



**GREEN
CLIMATE
FUND**

Annex VI (b) – Environmental and Social Management Framework
Green Climate Fund Funding Proposal

• Environmental and Social Management Framework

**National
REDD-plus Results-
Based Payments for
2014 and 2015**

1 October 2020

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1 EXECUTIVE SUMMARY

Costa Rica has completed the preparation of its National REDD+ Strategy (NS) that covered the period (2010-2015). The result of this process was a document that gathers different views and concerns of all the Relevant Stakeholders, embodied in policies that will be supported through the Implementation Plan of the National REDD+ Strategy. FONAFIFO with support from UNDP, is formulating a project on National REDD-plus Results-Based Payments for 2014 and 2015 for submission to the GCF. The project will seek to implement the National REDD+ Strategy with the use of proceeds from results-based payments by building on the existing PES Program that has been ongoing for the last 22 years in Costa Rica. By doing so, the project will support the implementation of the following policies contemplated in the National REDD+ Strategy: Policy 2. Strengthen the existing programs to prevent and control land-use change and forest fire; Policy 3. Incentives for forest conservation and sustainable forest management; Policy 5. Promoting the participation of indigenous people and Policy 6. On Enabling conditions. Hence builds on a process that has undergone an extensive consultation process with multiple stakeholders for several years.

The project will focus on three main outputs with its relevant activities: **Output 1. Enabling conditions** with two activities Securing implementation of safeguards provisions and Monitoring and reporting of REDD+ implementation, **Output 2. Payment for Environmental Services (PES) and Fighting forest fires** focusing on three activities: Activity 2.1. Strengthening the Payment for Environmental Services Program in all its existing modalities (conservation and reforestation PES), Activity 2.2. Special Payment for Environmental Services in Indigenous territories and and Activity 2.3. Forest fire prevention. **Finally Output 3 on project management.**

The RBP Project has been screened against UNDP's Social and Environmental Standards (SES) utilizing UNDP's Social and Environmental Screening Procedure (SESP). This screening has determined that the proposed project includes activities with potential adverse social and environmental risks and impacts. These risks have been identified with a reasonable degree of certainty, and can be addressed through application of best practice, mitigation measures, a project-level grievance mechanism, and a robust commitment and budget focused on stakeholder engagement, capacity building, and impact assessment and monitoring.

The screening and this ESMF incorporates the findings of the Strategic Environmental and Social Assessment (SESA) and ESMF undertaken for the whole of the National REDD+ Strategy. The SESA/ESMF for National REDD+ Strategy includes a Gender Action Plan (GAP), an Indigenous People's Planning Framework (IPPF) and an Involuntary Resettlement Framework. These documents provide an overarching approach to how Costa Rica will apply safeguards to REDD+ implementation.

The RBP project will use these documents as a basis for further assessments and more detailed management measures and plans associated with the specific project activities, with a focus on PES and expanding the PES program into new indigenous peoples territories.

At the project's inception, participatory assessments will be undertaken to clarify identified risks that require further information (ie related to biodiversity; community, health and safety; labor conditions; displacement; pollution prevention); and to prepare the groundwork for developing management plans associated with known risks (indigenous peoples, stakeholder engagement, gender).

Based on those findings, the management measures and plans included herein will be updated, finalized and applied. Relevant PES (and IP PES) policies and operational guidance will be updated to incorporate associated management measures.

2 INTRODUCTION

This Environmental and Social Management Framework (ESMF) has been prepared in support of a project proposal for the REDD+ Pilot Program on Results Based Payments for the years 2014-2015 by the Government of Costa Rica to the Green Climate Fund (GCF). As this project is supported by UNDP in its role as a GCF Accredited Entity, the project has been screened against UNDP's Social and Environmental Standards (SES) utilizing the UNDP Social and Environmental Screening Procedure (SESP) and deemed a Moderate Risk project.

Proceeds from Costa Rica REDD+ RBP for results period 2014-2015 will be reinvested to implement and strengthen the existing payment for environmental services (PES) program that has been in operation for over 20 years. The ESMF has been prepared to set out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential social and environmental impacts of the proposed activities. It contains measures and plans to avoid, and where avoidance is not possible, to reduce, mitigate and/or offset adverse risks and impacts. The ESMF specifies the most likely applicable social and environmental policies and requirements and how those requirements will be met through procedures for the screening, assessment, approval, mitigation, monitoring and reporting of social and environmental risks and impacts associated with the activities to be supported.

3 PROJECT DESCRIPTION

FONAFIFO with support from UNDP, is formulating a project on National REDD-plus Results-Based Payments for 2014 and 2015 for submission to the GCF. The project will seek to implement the National REDD+ Strategy with the use of proceeds from results-based payments.

The project is fully aligned with Costa Rica's National REDD+ Strategy, its Carbon Neutrality goals as set out in the NDC and a suite of domestic policies and strategies. The ultimate objective of Costa Rica's National REDD+ Strategy is to support the national objective of achieving Carbon Neutrality as set out in its Nationally Determined Contribution (NDC)¹.

The successful implementation of its National REDD+ Strategy and the early achievement of measurable and reportable results generated a paradigm shift by building confidence in UNFCCC processes by demonstrating the link between Costa Rica's completion of the requirements of the Warsaw Framework for REDD+ in terms of tCO₂e_q can indeed be rewarded by international REDD-plus results-based payments which have long been awaited in the country.

¹ Costa Rica's NDC as presented to the UNFCCC: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Costa%20Rica%20First/INDC%20Costa%20Rica%20Version%202%200%20final%20ENG.pdf>

Costa Rica's policies and measures to reduce deforestation could be replicated in many other countries currently engaged in REDD-plus around the world. Indeed, to build confidence that UNFCCC REDD-plus results can make a significant contribution to climate mitigation efforts it is necessary for (1) developing countries to gain confidence that they can meet the requirements of the UNFCCC process in order to rapidly obtain and receive RBPs, and (2) for the international community to gain confidence in the quality of results coming through the UNFCCC process through REDD-plus implementation (including the Warsaw Framework for REDD-plus).

At a country and territorial level, Costa Rica's early implementation of policies and measures to reduce deforestation has already and directly contributed to a paradigm shift of reducing deforestation. Further implementation of these successful policies will secure staying in the path towards Carbon Neutrality as set out in the NDC, while enhancing community and biodiversity co-benefits.

The MINAE is the national environment authority in charge of designing environmental policies and coordinating strategies, projects and projects for the conservation of ecosystems and the sustainable use of natural resources. MINAE is also the NDA for the Green Climate Fund.

In 1995, the National Fund for Forest Financing (FONAFIFO) was created by the Forestry Law, with the purpose of promoting forest management and reforestation, and to improve the use and industrialization of Costa Rica's forest resource. FONAFIFO is also in charge of obtain financing and manage the program of Payment for Environmental Services. It is governed by a Board of Directors that represent different stakeholders of the Forestry sector.

In 2019 FONAFIFO managed an annual budget of 27,545,937 *colones* (equivalent to USD \$36.270.728,86 under January 2020 exchange rates)²⁹. The GCF project will build on FONAFIFO's experience in payment for environmental services. FONAFIFO also has extensive experience with REDD+ having managed the national REDD+ secretariat which oversaw the REDD+ readiness process.

3.1 OVERVIEW OF THE PROJECT

The proposed project will use of proceeds from the obtained emission reduction results to increase the impact of public policies that have proven to be successful over the last 25 years of implementation of the Forestry Law. The GCF RBP programme build on the strong existing legal and institutional framework and and seek to strengthen the Payment for Environmental Services (PES) program as a policy instrument to guarantee forest conservation and carbon (C) stock enhancement through reforestation, tree plantations, agroforestry and silvopastoral systems as well as to strengthen fire prevention measures which have proven their effectiveness in the recent past.

Costa Rica has put forward ambitious Carbon Neutrality goals in its Nationally Determined Contribution (NDC). This programme directly contributes to this objective by reiterating the clear political will to reduce emissions, conserve forest carbon stocks, and increase the ambition of mitigation actions, while actively seeking to eradicate poverty. A goal of the GCF RBP programme is to contribute to both, as well as to promote entrepreneurship among micro, small and medium forestry-related producers and land-owners.

A goal of the GCF RBP programme is to increase participation of all stakeholders in the PES programme, both public and private, including indigenous peoples. Along this line, the GCF RBP programme seeks to generate new alternatives to enable the enhanced participation of indigenous peoples.

Description of baseline environmental and socioeconomic conditions

Costa Rica has an old democratic and pacifist tradition, respectful of human rights. For instance, education was declared free and mandatory in 1869, the army was abolished in 1949, social guaranties of access for all Costa Ricans were enacted back in 1943 and the existence of a rule of law regime and democratic governments have produced a recognized political stability.

During the last 20 years, most households improved their life conditions, thanks to the combination of economic growth and a higher social public investment. Revenues were increased in general, within a framework of liberty and rights, and a better protection of them. It is still, as it was twenty years ago, a “middle income” country, and according to UNDP’s classification, of “high human development”; however, the country’s challenge is to improve the inequality in income, the reduction of poverty, the inequity of labor markets and environmental unsustainability, within the context of a new development model.

Between 2014 and 2015, the economy grew at a moderate pace, with acceleration and slowdown mini cycles, in a low inflation context. This growth was accompanied by a relatively high unemployment level (8,5%), a higher dynamism in the creation of informal jobs. Health, education and access to public services indexes continued to improve, as well as the average income of families. However, poverty remained stagnant in close to 20%. And in the political arena, the country held free and clear democratic elections for its sixteenth time, the longest sequence of this nature in Latin America. The country evolved towards a multiparty system.

The country's economic outlook for the year 2018 of the Economic Commission for Latin America and the Caribbean (ECLAC), indicated that Costa Rica had become one of the countries of the Central American region and the Dominican Republic (CARD) with one of the largest fiscal deficit indices, higher than 6% of GDP.

Given this, the Government of the Republic made an important effort and on July 1, 2019, the Law on Strengthening of Public Finances, which among other aspects includes:

- The change of the old and obsolete General Sales Tax for the Value Added Tax (VAT).
- Capital Gains are taxed: either for the sale of a good or when the value of equity is altered.
- The rates of the Income Tax and the Salary are modified.

The entry into force of this Law supposes a stop to the uncertainty that has accompanied the country in recent years.

Costa Rica has environmental strengths which are part of its image and historic evolution, and that have positioned it in the world as a responsible and innovative country in ecological issues. Conservation continues to be the country’s biggest strength, even though the protected continental surface has not suffered significant changes, in four years, the marine area almost tripled. Progress in knowledge has allowed the detection of threats to the integrity of ecosystems. Nevertheless, important fragmentations, few forests with high integrity, and strong pressures on land use have also been identified.

FONAFIFO’s PES program is based on the polluter pays principle. The PES is mainly financed by 3.5% of the national fuel tax and from a fee for water use. As of 2013, the PES compensated environmental

services in >1,000,000 hectares of forest (120,000 hectares in indigenous territories), investing more than \$400,000,000 in economically depressed rural areas. Funding the national PES is an absolute priority for Costa Rica, this is why the GCF RBP programme intends to secure additional financial resources to strengthen this PES scheme.

3.2 SUMMARY OF ACTIVITIES

The proposed programme is fully in line with the National REDD+ Strategy of Costa Rica. Table 1 below highlights the policies in the National REDD+ Strategy that will be implemented through the project.

Table 1. Support provided by GCF RBP to the National REDD+ Strategy

National REDD+ Action Plan Policies and Measures	REDD-plus RBP Project Outputs and Activities
POLICY 2. Strengthen the existing programs to prevent and control land-use change and forest fires	Output 2. Payment for Environmental Services (PES) and Fighting forest fires <u>Activity 2.3. Forest fire prevention</u>
POLICY 3. Incentives for forest conservation and sustainable forest management	Output 2. Payment for Environmental Services (PES) and Fighting forest fires <u>Activity 2.1. Strengthening the Payment for Environmental Services Program in all its existing modalities.</u>
POLICY 5. Promoting the participation of indigenous peoples	Output 2. Payment for Environmental Services (PES) and Fighting forest fires <u>Activity 2.2. Special Payment for Environmental Services in Indigenous territories</u>
POLICY 6. Enabling conditions	Output 1. Enabling conditions <u>Activity 1.1 Securing implementation of safeguards provisions</u> <u>Activity 1.2. Monitoring and reporting of REDD+ implementation</u>

Output 1 Enabling conditions

Activity 1.1 Securing implementation of safeguards provisions

Costa Rica has fulfilled the Warsaw framework's requirements on safeguards, including i) finishing its national clarification of the Cancun Safeguards, identified the relevant legal and institutional framework, ii) establishing the Safeguards Information System (SIS) Version 1.0, and iii) submitted its first safeguards information summary to the UNFCCC. In addition, Costa Rica developed a broad Environmental and Social Management Framework (ESMF) for the whole National REDD+ Strategy that includes a gender action plan, and an indigenous peoples plan.

While complying with the key safeguards elements, to ensure safeguards compliance is monitored, Costa Rica needs to improve the SIS according to the proposed design towards a more operational and automated system. The latter requires reviewing safeguard indicators and verification means so they strategically respond to the implementation of REDD+ in the country. This includes strengthening capacities in FONAFIFO on safeguards to ensure they are better mainstreamed into processes; the SIS can be reviewed continuously and to link the GRM with safeguards commitments.

