculture or forestry or any other type) that requires conversion or degradation of natural forest areas or of any other area with high biodiversity value, will not be supported by MAR Fund[19].

41. When proposing projects that include using living natural resources and the national legislation does not require an ESIA, grantees shall carry out an Environmental and Social Site Risk Assessment and formulate an ESCOP. If the national legislation requires an ESIA, grantees shall conduct a fit-for-purpose ESIA and formulate an

[16] It is worth noting that "many types of alien species – including agriculture crops- may not be native but are not invasive and do not themselves pose a threat to biodiversity". The World Bank's Guidance Note on ESS 6.

[17] World Bank Guidance Note on ESS 6.

[18] Convention on Biological Diversity Secretariat, Subsidiary Body on Scientific, Technical, and Technological Advice. Pathways of Introduction of Invasive Species, Their Prioritization and Management. Montreal, June 2014.

[19] As they will be in the Exclusion List.

ESMP. The grantees will carefully consider the beliefs, values, cultural characteristics, and the concerns of affected communities and other stakeholders while conducting either study. (See more information about ESIA/ESCOP in sections *3.3.5 Procedures related to the ESIA and 3.3.6 Procedures related to the ESCOP*). Projects including any of the following activities are subject to these considerations:

- Agriculture
- Animal husbandry
- Wild-harvest fisheries
- Aquaculture
- Forestry
- Wildlife management
- Harvest of wild plants and other non-timber forest products[20]

42. Projects involving the production of living natural resources should use industry-specific sustainable management practices and standards and, where available and appropriate, credible verification or certification schemes[21],[22].

43. Credible globally, regionally, or nationally recognized standards are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage stepwise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.[23]

** ** END OF ESS 6 ** **

[20] Including harvesting of native wild species as well as harvesting of substances produced by living species, such as sap from trees, or honey and wax from bees (World Bank's Guidance Note ESS 6).

[21] IUCN's Standard on Biodiversity Conservation and Sustainable Use of Natural Resources.

[22] The grantees are encouraged to use different references to standards, like the ones included in the https://standardsmap.org/.

[23] IFC PS 6.

**** END OF DOCUMENT ****