Activity 1.2. Monitoring and reporting of REDD+ implementation

Costa Rica's Forest National Monitoring System (FNMS) was consolidated in 2019 and is composed by a Terrestrial Satellite Monitoring System (SMST) and a National Forest Inventory (INF). Through the SMST, national data on changes in use and coverage are collected. The INF compiles territorial data for the development of emission factors, for the estimation of emissions and removals to be reported in the National Inventory of Greenhouse Gases, for the AFOLU sector. The FNMS seats under a broader umbrella platform for coordination of all environmental information in the country, called SIMOCUTE (*Sistema Nacional de Monitoreo de la Cobertura y el Uso de la Tierra y Ecosistemas* in Spanish).

This activity will focus on continuing strengthening national capacities for REDD+ monitoring and reporting, including updating the FREL for a future submission, methodological improvements in response to technical assessment recommendations, and consolidating methodological consistency with the national greenhouse gas inventory and the NDC monitoring framework.

Output 2 – Payment for Environmental Services (PES) and Fighting forest fires

Activity 2.1. Strengthening the Payment for Environmental Services Program in all its existing modalities.

The Payment for Environmental Services program is an instrument covered by the Forestry Law, with 18 years of effective application and has received public and private investments. Currently, the Payment for Environmental Services program includes the modalities of forest conservation, sustainable management of forest and carbon stocks enhancements through reforestation and the planting of trees in agro-forestry systems that can obtain any of the 16 specific modalities set in the respective operation regulations of the program.

From the technical and political perspective of the program, the Payment for Environmental Services program is based on the identification of criteria that allow the prioritization of investments, following both ecological and socio-economic criteria. From the ecological point of view, the priorities are defined mainly by the need of protecting lands located in biological corridors and in sites where conservation gaps have been identified by studies that are updated on a regular basis. Other criteria consist on the importance of water conservation in the properties and of priority basins. From the socio-economical point of view, small and medium owners are privileged, in particular those located in the cantons with lower Human Development. The program will continue supporting the achievement of other environmental benefits such as water conservation, the protection of biodiversity and the maintenance of landscape beauty.

Through this activity the existing PES program will be implemented in 30.500 hectares, with a cost per hectare of US \$85.00 potentially benefiting 500 people.

Activity 2.2. Special Payment for Environmental Services in Indigenous territories

The programme will support the implementation of a new modality of payment for specialized environmental service for indigenous communities. This specific modality is the result of extensive internal process within indigenous communities which the FONAFIFO has supported since the start of the REDD+ process in Costa Rica and is therefore particularly culturally appropriate.

One of the main participants in the PES program is the indigenous Territories that represent 1.7% of the national population and that have an area of 350,000 hectares (7% of the national territory). The first approaches of the indigenous peoples were made in 1997, resulting in the incorporation of 420 hectares of the *Conte Burica* Territory in the PES Program. Subsequently, in that same year the Indigenous Territories of *Ujarrás of Buenos Aires* and *Cabecar de Talamanca* entered the Program.

The above-mentioned Indigenous Territories have managed to establish environmental services contracts with the FONAFIFO with the voluntary participation in the PES program that has meant sources of income for their local economy both for the development of communal and individual activities. The contracts are executed by FONAFIFO and Integral Development Associations (ADI), which act as legal representatives of the IP Territories, according to the regulations of CR's IP law. These funds recognize the indigenous communities the environmental services that their forests provide to the country's environmental well-being.

To ensure that participation is inclusive, in a process of joint learning, FONAFIFO has established within its internal policies the mandates indicated by the Government on special issues, and therefore the PES program procedures manuals include actions to address the peculiarities of these territories, so that, in the beginning, the ADIs submitted a maximum of 300 hectares of forest per year in the forest protection modality; then, in subsequent years, this limit was increased to 600 hectares. Currently, contracts of 1000 hectares are allowed. Regulatory adjustments have also been made to promote the broadest participation in the benefits of the Program. Currently, 17 of the 24 indigenous territories with an area of 73,031 hectares participate in the PES program with natural protection and regeneration contracts, with an investment for the period 1998-2019 of 11,940 million *colones*.

The work carried out by FONAFIFO with indigenous peoples has expanded their participation in the PES program and brought about important development benefits. At the same time, the IP Plan outlined below can further strengthen the process of inclusion and indigenous participation of IPs in line with evolving international and national standards and commitments.

Activity 2.3. Forest fire prevention

Forest Fire prevention measures as established in the National Strategy for Integrated Fire Management 2012-2021. Despite the Fire Management Plan, some Costa Rican communities rely on [volunteer firefighters](#), such as *Bomberos de Nosara*, as a first line of defense against wildfires.

To achieve the appropriate level of coordination within the national, regional and local context, the country has an organizational structure to address the problem of forest fires, allowing the simultaneous integration of different actors and maintaining as a Costa Rican State, responsibility and leadership in the development of actions related to fire management.

Costa Rica started working on fire management in 1997, through an official country guideline called the National Fire Management Strategy, that defines the planning, monitoring and evaluation of the various activities that are carried out at national level in this matter. The strategy's main objective is to minimize the impact of fire by strengthening a national operational structure that facilitates and manages the execution of the National Fire Management Plan, in order to contribute to the conservation of the country's biological diversity.

The national structure for fire management, as established by the national strategy and which are fundamental parts in the operational development of the actions, in such a way that it allows coordination with both regional inter-institutional commissions and local emergency committees.

- The National Commission on Forest Fires (CONIFOR), is responsible for the formulation, management, support, evaluation and monitoring of inter-institutional actions related to Fire Management in the country
- The Brigades against Forest Fires are made up of forest firefighters, which will be made up of public institution officials, private companies, non-governmental organizations or voluntary people belonging to communities, and who have been trained and trained for this purpose.

Through this activity the forest fire prevention program will be strengthened by implementing capacity building activities such as the maintenance of the 7 brigades hired for forest fires (BRIF) and 600 firefighters (men and women), monitoring of forest fires and equipment; maintenance of 1368 Km of rounds, repairing roads, dredging; attending an average of 125 fire events inside protected areas, communication, implementation of an early detection system for forest fires and design and implementation of an annual communication campaign

Output 3: Project Management (See section G in the Funding proposal for further details)

4 APPLICABLE LEGAL AND INSTITUTIONAL FRAMEWORK

This section provides a preliminary review of the applicable policy, legal and institutional (PLR) framework related to the potential risks and benefits of the implementation of the RBP Project proposed activities. It includes a brief review of applicable national legislation, policies and regulations; applicable international agreements; the UNDP SES and Cancún Safeguards.

Costa Rica has a robust and consolidated environmental legal framework, and a long trajectory in its effective implementation, specifically under the Payments for Ecosystem Services (PES). The implementation of such Program has given significant experience in the application of international safeguards, in particular the World Bank's Operational Policies that have been part of the ECOMERCADOS I & II². In this sense, the National REDD+ Strategy will respect and build on the established policies, laws and regulations, the relevant institutions and current development goals in the country. In addition, the Strategy will adopt all relevant measures to ensure no adverse impacts affect people and the environment.

² Details available at: <http://www.fonafifo.go.cr/es/conozcanos/proyectos-finalizados/>

A summary of the main policy instruments that compose the environmental and social legal framework in Costa Rica.

4.1 LEGISLATION, POLICIES AND REGULATIONS

In the context of the review of the applicable policies, laws and regulations (PLRs) done for Costa Rica's PES mechanism that has been operational for over 20 years in the country and drawing from the country's recent work to comply with the Carbon Fund's requirements for the (ERPA) and corresponding SESA and ESMF documents for the National REDD+ Strategy. A detailed Environmental and Social Analysis (ESA) with further information on the PLR analysis for the period that Costa Rica is seeking payments for was elaborated (see Annex A of the ESA). In this analysis, relevant provisions of the national PLRs were reviewed for their consistency with the UNDP SES and Cancun Safeguards. This analysis shows that the national PLRs (including the Constitution, national norms, policies, strategies, and regulations) in Costa Rica, provide an adequate framework in which REDD+ programming, including this RBP Project, can be carried out consistent with its national safeguard approach and consequently, the UNDP SES. The following is a *non-exhaustive* but representative list of policies, laws and regulations (PLRs) reviewed in the PLR Analysis and that may be relevant to the project and its sound implementation. Table 2 below presents legislation considered to be relevant to the project:

Table 2. Relevant Legislation in Costa Rica

Laws and regulations	Description/Objective
Constitution of the Republic of Costa Rica	Costa Rica is a state under the rule of law where the Political Constitution of the Republic (Nov 7 1949 and its reforms) is the superior law from which all the legal organization is developed. Such a superior framework establishes the responsibility of the state to procure the highest welfare to all of the country's inhabitants, organizing and stimulating production and the most adequate distribution of wealth. Establishes that every person has the right to a healthy and ecologically equilibrated environment (article 50). In addition, specifies the role of the State as the guarantor and executioner of laws, policies and pertinent programmes, in this case on forests, agriculture and environmental issues in general (Article 140 items 3 & 18)
National Environmental Legislation Specifically on REDD+ related issues, Costa Rica has general laws such as the Organic Environmental Law as well as specialized legislation on forest resources, biological diversity, soil use and conservation, fisheries water resources, geological resources etc; the latter, jointly constitute an adequate framework to generate policies and actions towards development goals with the mandate to respect environmental integrity principles. Laws and norms related with the World Bank's Operational policies and UNDP's SES are identified and described below.	
<u>Environmental Organic law (Ley Orgánica del Ambiente) N° 7554 From November 13, 1995.</u>	<p>This is the superior environmental mandate in the country. For the specific case of the operational policy 4.01 on environmental Evaluation by the World Bank and UNDP's Standard 1 Standard 1: on Biodiversity Conservation and Sustainable Natural Resource Management, this law creates the competency and procedures to ensure compliance of such policies and standards through the National Technical Environmental Secretariat (SETENA). The purpose of this secretariat is to analyze environmental impact of human activities that may impact the environment and point to the mechanisms to minimize them, as well as the guarantee for their compliance (Art. 17, 84 & 85).</p> <p>The executive decree N°31849 establishes a general regulation on procedures for the Environmental Impact Assessment (EIA), by means of which requirements and general procedures to determine if activities, infrastructure development or new projects are environmentally viable, where either by law or regulations determine that may alter or destroy elements of the environment or generate waste; as well as to determine the</p>

Laws and regulations	Description/Objective
	<p>corresponding prevention, mitigation and compensation measures that must be implemented (depending on their impact) by the project developer (art 1).</p> <p>Despite the Organic Environmental law is broad, it does not specify how to implement the right of indigenous peoples to use and manage their natural resources according to their customary traditions as stated by the ILO 169. Agreement.</p> <p>This law establishes the faculty of the State to expropriate land for the creation to protected areas and creates the Environmental Administrative Tribunal.</p>
<p>Forest Law N° 7575 from April 13, 1996 y its regulation by Decree N° 25721-MINAE from October 17, 1996</p>	<p>Establishes the responsibility of the state through the Ministry of the Environment and Energy to ensure Natural Forests conservation, protection and administration and promotes sustainable use of natural renewable resources. This law creates the States Forest Administration (AFE, acronym in Spanish), the National Forest Financing Fund (FONAFIFO, Article 46), and the National Forest Office/Service (ONF, article 7), and the inclusion of the “Environmental Services” concept (Article 3). Amongst the specified Ecosystem Services by the law under Article 3 that can be subject for compensation are: Mitigation of greenhouse gas emissions (Carbon capture, reduction, fixation, storage and absorption); the protection of water for urban, rural or hydroelectric use; scenic beauty and; biodiversity protection for its conservation are highlighted.</p> <p>This law also emphasizes on applicable infractions and fines on forest matters, establishing for the first time in the history of Costa Rica the prohibition to change “forest land use” on forest covered areas and is the basis for the regulatory framework on sustainable forest management, through specific regulations.</p> <p>The identified limitation found for this regulation is the fact that it does not include indigenous peoples as members of the participatory mechanisms defined on the ONF (article 10f), and FONAFIFO (art. 10g). In addition, it does not define the characteristics of rural communities (campesinos), small and medium producers (farmers) that are defined as beneficiaries. Despite the above, FONAFIFO has developed actions that aim to guarantee the participation of indigenous territories as beneficiaries of the PES program including the establishment of more flexible frameworks for IPs as a way to ensure better opportunities.</p> <p>Under the framework of development goals for Costa Rica, specifically for the forest sector they have the National Forests Development Plan (PNDF) 2011-2020 as a sectorial policy, that looks into the need to position this sector as a key stakeholder to meet the national goal on sustainability of the forest resources and international commitments related to climate change in this sector. The plan is the national strategic instrument that presents the main weaknesses, threats, strengths, opportunities and lessons learned of the Forests sector.</p> <p>The main reference to indigenous Peoples in the National Forests Development Plan in its 4th consideration, establishes the following: “...this instrument is inclusive,, recognizes and respects the importance of ecosystems and lands located within IPs territories and respects the rights of such people to accept or not the scope of this policy framework and the PNDP 2011-2020, as well as to establish its own priorities on social, economic and cultural development, based on its own beliefs, spiritual welfare and corresponding legal framework”; nonetheless it does not instrumentalize it. To address this limitation, additional financial resources have been incorporated in activities under REDD+ Readiness process to develop a specific chapter on Indigenous Peoples for the National Forests Development Plan that will be submitted to a specific consultation process with Costa Rica’s IPs.</p>

<i>Laws and regulations</i>	<i>Description/Objective</i>
<u>Law on Biodiversity N° 7788 April 30, 1998</u>	<p>In general terms, this law regulates biodiversity conservation in the country. Establishes two entities that are particularly relevant for environmental institutions in Costa Rica; a) the National Commission for Biodiversity Management (art. 14) and b) the National System on Conservation Areas (art 22). In addition, this law establishes a series of criteria where it must apply (Art. 11); a) Prevention aimed to anticipate, avoid and address any cause of biodiversity loss or its threats, b) precaution, aimed to not postpone the adoption of efficient measures to protect biodiversity when there is scientific certainty, c) on public environmental interest, that advocates for the sustainability of resources and the integration of conservation and sustainable biodiversity use into sectorial and intersectorial plans, programs, activities and strategies.</p> <p>This law has broadly instrumentalized the Convention on Biological Diversity, Article 8J; “Subject to national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge innovations and practices”. In terms of respect for cultural biodiversity aspects (art 93); recognition and compensation of traditional knowledge and practices of indigenous peoples and local communities (art 10.6); the Free Prior and Informed Consent requirement (art 63, 65 and 80); the right to culturally object (art. 66); and intellectual sui generis community rights (Art. 82, 83, 84, 85)</p>
<u>Law N° 7779 from 1998, Soil Use, Management and Conservation and its regulation by Executive Decree N° 29375-MAG from June 26, 1999.</u>	This law modifies law N° 7152 de 1990, to be aligned with the attributions of the Ministry of Natural Resources, Energy and Mining. It aims to protect, conserve, and improve soils in term of integrated and sustainable management jointly with other natural resources; establishes that the Ministry of Agriculture and livestock should coordinate with the Ministry of the Environment and Energy the management and conservation actions to ensure Natural resource conservation.
<u>Law N° 6084 August 24/1977 National Parks . Law N° 7152 June 21/, Transfers responsibility of National Parks to the Ministry of the Environment and Energy</u>	This law supports development and administration of National Parks for natural conservation in the country. The Protected Areas Service will be responsible for the study of areas within the national territory that are fit for the preservation of autoctonous Flora and Fauna, for the establishment of National Parks.
<u>Law N° 7317 October 30/ 1992 Conservation of Wildlife, further modified by Law N°9106 December 20/ 2012.</u>	This law aims to establish regulations on wildlife. In Costa Rica Wildlife is considered Fauna and Flora that live in natural conditions permanent or temporary within the national territory. Includes cultivated or raised organisms and those born in captivity from wild specimens, as well as exotic species declared as wild by their country of origin. Wildlife can only be subject to particular appropriation and commerce through specific dispositions in public treaties, international agreements, the present law and its regulation.
<i>National Legislation that incorporates disposition for plague control and related Issues.</i>	
<u>Forestry lay N° 7575 April 16/ 1996.</u>	This law establishes as the main role of the state to ensure the conservation, protection and administration of natural forests, as well as production, exploitation, industry and the promotion of forestry products (Art 1). Establishes the faculty of the State to expropriate lands to integrate areas into the Wild Protected Areas, creates the National

Laws and regulations	Description/Objective
	<p>Forest Office (ONF) (Art 7); defines Natural Heritage of the State (Art. 13, 14, 15); regulates modalities for Forest use and exploitation and control mechanisms of forestry activities; contemplate norms that define environmental services and payment for environmental services, creates the National Forest Finance Fund (FONAFIFO), regulates (Art 6h) the state's obligation of forest administration to prevent and combat plagues and diseases in forest heritage/patrimony areas of the State, relieving such obligation to only collaborate in cases that happen in forest plantations and private forests.</p>
<p>Principles, criteria and Indicators for Forest Management and certifications by means of the Executive Decree N. 34559-MINAE June 16/ 2008, and Executive decree N. 30763 - MINAE and the Executive Decree N. 39952 – MINAE Nov 09/ 2016 for secondary Forests</p>	<p>Establishes a series of Principles, criteria and Indicators that cover compliance of actions to implement a primary or secondary forest management plan under robust standards. The objective is to establish an efficient verification system that guarantees viable socioeconomic and sustainable use of the forest to consolidate its cover in each landscape and permanence over time.</p> <p>For example mentions actions on for the investment plan and plague and/or disease control, as well as measures to preven damages from plagues, diseases and fires, highlighting that an integrated plague control mus be an essential part of management plans in which prevention and biological control should be prioritized over pesticides and chemical fertilizers. The adequate and rational use of all chemical products should be promoted in plantation management and nurseries.</p> <p>These decrees aim to ensure or improve primary or secondary forest conditions (extension, structure, composition), promoting natural and assisted regeneration that contributes to landscape rehabilitation and the obtention of an equilibrated benefit flux for landowners or forest holders within a broad base of sustainable forestry systems. The following principles apply for natural forest management;</p> <p>Principle N° 1: Observation of laws and principles Forest Management is adjusted to national legislation, treaties and international agreements (ratified by the country) that regulate forest activities and comply with current national principles, criteria and indicators.</p> <p>Principle N° 2: Rights and responsibilities on property and Use Property rights or land and use of forest resources subject to management are clearly defined, documented and protected in the long term according to national current legislation and interational treaties that rule the matter in the country.</p> <p>Principle N° 3: Rights of Workers and communal relationships Forest management must maintain or elevate social and economic welfare of fores workers and respect the rights of communities</p> <p>Principle N° 4: Indigenous People's Rights Indigenous peoples Legal and customary rights to possess, use and manage their lands, territories and natural resources are recognized and respected</p> <p>Principle N° 5: Forest Benefits Forest management promotes the efficient use of different products and forest services aiming to ensure its economic viability and production. Of a broad range of social and environmental benefits.</p> <p>Principle N° 6: Environmental Impact from Management Forest Management maintains ecological functions of forest ecosystems which ensures the conservation of biodiversity and of hydrological and edaphic resources</p> <p>Principle N° 7: Management Plan</p>

Laws and regulations	Description/Objective
	<p>Forest management is planned in the long term and implemented through a written and updated management plan.</p> <p>Principle N° 8: Monitoring and Evaluation</p> <p>The applied forest management system is evaluated by monitoring the condition, performance of forest products and the social and environmental impacts of such activity in each forest.</p> <p>This decree in Article 3 establishes that the application of principles, criteria and indicators in forest plantations is voluntary and follows mandate in article 10 of Executive decree N° 27388-MINAE published in the gazette N° 212 from Nov 2/ 1998.</p>
<u>Organic Agriculture Development, & Promotion Law N° 8591 August 14/ 2007.</u>	This law aims to ensure compliance of the development, promotion, and management of organic agriculture, strengthen control mechanisms and the promotion of Organic agriculture products as well as to enhance competitiveness and cost effectiveness of such products.
<u>Law on Fitosanitary Protection N°7664 May 02 / 1997.</u>	Amongst its objectives, this law aims to; Protect vegetables from damage caused by plagues; avoid and prevent the introduction and diffusion of plagues that threaten food security and economic activities based on agricultural production; regulate the fight against plagues in vegetables and; promote integrated management of plague control under sustainable development as well as other productive agricultural methodologies that allow plague control without affecting the environment. To respond to these objectives, the law defines specific guidelines as well as the institutional responsibilities. Law N° 7664 establishes that the Ministry of Agriculture and Livestock, as the responsible party for its implementation, will be the Fitosanitary Service for Costa Rica.
<u>Decree N° 33495-MAG- S- MINAE-MEIC from 2016. Regulation on registry, use and control of formulated synthetic pesticides, active ingredients, Adjuvants and related Agricultural substances, modified by Decree N° 36190/ 2010.</u>	Defines procedures and technical aspects for registry, use and control of formulated synthetic pesticide, active ingredients, Adjuvants and related Agricultural substances.
<u>Regulation on Forest Regencies N° 38444 – MINAE February 20/ 2014.</u>	<p>This decree was published as established in the Forest law N° 7575, its reforms and regulations aim to establish rights and obligations that must apply to all involved stakeholders in the forest regency system where the forest regent, the School of Agronomy Engineers, the state's Forest Administration as well as people/companies under regency implementing forest management plans or any other forest related activity.</p> <p>Furthermore, it aims to establish necessary guidelines for forest regents can support the achievement of goals set in the national Forest law in terms of ensuring the conservation and protection of forest resources as well as production and sustainable exploitation/harvest of forests in line with the principle of adequate and sustainable use of renewable forest resources.</p>
	This regulation aims to establish the relationships and obligations amongst the School of Agronomy Engineers and the members of the School in charge of the regency of its

Laws and regulations	Description/Objective
Regulation on Agriculture Regencies N° 26503 – MAG October 24/ 1997.	specified activities, as well as the state entities in charge of regulating and controlling such activities, people or companies that (according to the dispositions in Article 22 of law 7221) must have a professional in agricultural sciences as a regent or technical advisor. Article 5 establishes the categories for regency and the functions of the regent in each one of them.
Regulation to establish and operate surveillance committees of natural resources and the ad honorem environmental inspectors N° 39833-MINAE Sept 16/ 2016.	This regulation aims to promote, organize and regulate the naming, functioning and supervision of ad honorem environmental inspectors under the framework of the Natural Resources Surveillance Committees (COVIRENA) and Forest Surveillance committees.
Indigenous People's Legislation	
Law No. 5251 Creates the National Commission Indigenous People's Affairs (CONAI), July 11/ 1973.	This law creates the CONAI, with several objectives. This institution promotes social, economic and cultural improvement of Indigenous populations; serves as the coordination instrument amongst different public institutions that must execute construction works and the provision of services in benefit of Indigenous communities; Ensure and promote the respect of rights of IPS minorities, stimulating the State's action to guarantee individual and collective property rights; ensure compliance of any current or future legal dispositions to protect Indigenous cultural Heritage, collaborating with institutions with a mandate on these matters; create local administration councils; and serve as the official designated entity to represent and connect with the Interamerican Indigenous Institute and other international agencies on the matter (article 4).
Indigenous Law N° 6172 November 29/ 1977.	<p>The regulations of this law establish that Integrated Development Associations have the legal representation of Indigenous communities and act as their local government. The law defines as indigenous, people that constitute ethnic groups, direct descendants from pre-columbine civilizations and that conserve their own identity; additionally, establishes the limits of "Indigenous Reserves" or Indigenous territories (art. 1). Establishes that Indigenous communities have full legal capacity to acquire rights and obligations of any kind. They are not state entities; moreover, declares ownership of indigenous peoples over the mentioned reserves in article 1 of this law (art 2). Indigenous reserves are inalienable, imprescriptible, non transferrable and exclusive for Indigenous communities that inhabit them. The reserves will be governed by Indigenous under their own traditional community structures or by the laws of the republic that rule under the coordination and advice of CONAI (Art 4).</p> <p>This law was regulated by executive Decrees No. 8487 April 26/ 1978 and No. 13568, from April 30 / 1982, by means of which Article 3 states that to exercise rights and comply with the duties stated in article 2, "... Indigenous communities will adopt the organization as stated in law N°3859 of the National Development Associations Administration of the community and its mandate; Allowing traditional community structures (referred to in article 4) to operate inside of such communities and; Development Associations once officially registered, represent such communities at the legal, judicial and extrajudicial levels"³.</p>

³ Rodríguez, 2014.

<i>Laws and regulations</i>	<i>Description/Objective</i>
	This law does not regulate aspects such as Free Prior and Informed Consent; or the right for free determination and to possess, control and manage their lands and traditional territories, water and other resources; recognizes own or customary tribunals on indigenous peoples law, as procedural forms for conflict resolution; amongst others.
<u>Adjustments to the Operations manual of the PES scheme as stated in the Forestry law</u> <u>Executive Decree N° 39871 from 2016.</u>	<p>Establishes improvements to the forestry law to include aspects discussed during the pre-consultation phase with IPs, regarding improving the PES scheme to respect the customary practices of IPs and improve access to the PES program of smallfarmers, peasants and Indigenous peoples.</p> <p>Includes an article with the results from the first FPIC process with IPs, with mention to the first agreed changes to the PES scheme in Costa Rica to include a specific program for IPs taking into account their customary views and traditions. Article 39 adds items (e & f) to the executive decree N° 25721 from October 1996: On areas that are eligible for the PES scheme maximum 1000ha for forest conservation and regeneration, a maximum of 300 ha in reforestation or or a maximum of 350.000 trees in agro forestry systems per farmer per year.</p> <p>Also adds provisions regarding the application in IPs territories to benefit from the PES scheme, in a better way. These provisions include the need to submit minutes and the internal agreement of each community to access the PES Scheme, with participants list, and details of how the proceeds will be used, in addition the contract must be signed by the president of each community acting as the local government. Moreover, provisions allow for 2% of the area in the project to be used for subsistence agriculture.</p>
<u>General Mechanism for Indigenous People's Consultation.</u> <u>Executive Decree N° 40932- MP-MJP, published April 05 /2018.</u>	<p>Creates and publishes this mechanism to regulate the obligation of the Executive power to consult Indigenous peoples in a free, prior, and informed manner, through adequate procedures and representative institutions, in the cases where there will be administrative measures, legislative projects promoted by the Executive power or private projects that may affect them. Articles 2 and 3 establish a series of definitions and applied principles for Indigenous Peoples.</p> <p>The general consultation mechanism for Indigenous Peoples will be of compulsory application for central public administration. Without prejudice, of the principle that separates powers in the Political Constitution of Costa Rica, and the corresponding autonomy regime in line with legal and constitutional dispositions, the Legal, Judicial powers, the supreme elections tribunal, its dependencies and agencies, municipalities, state universities, autonomous and semi- autonomous institutions, public and private companies that manage public goods or execute public powers, may apply the present norm as a reference framework for its own norms.</p> <p>Establishes a series of general procedures for consultation, defines who are the responsible parties in the process and under this decree; establishes the Transitory IV, that protects consultation actions under the preparation of the National REDD+ strategy, literally mentioning the following: "Consultation processes that are in place will not be affected by the validity of the new decree, without affecting the application and revision of such consultation, in light of what the present decree establishes".</p>
<u>Executive Decree N° 40616 – MINAE, August 07/2017.</u> <u>Creates Citizen Consultative Council on Climate Change</u>	<p>This Decree creates the Citizen Consultative Council on Climate Change (5C) as a participatory platform for citizens framed under the National policy of Government openness. Intends to strengthen accountability mechanisms and to make information available and accessible. Aims to collaborate with the design and application of national policies on climate change, in particular the implementation of Costa Rica's NDC signed in Paris COP 21 in December 2015.</p>

Laws and regulations	Description/Objective
	<p><u>The Citizen Consultative Council on Climate Change</u> is conformed by representatives from the following sectors:</p> <ol style="list-style-type: none"> 1.Communities; Administrative Associations of communal Aqueducts and sewers- (ASADAS Acronym in Spanish) and Development organizations (3 representatives) 2. Biodiversity- Ecosystems (3 representatives). 3. Agriculture-forestry-fisheries (3 representatives). 4. Industry- Trade (3 representatives). 5.Infrastructure-Transport (3 representatives). 6. Indigenous-Women-labor organizations (3 representatives). 7.Mobility and urban sustainability (3 representatives). <p>For the scope of REDD+ Actions, there have been multiple spaces for the Indigenous sector to voluntarily participate in the definition of all necessary aspects to comply with International & national safeguards provisions as well as with international agreements ratified by the country.</p>
Law on National Archaeological Heritage Nº 6703 December 28/ 1981.	<p>Regulates in its articles 11 & 14, the obligation to communicate to the relevant authority the discovery of any object of archaeological interest as well as the obligation of developers to suspend any work/construction when archaeological artifacts are discovered. The National Museum must be notified, and instructions shall be followed. The company will have an archaeologist during the construction phase of any new development to ensure what has been highlighted. It will be the obligation of the owner, to preserve all the goods as historical cultural Heritage found in in the property where the project is being developed.</p>

4.2 ENVIRONMENTAL IMPACT ASSESSMENT IN COSTA RICA

Costa Rica has the Environmental Organic law (Ley Orgánica del Ambiente) N° 7554 From November 13, 1995 considered to be the superior environmental mandate in the country. This law creates the competency and procedures to ensure compliance of such social and environmental policies and standards through the National Technical Environmental Secretariat (SETENA). The purpose of this secretariat is to analyze environmental impact of human activities that may impact the environment and point to the mechanisms to minimize them, as well as the guarantee for their compliance (Art. 17, 84 & 85).

The executive decree N°31849 establishes a general regulation on procedures for the Environmental Impact Assessment (EIA), by means of which requirements and general procedures to determine if activities, infrastructure development or new projects are environmentally viable, where either by law or regulations determine that may alter or destroy elements of the environment or generate waste; as well as to determine the corresponding prevention, mitigation and compensation measures that must be implemented (depending on their impact) by the project developer (art 1).

Costa Rica has a robust legal framework on environmental and social issues that enables social and environmental impact mitigation of the National REDD+ Strategy. In the cases where legal gaps were identified, the application of different instruments recommended by the World Bank's Operational policies and UNDP SES have been identified. The Executive Decree N° 31849 approved 24/05/2004 by SETENA, mentioned above, was applied during the categorization of risks and impacts and the identification of procedures for their mitigation.

In addition, under the framework of its National REDD+ Strategy, Costa Rica has demonstrated its commitment to evaluate and assess and address potential impacts and risks that could result from its implementation. As a result, the country has developed its [SESA](#) and corresponding [ESMF](#) that identify from different aspects potential impacts of implementing each one of the PAMs included in the Strategy. Moreover, the identified key management measures and the relevant PLRS that are in place to avoid, mitigate, reduce and compensate where such impacts may occur.

It is important to note that both the SESA and ESMF were prepared by Costa Rica and included inputs from multiple stakeholders from different sectors and geographical areas within the country. Given that the Program on Payment for Environmental Services (PES) implemented by FONAFIFO, is already in place, all participatory processes included stakeholders that have experience and knowledge in the matter, providing relevant and applicable inputs for discussion. The latter, enabled the integration of the results from the SESA process into the definition of policies and actions for the National REDD+ Strategy, including social and environmental risk management considerations in a crosscutting manner for its implementation.

4.3 INTERNATIONAL AGREEMENTS AND PROTOCOLS

Costa Rica is a signatory to over 50 different interational treaties and agreements on the environment and sustainable development, including global, continental (under the Interamerican Framework) and sub-regional (under the Central America Integration System) instruments. These include commitments on diverse matters such as climate change, biological diversity, fight against desertification, forests, natural and cultural heritage, chemical substances, ozone layer protection, amongst others. Moreover, a crosscutting and integrated area of the legal mandates in the country rely on the legal instruments ratified by Costa Rica in terms of human rights; the Interamerican Human Rights System, as well as other global instruments, including the rights of workers and indigenous peoples agreed under the United Nations and the International Labor Organization.

The main international treaties ratified by the country that are relevant for Costa Rica's RBPs project, are listed below:

- Approval, adhesion of Costa Rica to the Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention, 1979), approved by Law N° 8586 in 2007.
- Convention on the Elimination of Discrimination Against Women Approved by LAW Ley N° 6968 in 1984.
- United Nations Convention Against Corruption. Ratified by lay N° 8557 in 2006.
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP, 2007)
- United Nations International Convention on the Elimination of all Forms of Racial Discrimination. Ratified by Law N°3844 in 1967.
- Convention No. 169 on the rights of Indigenous and Tribal Peoples of the International Labour Organization (ILO). Ratified by Law N°7316 in 1992.
- Convention on the Protection of the World Cultural and Natural Heritage. Ratified by Law N° 5980 in 1976.
- International Convention on Biological Diversity (CBD, 1992) Ratified by Law N°7416 in 1994.
- Convention for the Conservation of Biodiversity and priority wilderness Areas in Central America. Ratified by Law N°7433 in 1994.
- United Nations Convention on Climate Change. Ratified by Law N° 7414 in 1994.

- Kyoto Protocol Ratified by law N° 8219 in 2002.
- Regional Convention for the management and conservation of the natural forest ecosystems and the development of forest plantations. Ratified by Law N° 7572, in October 1993.
- UN Convention to combat desertification and drought. Ratified by Law N° 7699 de 1997.
- Regional Central American Agreement on Climate Change. Ratified by Law N° 7513 in 1993.
- Ramsar Convention on wetlands of International Importance. Ratified by Law N° 7224 in 1991.

The legal framework supporting Environmental treaties, agreements and international legislation in Costa Rica is solid. The country has diverse instruments to implement them through its legal framework. Nonetheless, in regards to the rights of indigenous peoples, some CR legal norms are in need of further alignment with international standards. One example is the UN Declaration on the rights of Indigenous Peoples, and the ILO agreement No. 169 on the rights of Indigenous and Tribal Peoples.. In order to respond to shortcomings and limitations in its existing legal framework, the Government of Costa Rica, through the Presidential Ministry signed an Executive directive N° 40932-MP-MJP on “Construction of the consultation mechanism with Indigenous peoples” aiming to define a consultation mechanism for all decisions that may affect indigenous Peoples rights under the Principle of Free, Prior and Informed Consent. This FPIC decree and consultation mechanism can inform a PES IP Plan (see Annexure 4 below), and it is expected that the latter will allow Costa Rica to meet the commitments under the ILO 169 agreement and UNDRIP.

The General consultation mechanism is designed to facilitate specific planning for Indigenous peoples on forests matters, allowing the incorporation of all aspects related to the respect for their rights, considering the diverse aspects mentioned in National and international legislation. Costa Rica’s National REDD+ Strategy has incorporated in Policy number 2, the promotion of “full, effective and harmonized participation and insertion of areas under special regimes for REDD+”, activity 2.1 Elaborate a forest development plan for indigenous territories. The latter is considered in the consultation process described in detail.

By decision No. 6240-93 file 4165-P-93 of the Constitutional Chamber of the Supreme Court of Justice, it was established that international environmental instruments are mandatory and fully enforceable, as long as their regulations do not require further legal development. A legal analysis presented in 2015 to the REDD+ Executive secretariat financed by the REDD-CCAD-GIZ and developed by Climate Law and Policy presents further information on relevant legal instruments that were considered during the REDD+ readiness phase in Costa Rica, as follows;

- General Agreement on Tariffs and Trade of the WTO (1994)
- American Convention on Human Rights (“Pact of San José de Costa Rica”) (1969)
- United Nations Convention on the Law of the Uses of International Watercourses for Different Purposes of Navigation (1997)
- Convention for the Protection of Flora, Fauna and Natural Scenic Beauties of the Countries of America (1940)
- Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005)
- Convention on the Rights of the Child (1989)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (1973)
- Convention for the Safeguarding of the Intangible Cultural Heritage (2003)
- Convention 169 of the International Labor Organization (ILO) on Indigenous and Tribal Peoples in Independent Countries (ILO Convention No. 169) (1989)

- Inter-American Convention against Corruption (1996)
- Inter-American Convention to Prevent, Punish and Eradicate Violence against Women ("Convention of Belem do Para") (1995)
- American Convention on Human Rights (1969)
- Regional Agreement for the Management and Conservation of Natural Forest Ecosystems and the Development of Forest Plantations (1993)
- UNESCO Convention on the Protection of the World Cultural and Natural Heritage (1972) • American Declaration of the Rights and Duties of Man (1948)
- Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights "Protocol of San Salvador" (1988)
- Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2000)
- International Covenant on Civil and Political Rights (1966)
- International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966)
- Kyoto Protocol of the UNFCCC (1997)
- Nagoya Protocol on Access to Genetic Resources and Fair and Equitable Sharing of Benefits derived from its use of the Convention on Biological Diversity (2010)
- Optional Protocol to the International Agreement on Economic, Social and Cultural Rights (2008)
- Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (1999)
- Protocol relating to the prevention, reduction and control of pollution from land sources and activities (1999)
- International Treaty on Phylogenetic Resources for Food and Agriculture (2001)

4.4 UNDP SES

The project will comply with UNDP's [Social and Environmental Standards](#) (SES), which came into effect in January 2015. The SES underpin UNDP's commitment to mainstream social and environmental sustainability in its Programmes and Projects to support sustainable development. The objectives of the standards are to:

- Strengthen the social and environmental outcomes of Programmes and Projects
- Avoid adverse impacts to people and the environment
- Minimize, mitigate, and manage adverse impacts where avoidance is not possible
- Strengthen UNDP and partner capacities for managing social and environmental risks
- Ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people

The SES are an integral component of UNDP's quality assurance and risk management approach to programming. This includes the [Social and Environmental Screening Procedure](#) (see the completed SESP for the project in Annex 1 of this document)

Table 3. Key Elements of UNDP's Social and Environmental Standards (SES)

Overarching Policy	Project-Level Standards	Policy Delivery Process & Accountability
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Principle 1: Human Rights Principle 2: Gender Equality and Women's Empowerment Principle 3: Environmental Sustainability	Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management Standard 2: Climate Change Mitigation and Adaptation Standard 3: Community Health, Safety and Working Conditions Standard 4: Cultural Heritage Standard 5: Displacement and Resettlement Standard 6: Indigenous Peoples Standard 7: Pollution Prevention and Resource Efficiency	Quality Assurance Screening and Categorization Assessment and Management Stakeholder Engagement and Response Mechanism Access to Information Monitoring, Reporting, and Compliance review
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The Standards are underpinned by an Accountability Mechanism with two key functions:

- A [Stakeholder Response Mechanism](#) (SRM) that ensures individuals, peoples, and communities affected by UNDP projects have access to appropriate procedures for hearing and addressing project-related grievances; and
- A [Compliance Review](#) process to respond to claims that UNDP is not in compliance with UNDP's social and environmental policies.

Through the GCF Accreditation Process, the SES are acknowledged to be consistent with the GCF's Environment and Social Standards.

4.5 UNFCCC REDD+ SAFEGUARD REQUIREMENTS

The project will also comply with the UNFCCC REDD+ safeguard requirements, referred to as the 'Cancun safeguards'. Appendix 1 of decision [1/CP.16](#) indicates that when undertaking activities referred to in [paragraph 70](#) (REDD+) of decision 1/CP.16, the following safeguards should be promoted and supported when undertaking REDD+ Activities:

- That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
- Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision;
- That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;

- (f) Actions to address the risks of reversals;
- (g) Actions to reduce displacement of emissions.

While it's considered that Cancun safeguards (f) and (g) are implicitly captured in the UNDP Social and Environmental Standards and Policies (see table in Attachment 1 of Annex 1 SESP), it is important to consider these Cancun safeguards separately in the SESP and ESMF because they: 1) are not explicitly referenced in the UNDP standards; 2) are unique to risks for forest and land use; and 3) should be reflected separately in the national reporting of the SIS/Summary of Information (SOI).

Costa Rica's COUNTRY APPROACH FOR REDD+ SAFEGUARDS

Under the Cancun Agreements, it was established that all REDD+ measures must be implemented in accordance with the UNFCCC safeguards, promoting and supporting their application. This implies that every actor involved in the implementation of REDD+ measures must comply with and implement REDD+ Safeguards, including national governments, bilateral donors, civil society, multilateral financial institutions and the private sector. Moreover, Governments are responsible for reporting the way in which REDD+ Safeguards are being addressed and respected, throughout all phases of REDD+. The latter should be carried out by presenting information through a Safeguards Information System (hereinafter SIS) (Rey et al, 2013).

It is important to highlight that other UNFCCC decisions (Durban) link REDD+ financing with the effective implementation of the UNFCCC REDD+ Safeguards, stating that REDD+ countries will be able to obtain and receive finance or payments for results only if they have an SIS in place and are able to report on how safeguards are being addressed and respected. This implies that in order to be able to participate in future REDD+ mechanisms under the UNFCCC, countries involved in the implementation of REDD+ must be able to demonstrate that they have addressed and respected the UNFCCC REDD+ Safeguards (Rey et al, 2013).

Costa Rica has already completed the preparation phase of its National REDD+ Strategy that covered a fairly long period (2010-2015). The result of this process was a document that gathers different views and concerns of all the Relevant Stakeholders, embodied in policies that will be supported through the Implementation Plan of the National REDD+ Strategy. The latter includes the safeguard measures by which each responsible and competent entity will ensure compliance within its operational plans to the extent that it has the financial resources to do so.

From the beginning of the REDD+ readiness phase, the country began to follow the UNFCCC's Safeguards provisions, and carried out to work to develop its national SIS to monitor and report how safeguards are being addressed and respected. The process began with a review of existing mechanisms, information systems and instruments available to collect and monitor the variables and indicators related to the Cancun safeguards, avoiding the duplication of efforts.

Consequently, to address elements of safeguards in socio-environmental matters, the Organic Law of the Environment (No. 7554, article 2) indicates that the State will promote the implementation of an "Information System with environmental indicators", designed to measure the evolution and the correlation with the economic and social indicators for the country. In accordance with Decree No. 29540-MINAE, of April 2001, the National Center for Geoenvironmental Information (CENIGA) is constituted as the technical unit of MINAE responsible for promoting adequate management of national environmental information. Given the above, it has been determined that the Safeguards Information System (SIS) will be part of the National Environmental Information System, as long as it is an official system, and will be

open, accessible, transparent and robust. In addition to the specific requirements of the UNFCCC and other actors that support REDD+, the SIS must also comply with the current regulatory framework for official information.

Costa Rica defined its National Safeguards approach focused on three key elements: i) the National Legal and Institutional Framework, ii) the Cancun REDD + Safeguards, iii) the World Bank Operational Policies among other social and environmental standards that apply. In the case of the World Bank Operational Policies, there is a specific strategy that is contained in the ESMF for the national Strategy.

The national legal and institutional framework is defined as the norms established by law and whose application allows the country to address and respect the Cancun safeguards and the World Bank's Operational Policies amongst other standards, either through specific norms or public policy instruments (in particular the National Forest Development Plan 2011-2020 and the National Biodiversity Strategy 2016-2025) that give content to the current legal provisions. The Cancun Safeguards, similar to the World Bank's Operational Policies, are general principles to ensure that the implementation of REDD+ during all its phases enhances the benefits and mitigates social and environmental risks.

Figure 1 below illustrates the approach that links the different frameworks that respond to safeguards needs including existing monitoring and reporting instruments such as the Safeguards Information System and the Information, the Grievance Redress Mechanism (MIRI - acronym in spanish) as well as the associated risk management tools SESA/ESMF. Information resulting from these analysis and monitoring mechanisms, will be used for reporting purposes including the generation of summaries of information on how safeguards are addressed and respected.

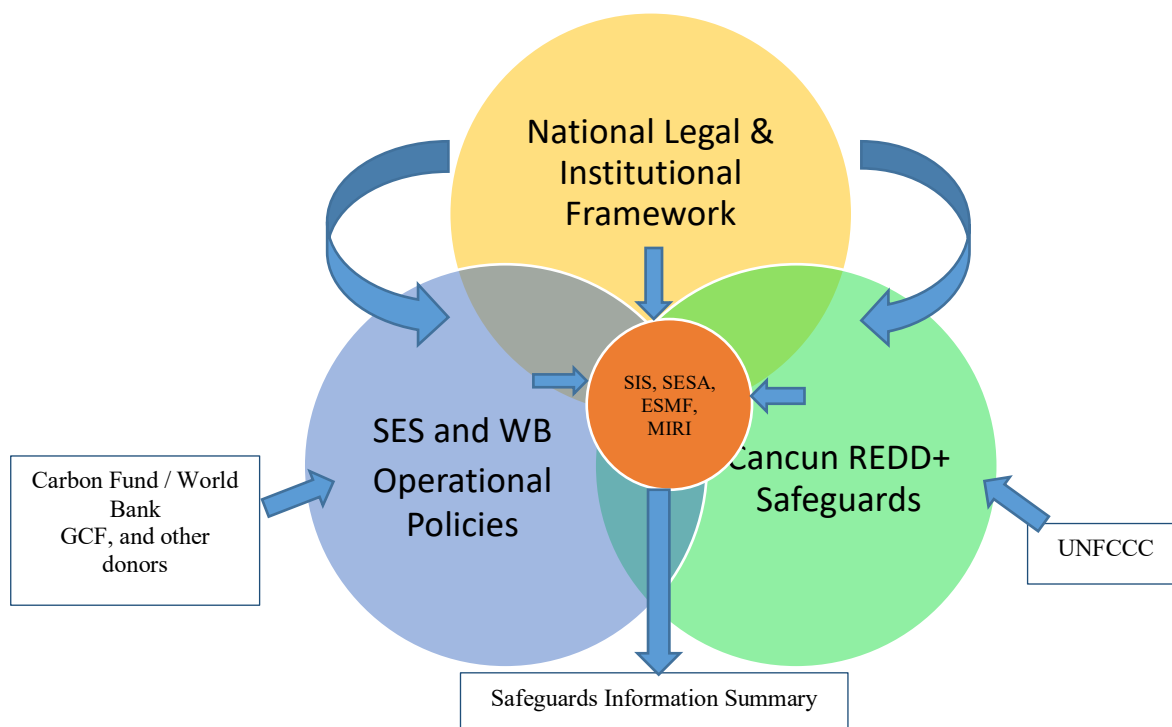


Figure 1. Costa Rica's National Safeguards Approach (translated version)

The national clarification of the Cancún safeguards was carried out in full alignment with the existing laws and regulations. Further information on how Costa Rica has clarified the Cancun safeguardas, addressed and respected safeguards can be found in the [SIS](#) that is online and in [Costa Rica's First SOI](#) that was submitted to the UNFCCC via the REDD+ Info Hub.

5 POTENTIAL SOCIAL AND ENVIRONMENTAL IMPACTS AND PROCEDURES FOR ADDRESSING THEM

5.1 SOCIAL AND ENVIRONMENTAL IMPACTS WITH RISK ASSESSMENT

The project has been screened against UNDP’s Social and Environmental Standards utilizing the UNDP Social and Environmental Screening Procedure. The Social and Environmental Screening Template (Annex 1) was prepared and the project deemed to be a Moderate Risk project. The SESP provides the rationale for the risk categorization. It is relevant to note that Costa Rica has already carried out a full Strategic Environmental and Social Assessment ([SESA](#)) and the Corresponding [ESMF](#) for the full National REDD+ strategy in the context of the formulation of the Emission Reductions Payment Agreement (ERPA) with the Carbon Fund.

Given the moderate risk categorization for the project, further impact assessment and management measures will be needed in order to manage risks effectively throughout project implementation. Table 4 below details risks identified in the SESP and presents them with reference to each of the activities and sub-activities of the project under output 2 Payment for Environmental Services (PES) and Fighting forest fires. The table provides additional comments that describe the analysis carried out that triggers each risk and its potential implications, as well as the proposed mitigation and management measures to address each risk in the context of each one of the specific project activities.

Table 4. UNDP Risk matrix for Costa Rica's RBPs Project for Output 2: Payment for Environmental Services (PES) and Fighting forest fires.

Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
Activity 2.1. Strengthening the Payment for Environmental Services Program in all its existing modalities.			
2.1.1 SAF PES: Deliver payments and expand PES in areas that have received 3-year credits /or pre-invested to establish the agroforestry systems (maximum amount of) under SAF PES	Risk 1: Human rights: Personnel involved in the implementation of the project and beneficiaries (duty-bearers and right holders) lack full capacity and updated training on national legislation and best-practices under international legislation related to Human Rights which can limit meeting their obligations in the implementation of the project activities.	<p>Costa Rica has a strong legal and institutional framework for upholding human rights as stated in its constitution. These include the right of access to justice. In addition, Costa Rica, when proclaiming the Rule of Law, submits the authority and its citizens to the supremacy of the Constitution, guaranteeing the subjection of public powers to the legal order and guaranteeing the effectiveness of all human rights. To ensure, precisely this obedience to the Constitution, bodies and laws have been created, such as the Constitutional Jurisdiction Law and the Constitutional Chamber whose objective is "to guarantee the supremacy of the constitutional norms and principles and of the International or Community Law in force in the Republic ..." (Art. 1, LJC).</p> <p>The project will build on existing mechanisms by FONAFIFO regarding the PES schemes, which include already capacity building programs to ensure that both duty bearers and rights-holders have the</p>	<p>Existing capacity building and information mechanisms for personnel and beneficiaries of the PES schemes, as well as SINAC's personnel involved in forest prevention activities will be reviewed and reinforced including a chapter on human-rights related issues.</p> <p>Training and capacity building will be included and budgeted for in the project document.</p> <p>A stakeholder engagement plan will be developed, building on the existing stakeholder map that was prepared in the context of the implementation of the REDD+ National Strategy.</p> <p>The ESMF will outline how the existing Stakeholder Engagement platforms will be used, strengthened and a specific plan elaborated and applied in the context of this project, in line with UNDP's SES.</p> <p>FONAFIFO has a grievance mechanism already in place called the Information, Feedback and Grievance Mechanism "MIRI" (Acronym in Spanish) that addresses and responds to grievances related to the implementation of the PES scheme. MIRI will be further assessed against UNDP's Guidance on Grievance</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		<p>capacities and understanding of the PES, their rights and obligations in relation to human-rights.</p> <p>On the other hand, low capacities of stakeholders and knowledge regarding how the activities aimed to strengthen monitoring and control of forest fires and illegal logging in protected areas, work, could potentially affect human-right related matters.</p> <p>As to recognition and legal representation of IPs, some communities have embraced ADIs as their governance structure, while others maintain their traditional structures of governance.</p>	<p>Mechanisms. It will also be determined to what extent MIRI is fully functional and can be used for this project. Where gaps are identified, the project will strengthen MIRI.</p> <p>The IP Plan will provide further detail regarding the governance structure of each of the Indigenous communities that may participate in the project. This documentation will enable tailored consultations and FPIC processes. The IP Plan will also identify ways in which all participating Indigenous communities may contract on PES, including those communities that embrace ADIs and those that maintain their traditional structures of governance.</p>
	<p>Risk 2: Adverse impacts on gender equality and/or the situation of women and girls: The PES scheme under its three modalities to be strengthened and expanded by the project could potentially reproduce existing discrimination against women. The project could potentially limit women's ability to use,</p>	<p>Access to the traditional PES scheme in Costa Rica is granted based on land-tenure rights. Given that 84.3% of land is owned by men, 15% of farms are owned by women, and most of them are small farmers (under 10ha), where only 8% receives technical assistance and training. The project could reproduce existing discrimination against women, especially regarding</p>	<p>The first mitigation measure will be to implement the Gender Action Plan (2018) for Costa Rica's National REDD+ Strategy, which encompasses the implementation of all the project activities (3 out of 5 of the REDD+ policies and measures). The Gender Action Plan includes carrying out a review the PES modalities and requirements to address the barriers related to land-tenure rights that limit the participation of women.</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	develop and protect natural resources, taking into account different roles and positions of women and men in accessing benefits.	participation in design and implementation or access to opportunities and benefits of the project. Similarly, PES in indigenous territories, would risk generating unequal distribution of benefits, negatively affecting women.	<p>In addition, and given that from the three PES modalities, the PES for agroforestry system (SAF PES) is the most conducive to empower women participation, expansion this modality will be prioritized.</p> <p>The project will elaborate a targeted gender assessment following the provisions of the Gender Action Plan, identifying additional gender-responsive actions and indicators to ensure that the PES addresses the identified GAP's. The operations manual will be updated to ensure that conditions to access PES scheme are diversified, including gender-sensitive elements for enhancing access to benefits from PES to women without the requirement of land titles.</p> <p>In addition, the IP Plan will indentify inputs to strengthen the gender dimensions of the IPs specific PES modalities, including in respect of decision-making and benefit-sharing.</p>
	<p>Risk 4: Biodiversity Conservation and Sustainable Natural Resource Management.</p> <p>Potential negative impacts to biodiversity due to planting of</p>	The PES modality focused in agroforestry systems, is open for including planting of both native and some selected exotic species (ES) (<i>Melina</i> and <i>Teca</i>). The ES are well adapted to Costa Rica's ecosystems, climate & soils, and are planted for	Existing monitoring protocols for the PES system (including SAF PES) include verification of the following parameter: i) planting of trees only in designated, suitable areas, ii) species planted in accordance to the implementation plan of the PES, and iii) status of the

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	exotic species (<i>Melina</i> and <i>Teca</i>) in non-forest areas for timber production under the PES modality for agroforestry systems (SAF PES).	timber production only in areas classified as non-forested areas. Timber species can be harvested for additional income generation. The ES timber species could be affected by disease that could potentially negatively affect biodiversity in surrounding areas.	<p>plantations. SAF PES participants also receive training and capacity-building on best-practices and regulations for establishing the agroforestry systems.</p> <p>The project document will include provisions to strengthening and expanding capacity building activities to producers and forest officers in charge of monitoring. In addition, it will include activities for direct technical support to producers, in a gender-responsive manner, to ensure that the agroforestry systems are implemented following best-practices and do not result in negative impacts to biodiversity and natural habitats. Training will include specific references of consequences of non-compliance with regulations specified in the PES's implementation plans.</p>
	Risk 5: Risk of economic displacement of farmers and communities associated with commitments under PES agreements could potentially restrict the use of forests and their livelihoods, as well as customary rights to land in indigenous lands	Voluntary PES agreements consist on a commitment to either conserve existing forests with individually or community-owned private lands (Conservation PES) or to establish an agroforestry system in non-forested individually or community-owned private lands.	<p>In Costa Rica land-use change is forbidden by law, therefore individual and communal landowners can't change use of lands even without PES agreements.</p> <p>In all PES agreements FONAFIFO and landowners need to agree on what actions and uses are allowed under the PES contracts. New contracts need to be clear on which activities are allowed in their lands and that will be</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		Despite the voluntary nature of the PES scheme, some farmers or community members may be restricted in their use of forests as a consequence of the agreement.	<p>evaluated to condition payments. Under PES contracts in IP territories, 2% of the areas under contract can be used for subsistence agricultural production.</p> <p>During project implementation capacity building to PES participants on the conditions and limitations with potential implications on land and resource use would be included. In addition, the revised operation manual of the PES will include provisions to ensure full disclosure of limitations and process for reaching agreements on the activities that are allowed in areas under PES.</p> <p>This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a livelihoods management plan.</p>
	Risk 6: Climate change mitigation and adaptation. Climate change is expected to increase the frequency and severity of droughts and floods in the project area, potentially impacting the project's activities before they are completed.	The whole Central American region is considered highly vulnerable to Climate Change (increased duration and intensity of droughts floods, and hurricanes). However, it is unlikely that catastrophic events that will directly affect the project's activities would take place during implementation.	Due to its high forest coverage, and strong institutional capacities, Costa Rica is prepared to respond to potential increasing climate change negative impacts. By strengthening and expanding forest coverage the project's outcomes directly contribute to enhance Costa Rica's resilience (via 'green infrastructure'). According to the national forest reference level over 9% of GHG Emission Reductions in the LULUCF sector in Costa Rica can be attributed

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	In the analysis of the PES objectives and outcomes, climate change is identified as risk in achieving a strategy for implementation of its different modalities	The PES program under all modalities contributes to enhance resilience, climate change mitigation and adaptation. The PES's contributions to Costa Rica's climate change mitigation are reflected in the country's GHG inventories.	to the implementation of the PES program since 1997. During the development of the project, up to date vulnerability assessments performed by the National Meteorological Institute (IMN in Spanish) will be reviewed and the most vulnerable areas will be identified. Mitigation measures (I.e. strengthening early warning systems and capacities to deal with climate related emergencies) will be defined, prioritized, budgeted for, and included as part of the project activities.
	<p>Risk 9: Indigenous peoples.</p> <p>The project could affect negatively indigenous peoples' traditional land use practices and land management by applying standard PES schemes, that include conservation agreements between the government and landowners. Despite the fact that such agreements are voluntary,</p>	<p>The project will be developed in areas where there is presence of indigenous peoples with important cultural heritage, ancestral land and resource rights. Costa Rica has laws in place that guarantee IPs participation and the recognition of their rights.</p> <p>Despite the fact that IPs territories account for 7% of the country's area, Costa Rica's forest Policy does not include a chapter on IPs. The</p>	<p>Costa Rica's legal framework offers a degree of protection of the rights of IPs. The project encompasses an IP Plan with measures that help align the PES program with international standards. It also explores pathways to strengthen national laws and regulations concerning the rights of indigenous peoples.</p> <p>During 2015 a full review⁴ of the PES scheme was carried out including consultations with IPs to identify key improvements for the mechanism to ensure their interests were included in the improved PES scheme. Decree</p>

⁴ Results from the consultation process to fulfill FPIC for REDD+ in Costa Rica, 2019, by the REDD+ Secretariat in Costa Rica <http://ceniga.go.cr/wp-content/uploads/2020/02/Sistematization-of-Consultations-IPs-Costa-Rica-ENG.pdf>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	once signed they may lead to a series of actions that limit their cosmovision and traditional use of forests. In addition, IPs have reported low capacity of the state to work on environmental and social issues that have been prioritized in their life-plans.	<p>National Biodiversity Law includes a chapter focused on protection of IPs traditional knowledge. A national level IPs policy is being developed in the country and will be discussed during 2019-2020.</p> <p>The executive Decree No. 40932 establishes the general mechanism and protocol to address consultations. The Ministry of justice and Peace and Ministry of Interior are establishing technical committees at the territorial level (CT acronym in Spanish) as the first step to implement territorial governance.</p> <p>Furthermore, the consultation mechanism requires that local consultation platforms with indigenous peoples are established as the specialized focal points pilot the Consultation protocols.</p>	<p>Nº39871 MINAE was approved providing guidelines that led to include provisions a chapter has been developed for the operations manual for the PES scheme that establishes the agreed guidelines that resulted from the consultation process that respect IPs cosmovision. The project will build on these existing agreements and support its implementation in IPs Territories, through the specific IPs PES (output 1.3).</p> <p>Local indigenous counterparts responsible for articulation with the government in each IPs territory during the consultation process with IPs. These arrangements will be chosen internally of each IP community in alignment with their customary law and representation mechanisms. The project aims to support implementation of the recently designed tool on the PES+ for IPs.</p> <p>Given that participation in the program is voluntary, FONAFIFO will offer that all PES contracts signed with IPs prior to 2016, once finalized instead of being renewed under the traditional modality, are merged to the new IPs PES modality.</p>

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			<p>The updated IPs Plan developed for the whole National REDD+ Strategy, will include these considerations and will be applied during the project's implementation. To ensure this in the revision, the proposed activities in the plan will be included and budgeted for as part of the RBPs project.</p> <p>The existing IP plan will be reviewed against UNDP's SES to identify and address any gaps regarding the project's scope, including the specific issues concerning PES in IP territories identified in Annexure 4 on the IP Plan .</p> <p>Further targeted assessment of impacts on IPs will be undertaken to inform the design of the IP component of the PES.</p>
2.1.2 Conservation PES: Expand to maximum 25% the areas covered under conservation PES (currently there is a waiting list to participate in the program)	Risk 1: Human rights Refer to description listed above.		Refer to measures listed above.
	Risk 2: Adverse impacts on gender equality and/or the situation of women and girls. Refer to description listed above.		Refer to measures listed above.
	Risk 5. Risk of economic displacement of farmers and		Refer to measures listed above.

Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	communities associated with commitments under PES agreements could potentially restrict the use of forests and their livelihoods, as well as customary rights to land in indigenous lands Refer to description listed above.		
	Risk 6: Climate change mitigation and adaptation. Refer to description listed above.		Refer to measures listed above.
	Risk 9: Indigenous peoples. Refer to description listed above.		Refer to measures listed above.
Activity 2.2. Special Conservation PES in Indigenous territories			
2.2 Indigenous Peoples PES: Expand areas of IP PES that are under demand to be included (currently limited to 1000 has per year due to lack of resources to cover more)	Risk 1: Human rights Refer to description listed above.		Refer to measures listed above.
	Risk 2: Adverse impacts on gender equality and/or the situation of women and girls. Refer to description listed above.	Refer to above. The existence of gender gaps in IPs groups has been documented. The PES can potentially reproduce existing discrimination against women, especially regarding participation in design and	Refer to measures listed above. The gender action plan contemplates specific measures to be addressed to minimize discrimination against women in IPs territories. These shall be mainstreamed for the implementation of this specific action.

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		implementation or access to opportunities and benefits of the project.	
	<p>Risk 5. Economic displacement.</p> <p>Economic displacement farmers and communities associated with commitments under PES agreements could potentially restrict the use of forests and their livelihoods, as well as customary rights to land in indigenous lands</p>	<p>Refer to description listed above.</p> <p>While this risk has been considered to affect could potentially affect only private owners</p> <p>The IPs PES Scheme can be implemented under communal or individually owned IP lands. The risk of economic displacement in community owned lands, is minimal given that decisions are made by consensus following customary law. However, in individually owned IP lands, the risk of economic displacement could potentially occur as a result of land use restrictions as agreed in the consultation process, that are part of the PES contracts in IP territories especially in the context of subsistence agriculture.</p>	<p>Refer to measures listed above.</p> <p>In consideration of this potential risk and as a result of consultation process with IPs, for PES contracts in IP territories, 2% of the areas under contract can be used for subsistence agricultural production.</p> <p>During project implementation capacity building to PES participants on the conditions and limitations with potential implications on land and resource use would be included. In addition, the revised operation manual of the PES will include provisions to ensure full disclosure of limitations and process for reaching agreements on the activities that are allowed in areas under PES.</p> <p>This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a livelihoods management plan.</p>
	<p>Risk 8: Cultural heritage.</p> <p>By including activities in indigenous lands, inherently the project activities could</p>	<p>The PES for indigenous lands has been designed in full consultation with indigenous peoples and participation on it is voluntary. As per their request, sacred areas and</p>	<p>Costa Rica has a robust legal framework that allows the protection of IP rights as well as an Indigenous Peoples plan that has been developed for the national REDD+ Strategy. The plan details key risks and mitigation measures</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	have adverse impacts on sites, structures or objects with historical, cultural, artistic, traditional or religious values.	<p>areas with spiritual value cannot be included in the PES Contract.</p> <p>IP PES includes the following activities: Forest conservation, natural regeneration, and agroforestry Systems.</p> <p>Nevertheless, there is a risk that payments made directly to indigenous and traditional communities will trigger a shift to a more market-integrated economy, which could lead to the loss of some traditional livelihood practices (especially those related to the sustainable extraction of forest products and fishing).</p>	<p>associated with cultural heritage and the implementation of each of the PAMs in the strategy, including the activities that will be supported by the Project. The plan includes provisions for IPs engagement and consultations.</p> <p>The ESMF and updated Indigenous people plan (that includes actions on cultural heritage), will incorporate the proposed risk mitigation measures to ensure they are mainstreamed in the revised operations manual for the PES in Indigenous territories. This includes actions carried out regarding strengthening decision making processes, capacity building on activities that the PES scheme supports, and independent decisions made by IPs and stakeholders regarding how they spend resources from the PES scheme.</p>
Output activities 2.1.1, 2.1.2 & 2.2	Risk 10: Reversals (non permanence) of forest conservation, sustainable management and restoration actions as a result of the voluntary withdrawal of stakeholders from the PES Program	Contracts signed under the PES program are aimed to enhance long term conservation of ecosystem services provisions. In addition, national legislation in Costa Rica forbids changing the type use of land in the country. Nonetheless, the country it is not exempt of the occurrence of illegal logging.	<p>The National forestry law Nº7575 forbids cutting forests and forestry actions within protected areas, biological reserves, protection areas, mangroves, wildlife reserve areas and forest reserves owned by the state and managed by SINAC. It is important to note that to date, no reports have been presented on lack of compliance.</p> <p>National legislation itself does not ensure permanence of forest cover, hence control and</p>

Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		<p>On the other hand, it is important to note that in line with the risk associated to climate change, the probability of intensified drought, flooding, natural disasters, could potentially lead to reversals. The Central America region is prone to the occurrence of forest fires. Nonetheless, reports from recent years reveal that Costa Rica has low presence of fires due to its high forest cover and good health of forest ecosystems, as well as due to the fact that there are measures in place to prevent, control and manage forest fires.</p> <p>Moreover, the project aims to strengthen national capacities and better response to potential forest fires, thus reducing the risk of reversals.</p>	<p>monitoring actions are mandatory together with information and capacity building processes jointly with the private sector's commitment to more sustainable and environmentally friendly production.</p> <p>To ensure this occurs, Costa Rica's National REDD+ implementation plan contemplates a series of specific actions to strengthen control of illegal logging and the occurrence of forest fires. In addition, a joint program between the forestry and agricultural sectors is established to strengthen forest management in agro-forestry systems. Moreover, the RBPs project aims to strengthen their implementation in output 2, addressing directly the risk.</p> <p>In line with the above, Costa Rica has strengthened coordination around its forest monitoring systems as well as methodologies to estimate data on forests and early warning systems (forest fires) ensuring more robust information is available for decision making and rapid response processes.</p>
Activity 2.3. Forest fire prevention			
2.3.1 Implementation of early warning system for forest fires	No risks identified for this action.	n/a	n/a

Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
2.3.2 Establish fire breaks around forested areas threatened by fires	<p>Risk 1: Human rights Refer to description listed above.</p> <p>Low capacities of stakeholders and knowledge regarding how the activities aimed to strengthen monitoring and control of forest fires and illegal logging in protected areas, work, could potentially affect human-right related matters.</p>		Refer to measures listed above.
	<p>Risk 3: Biodiversity Conservation and Sustainable Natural Resource Management</p> <p>Small scale and limited habitat degradation and fragmentation could potentially occur during the establishment of firebreaks in forested areas around legally protected areas, and maintenance of roads to access the areas.</p>	<p><u>Outcome 2</u> of the project focuses on strengthening forest-fires prevention and control of illegal logging activities around protected areas. Activities focus mainly in strengthening capacities for monitoring and implementing an early warning system, but also include activities on the ground, in particular the establishment of firebreaks in forested areas around protected areas, that are previously identified as high-risk for forest fires. These activities could potentially have limited impacts on habitat degradation and fragmentation. However, is important to note that the potential</p>	<p>During project implementation, the forest fires early-warning system (currently under development) will be implemented to support timely decision making on specific sites where firebreaks should be established as well as trails to access remote areas to control potential fires. The system will also facilitate response at the national level during the dry season. This will allow to limit to the minimum possible the negative impacts of establishing the firebreaks. While the proposed actions will take place around PAs and no effects are foreseen to affect PAs, they should be planned in coordination with the PAs management to ensure they strengthen existing management plans.</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		<p>benefits to biodiversity conservation inside protected areas where fires are prevented, would largely outgrow the negative impact of the mitigation measures itself.</p> <p>When establishing fire breaks in Costa Rica, two main actions are implemented; i) permanent prevention fire breaks; establishment of new fire breaks, and maintenance of previously established (trails, river banks, breaks, depressions in mountains etc.) ii) defense lines that are established during the fire as control measures, they are opened depending on each fire, its strength, winds, geography of affected area, etc. they remove all vegetation in an area (except large trees) to stop the fire. Once fires are controlled, there is room for mitigation actions and forest recovery actions in the areas affected by the fire and where forest was cut to prevent it from spreading. The main restoration</p>	<p>Statistics regarding areas more prone to forest fires, on recurrent fires and that recently presented forest fires will be used to plan adequate responses: different type of firebreaks and others seeking for cost-efficient measures that require low maintenance as well as the adequate amount. Natural regeneration of forest areas affected by fires is the main activity that should lead to forest recovery in the mid & long term.</p>

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
		activity is natural regeneration of the affected areas.	
	<p>Risk 7: Community health, safety and working conditions.</p> <p>The establishment of firebreaks in previously identified fire-risk areas around protected areas to be established by the project could pose potential safety risks to local communities in the project area, some of whom are indigenous.</p> <p>This activity has potential safety risks to the volunteer and institutional forest firefighter brigades, that may include local community members some of whom are indigenous peoples.</p>	<p>One of the project's activities related to prevention measures to control forest fires includes opening of firebreaks around previously identified fire risk around protected areas. This activity has potential safety risks to the volunteer and institutional forest firefighter brigades, that may include local community members some of whom are indigenous peoples.</p>	<p>Voluntary and institutional forest-firefighter brigades participate on mandatory training and capacity building activities on security protocols that are part of the existing certification process for fire-fighters. Fire-fighters from the National Protected Area System (SINAC) and voluntary fire brigades are provided with a special insurance policy that can be used in case there are any safety-related incidents while they are operating in the ground.</p> <p>Additional training and capacity building activities on best-practices on prevention, and best safety-related practices for the forest-firefighter brigades will be designed, included, and budgeted for in the project document. Additional safety equipment will be procured by the project.</p> <p>This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a management plan.</p>
2.3.3 Update and reactivate the	Risk 1: Human rights Refer to description listed above.		Refer to measures listed above.

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
strategy to control illegal logging in PAs	low capacities of stakeholders and knowledge regarding how the activities aimed to strengthen monitoring and control of forest fires and illegal logging in protected areas, work, could potentially affect human-right related matters.		
	Risk 3: Biodiversity Conservation and Sustainable Natural Resource Management Small scale and limited habitat degradation and fragmentation could potentially occur during the establishment of firebreaks in forested areas around legally protected areas, and maintenance of roads to access the areas.		Refer to measures listed above.
	Risk 7: Community health, safety and working conditions. Monitoring and control activities of illegal logging could pose potential safety risks to Personnel in SINAC in charge of carrying out the	Costa Rican roads are generally good conditions, when compared to other countries in the region. Nonetheless it is possible that accidents occur while travelling. Roads in the country and personnel of all government offices are trained in security protocol and the government provides life and	The government will continue to provide insurance, maintenance of vehicles for the mobilization of personnel. The project should include an activity to provide training on best practices and updated security protocols to all personnel involved in control of illegal logging.

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Activity	Risks and Impacts	Comments	Avoidance and Mitigation Measures
	activities associated to the operation of vehicles in the field and their transportation.	accidents insurance for all personnel.	This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a management plan.

Note regarding resettlement of non-indigenous persons from IP territories and recovery of IP territories:

As funds from the RBP project will not be used for land purchases for protected areas, and will be used primarily for implementing the PES program, which has as a precondition clarity on legal ownership of the land, there is no risk of causing involuntary resettlement as a result of the project activities. That being said, there could be a risk that the RBP project exacerbate tensions over lands in indigenous territories. To address this risk, the PES program should not enter into any contracts with non-indigenous persons currently in IP territories, under any circumstance or justification. The project should also ensure MIRI is equipped to manage or at least refer potential grievances related to this topic to the appropriate responsible bodies. Costa Rica's Instituto de Desarrollo Rural (INDER) prepared a Plan Nacional para la Recuperación de Territorios Indígenas. In the context of its national REDD+ strategy, Costa Rica has prepared an involuntary resettlement framework (MRI). This document is guided by the World Bank OP 4.12 on involuntary resettlement and is deemed to be generally consistent with the UNDP SES.

Summary of further assessment and management measures required upon project initiation

This ESMF has been drafted with the aim of providing a risk assessment and set of mitigation measures that should capture most if not all of the risks that might accompany the known activities and any decisions around making those activities more precise and distilling them down to their implementation modalities. However, as new activities are fully specified in the future, the SESP will still need to be applied to these activities. That is, each new activity will need to run through the risk screening process. If indicated by that screening, the project will need to be updated to determine whether additional risks of social and environmental impacts may arise from these new activities and therefore, need additional assessment and treatment in a management plan. New activities will not proceed until such an assessment has been conducted and, if warranted, appropriate management measures are in place. The SESP, the ESMF, ESMP and other management plans will also be updated if there are any significant changes in the project's design or context that may materially change its social and environmental risk profile and consequently the avoidance and mitigation measures and action plans to address them.

Based on the above initial analysis, the further assessment and, where needed, management plans will take place upon project initiation. The management plans will be consistent with the requirements of the UNDP SES and may be incorporated into an updated ESMP and/or elaborated as an activity-specific plan (ie PES and IP PES modality policy and guidelines could be updated to incorporate key safeguards management measures):

- PES and IP PES specific - Stakeholder Engagement Plan
- PES and IP PES specific - Gender Action Plan
- IP PES specific - Indigenous Peoples Plan, including consideration of Cultural Heritage
- Pending further assessment of risks (Note: more detailed management measures could be sufficient or there may be a need for an elaborated plan):
 - A Community, Health and Safety Plan;
 - A Labor and Working Conditions Plan;
 - A Livelihoods Management Plan;
 - Pollution Prevention Plan;
 - Biodiversity Management Plan.

- Capacity building will be built into the project and will underpin the successful implementation of these management plans.
- MIRI will be assessed and strengthened to ensure effective receipt and response of grievances during the project.

A stakeholder engagement plan will be developed, building on the [existing stakeholder mapping exercise](#) that was prepared in the context of the implementation of the REDD+ National Strategy. The ESMF outlines how the existing stakeholder engagement platforms will be strengthened and applied in the context of this project, in line with UNDP's SES. This plan should also support the implementation of the whole National REDD+ Strategy and have a specific chapter/focus for the implementation of the project, see section 7 for further details on the existing stakeholder engagement platforms.

Regarding the biodiversity standard, the project itself is aimed to protect biodiversity, forests and other ecosystem services. During project implementation, the forest fires early-warning system (currently under development) will be implemented to support timely decision making on specific sites where firebreaks should be established as well as trails to access remote areas to control potential fires. The system will also facilitate response at the national level during the dry season. This will allow to limit to the minimum possible the negative impacts of establishing the firebreaks. While the proposed actions will take place around PAs and no effects are foreseen to affect PAs, they should be planned in coordination with the PAs management to ensure they strengthen existing management plans. Sustainable forest management plans will be supported to ensure forest and ecosystem services conservation.

The project's support to PES schemes may imply limitations to the use of land and natural resources, which in turn could potentially result in economic displacement. Nonetheless, in the case of the IPs PES already considers this and allows 2% of the area under PES contracts to be used for subsistence agricultural production ensuring food security and sovereignty. On the other hand, for other PES modalities this is avoided by the procedures of the PES scheme, that requires FONAFIFO and landowners to agree on the actions and uses are allowed under each modality before agreeing upon the contracts. Moreover, the PES scheme is entirely voluntary, ensuring information is disclosed and there is common understanding amongst the parts, this should present any risks to livelihoods.

The Gender Action Plan includes carrying out a review the PES modalities and requirements to address barriers related to land-tenure rights that limit the participation of women. In addition, and given that from the three PES modalities, the PES for agroforestry system (SAF PES) is the most conducive to empower women participation, expansion this modality will be prioritized. The project will elaborate a targeted gender assessment following the provisions of the Gender Action Plan (see Annex XIII(c) of the proposal document) identifying additional gender-responsive actions and indicators to ensure that the PES addresses the identified GAP's. The operations manual will be updated to ensure that conditions to access PES scheme are diversified, including gender-sensitive elements for enhancing access to benefits from PES to women without the requirement of land titles.

The Indigenous People's Planning Framework (IPPF) is intended to ensure that the process of implementing the actions derived from the National REDD+ Strategy are carried out with absolute respect for the dignity, human rights, economies and cultures of Indigenous Peoples who may be affected by conducting a free, prior and informed consultation process that generates broad community support. The IPPF provides guidelines for institutions and units participating in the implementation of the Strategy's PAMs on how to avoid and/or minimize negative impacts, maximize potential benefits and ensure full

respect for the rights related to Indigenous Peoples, ensuring compliance with OP 4.10 of the World Bank on Indigenous Peoples, as well as the Cancun safeguards related to the issue and current regulations.

The plan includes a detailed and extensive characterization of IPs in Costa Rica including the relevant legal and institutional framework, the process to led to the agreement and regulation on IPs Consultations & FPIC process as well as the key challenges they face today. It further describes the different articulation level instruments that are described in section 7 of this document. The IPPF, identifies measures that aim to strengthen governance on the ground, indigenous women, IPS knowledge on climate change and the National REDD+ Strategy, the relationship between IPs and institutions such as FONAFIFO and address existing gaps, as well as participatory, dialogue and negotiating structures that enable relevant discussions for IPs at the territorial level between IPs leaders and the government. The plan describes the consultation process carried out on a step by step basis and presents the key agreements that resulted from the consultation process carried out at different scales for the National REDD+ Strategy.

One of the main results from the extensive participatory process carried out during the REDD+ Readiness phase and from the consultation of the National Strategy, was the identification of the existing barriers for IPs to be part of the PES program. As a result, the new PES for IPs was formulated to ensure and will be implemented as part of the RBPs program. This new PES modality will be implemented throughout the project. Given that this modality is novel, a targeted assessment of impacts on IPs will be carried out to inform the design and improvement of the modality.

To ensure full compliance of the rights of IPs and on UNDP's Standard on Indigenous peoples during the implementation of the project and the IPs specific PES modality, this ESMF recommends a full review of the Indigenous people's Plan. This includes measures to identify and engage indigenous peoples' traditional governance structures. Where indigenous communities have embraced ADIs as their new structures for coordinating their interaction with the State, the Indigenous Peoples Plan shall document this. This review will provide further detail regarding the specific activities that the project will support that may have an impact on IPs livelihoods and cultural heritage. It shall provide inputs for the capacity building activities that will be developed, as well as identify the key aspects that will be required to improve the implementation of the IPs PES modality, strengthen the formulation of natural resource management plans formulated by IPs, in recognition to their traditional practices, and build on provisions to ensure FPIC is carried out and agreements from the consultation process are implemented.

6 IMPLEMENTATION AND OPERATION

The project will be implemented under UNDP's Direct Implementation modality (DIM). UNDP will be the Executing Entity/ Implementing Partner. The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of the project resources.

As Executing Entity, UNDP offices will carry out operational and administrative support activities which include the provision of the following services:

- Payments, disbursements and other financial transactions.
- Recruitment of staff, project personnel, and consultants.
- Procurement of services and equipment, including disposal.
- Organization of training activities, conferences, and workshops, including fellowships.

- Travel authorization, visa requests, ticketing, and travel arrangements.
- Shipment, custom clearance, vehicle registration, and accreditation, among others.

In addition to the provision of the above-mentioned services, UNDP will be responsible for establishing a Project Management Unit which will execute the project and coordinate the management, reporting, and promote inter-institutional linkages of this project with other initiatives, disseminating its results. Inputs related to Project Execution have been costed and budgeted in the Project Management Costs.

FONAFIFO will be the responsible party. The United Nations Development Programme through its country office in Costa Rica will implement a grant component of this proposal (up to 5% of total budget). Under this grant component, several safeguards elements will be supported as described in this ESMF document and budget section.

The RBP Project funding proposal (FP) (Section C.2.5) provides the definition of roles and responsibilities of project staff and associated agencies, as well as stakeholders, in the governance and overall administration, design and implementation of project activities, and responsibilities around the application of social and environmental procedures (e.g. screening, assessment, preparation of management plans, monitoring).

6.1 GENERAL MANAGEMENT STRUCTURE AND RESPONSIBILITIES

Three levels of management will be set for the implementation of the project:

- **Decision making**, which includes a) Project Board in charge of strategic decision making; b) Monitoring and Quality Assurance Unit of UNDP that will supervise the activities in its role as Accredited Entity to the Fund. In line with UNDP Internal Control Framework (ICF) there will be a clear division between UNDP's oversight function as GCF AE and its role in supporting implementation; and, c) National Project Director that will ensure coherence of the interventions, the achievement of expected results, the management of risks, and the progress of the planning and procurement processes.
- **Technical committee**, providing technical support to the Project Board, Management Committee, and the Project Management Unit to facilitate informed decision making, as well as help coordinate with external initiatives.
- **Project Management and Implementation**, which includes the Project Management Unit (PMU), the Project Manager, the Support Unit for administrative and financial issues and technical team.

The project organization structure is as follows:

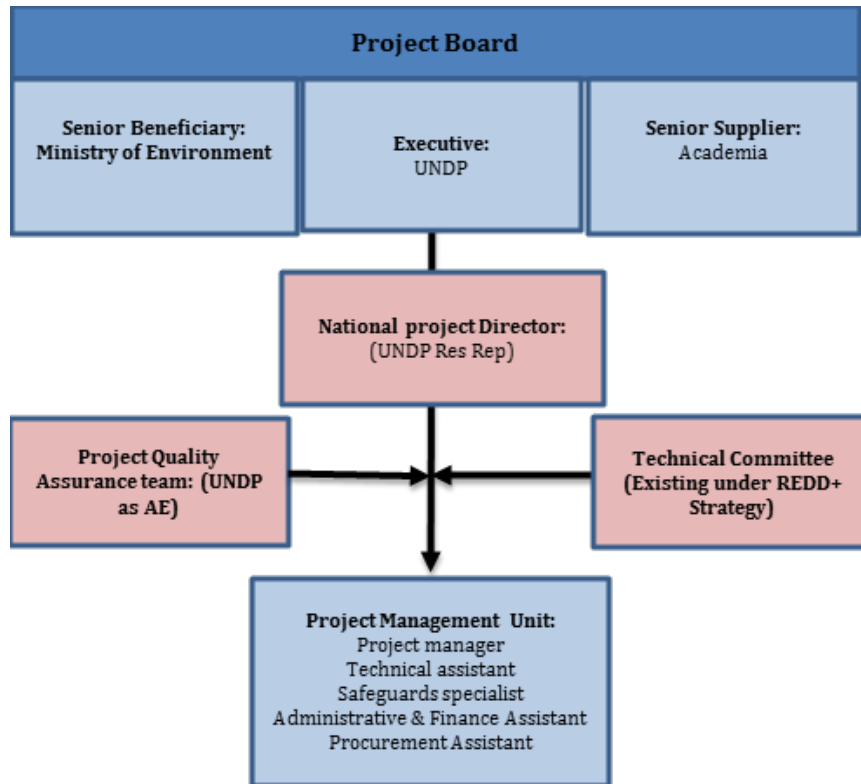


Figure 2. Project organization structure

Decision making arrangements for the project:

Project Board (PB):

The Project Board (PB) will be composed of UNDP, the Ministry of Environment and Energy (MINAE) and the representative from Academia nominated by the REDD+ Steering Committee.

The PB will be responsible for management decisions when guidance is required by the Project Manager, including recommendations for approval of project plans and revisions, and addressing any project level grievances. Project Board decisions should be made, by consensus, in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. The roles, mandates, composition, functions and decision-making mechanisms of the Project Board, the National Project Director, the Project Quality Assurance Team, the technical committee that exists under the REDD+ Strategy, the Project Management Unit and Project Manager are further described in the Funding proposal.

As Implementing Partner, UNDP will represent the project ownership, chairing the PB and organizing its meetings at least twice a year or upon request of either of the Parties. UNDP's Resident Representative will act as **National Project Director (NPD)** responsible at the highest level for providing guidance on the management and technical feasibility of the project and ensuring its implementation leads to the achievement of project's results. The Project Board's role in project management will be complemented by inputs and recommendations from the Technical Committee (see below). In addition, the PB will approve the appointment and responsibilities of a Project Manager who will be responsible for the daily project execution.

Project Assurance

UNDP provides a three-tier oversight and quality assurance role involving UNDP staff in Country Offices and at regional and headquarters levels. The quality assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed, and completed, consistent with UNDP social and environmental safeguards, standards and policies. Project Assurance must be independent of the PMU function.

As part of the assurance role, UNDP is responsible for guaranteeing that the project implementation is in compliance with the UNDP standards and policies, including the SES. While the corresponding alignment of safeguards requirements has been carried out and Costa Rica is committed to deliver sound social and environmental implementation of the RBPs project, it is essential to have trained personnel in the requirements of the SES both in UNDP, the PMU and other project staff on the matter.

National Project Director (NPD):

The UNDP Resident Representative will act as National Project Director (NPD) and will be responsible at the highest level for providing guidance on the management and technical feasibility of the project and ensuring its implementation leads to the achievement of project's results. The NPD will be responsible for orienting and advising the Project Manager on Government policy and priorities. The NPD will be supported by the Technical Committees and, will review coherence of the intervention, including results, risks, planning and procurement processes. The NPD will sign and approve procurement of services and goods corresponding to the project and will delegate to the Project Manager the approval and signature of procurement and hiring requests and payments. The Combined Delivery Report (CDR) will be approved on a quarterly basis and signed by the NPD.

Technical Committee:

A Technical Committee will be established by the Ministry of Environment and Energy (MINA) and will consist of high-level technical representatives from the following institutions: i) The National Fund to Finance Forestry (FONAFIFO); ii) the National Meteorological Institute; iii) the National Center for Environmental Information (CENIGA) and iv) The National System of Conservation Areas (SINAC). This committee will be expanded to include the Climate Change Directorate (*Dirección de Cambio Climático* DCC in Spanish), and the National Meteorological Institute (IMN), to ensure coordination with the broader climate change related processes.

Meetings will be arranged when there is a need of technical inputs and coordination with the project's components and other initiatives related to REDD+ or other thematic areas relevant to this project. The aim is to provide technical support to the Project Board, Project National Director, Project Technical Experts and Project Manager for decision making.

The Technical Committee is chaired by the National Fund to Finance Forestry (FONAFIFO) (authority level), who will invite relevant partners, technical experts and other stakeholders such as CSOs, academia, indigenous, local community and women groups, private sector and other partners to participate in an ad-hoc manner. In particular, key partners supporting projects and initiatives related to the national and subnational REDD+ processes, as well as those supporting the National REDD+ Strategy, will be invited to participate, to ensure adequate coordination as well as knowledge exchange on challenges and best

practices. The Technical Committee will support the implementation and monitoring of this ESMF and provide recommendations on how to improve project management as appropriate.

Project Management and Implementation

The Project Management Unit (PMU)

The Project Management Unit (PMU), under supervision of UNDP and Ministry of Environment and Energy, will run the project on a day-to-day basis within the constraints laid down by the Project Board. The PMU will be coordinated by a Project Manager.

The **Project Manager** function will end once the project is operationally closed, which is decided by the Project Board, and all commitment have been fulfilled, such as completion and submission of the final report and project closure process and any other documentation required by the GCF and UNDP.

The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. This will include oversight to ensure safeguards and risk management measures are implemented effectively. The Project Manager is also responsible for managing and monitoring the project risks initially identified, and for submitting new risks to the Project Board for consideration and decision on possible actions if required, and for updating the status of these risks by maintaining the project risks log according to the NIM Guidelines.

The PMU will also count with **Project Technical Experts** for specific project components who will support the Project Manager with the implementation of the project, providing technical expertise, reviewing and preparing TORs, and reviewing the outputs of consultants and other sub-contractors. Amongst the Project Technical Experts there will be a safeguards specialist who will support safeguards mainstreaming throughout all project activities, the implementation of the different management plans and will be directly responsible for monitoring how the ESMF will be implemented, support the operation of the SIS to ensure monitoring how safeguards are addressed and respected throughout implementation of the project.

The PMU is designed to support Outputs 1 and 3, which use a conventional upfront financing modality (i.e. cash advances). As Output 2 will use the performance-based payments modality, whereby (i) the government pre-finances and implements activities using its own staff and processes, while (ii) UNDP as AE will transfer funds annually based on actual results reported and verified by an Independent Assessor (including safeguards).

Upon request by the Ministry of Environment and Energy, UNDP will provide technical backstopping during the implementation of the project. The costs corresponding to this technical support towards project execution will be recovered following UNDP's policy.

Responsible Parties

FONAFIFO is the responsible party for this project. For an entity to be engaged as a responsible party, a capacity assessment was performed (finding and recommendations can be found in Annex XIII-f-1 of the proposal). Parties concerned with project formulation and design must review needed capacities. They first determine which tasks apply to the project. For each applicable task, the parties define any additional measures to ensure that tasks can be performed. The measures must be documented for follow-up action.

This may be done, for example, through an action plan, an annex to the project document or through minutes of a design meeting or workshop.

Additionally, UNDP assures that its partners are screened against UN Sanctions and Eligibility through a UN Security Council online system that contains a wide database of possible violators. In addition, UNDP has access to the United Nations Global Marketplace in order to verify if any supplier has been involved in terrorism and corruption. Moreover, UNDP has a policy on Due Diligence and Partnerships with Private Sectors in which a Risk Assessment Tool is applied before any agreement is made. This tool includes the following exclusionary criteria:

- Controversial weapons or their components;
- Armaments and/or weapons or their components, including military supplies;
- Replica weapons;
- Tobacco or tobacco products;
- Violations of UN sanctions, UN ineligibility lists or UNDP vendor sanctions list;
- Pornography;
- Substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES;
- Gambling (excluding lotteries with charitable objectives);
- Violation of human rights or complicity in human rights violations;
- Forced or compulsory labor;
- Child labor.

Finally, responsible parties are assessed under a micro-assessment under the Harmonized Approach to Cash Transfers (HACT) framework and following UNDP HACT policies, to determine the level of risk and capacities to manage the funds of the project.

National leadership

The Ministry of Environment and Energy will provide the space and facilities for the Project staff and the PMU contracted by UNDP as implementing partner. The PMU will closely collaborate and coordinate with FONAFIFO in line with the implementation of overall national REDD+ process.

This is indeed particularly strategic for coordination and integration as **FONAFIFO** is foreseen to play a key role in supporting REDD+ nationally, and in further mainstreaming and strengthening REDD+ within Costa Rica public institutions and processes.

Financing modalities

Outputs 1 (enabling conditions) and 3 (project management) will use a conventional Direct Implementation Modality (DIM), ensuring timely implementation of the activities for Costa Rica to enhance its overall architecture and capacity for overall REDD+ implementation, as well as to ensure high quality project management and implementation for the project.

For Output 2 (Payment for Environmental Services and Forest Fires Management), the Government of Costa Rica and UNDP opted for the use of UNDP's "Performance-Based Payments" (PBP) financing modality.

The choice of this PBP modality is by the following objectives:

- **Ensure country leadership** by providing more flexibility to the Government of Costa Rica in the way it provides the desired results;
- **Ensure cost-efficiency** by making optimal use of existing government structures, avoiding or keeping the duplications of structures and functions to the minimum, while ensuring that UNDP can fulfill its role of Accredited Entity adequately, in line with GCF and UNDP standards (incl. safeguards and gender);
- **Enable faster disbursements** from UNDP to Costa Rica than a conventional upfront payment modality would allow, depending on the government's capacity to provide the agreed results, verified through an Independent Assessor, without compromising the quality of implementation (incl. safeguards) and the intended use of proceeds.

“Performance-based payments (PBPs) are “a type of agreement between UNDP and a Responsible Party to provide funding upon the verified achievement of an agreed measurable development result. No advances are provided, rather payments are made only upon the verified achievement of agreed results. This approach gives greater incentive to responsible parties to achieve results” (UNDP Programme and Operations Policies and Procedures - POPP).

In this modality, as payments are made only on delivery of verified results, *“the Responsible Party is fully responsible for the achievement of the result(s), and free to use its own approaches, methods, capacities and resources within the parameters stipulated in the project document and performance-based payment agreement. Upon achievement of the result(s), the development partner submits substantive and other reporting required in the agreement to trigger payments”* (UNDP POPP).

This modality requires support services to the NIM modality, as UNDP has to sign and manage the performance-based payments agreement and the various tasks attached to it. The UNDP Policy on the PBP modality is publicly available in full in UNDP's POPP, through the weblink provided in this footnote⁵.

The overall process and requirements for this PBP modality are as follows:

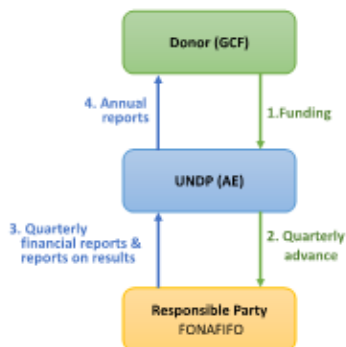
1. Government & UNDP agree on the performance criteria and indicators, targets and price(s) per unit of result;
2. Government & UNDP agree on an independent assessor, who reviews elements from step 1 and defines a validation methodology;
3. A project appraisal committee or project board reviews and approves elements defined in step 1 & 2;
4. A Project document is signed, as well as the Performance-based payment Agreement;
5. Disbursements are made from UNDP to – in this case – the implementing partner, based on the achievement of one or more outcomes verified by the independent assessor (including safeguards).

Figure 3. Financing modalities used in the project below presents the financial modalities to be used by the project and Figure 4. Organizational structure of the Ministry of Energy and Environmentthe organizational structure of the Ministry of Energy and the Environment (MINAE) in Costa Rica.

⁵ https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Design_Performance-Based%20Payments.docx&action=default

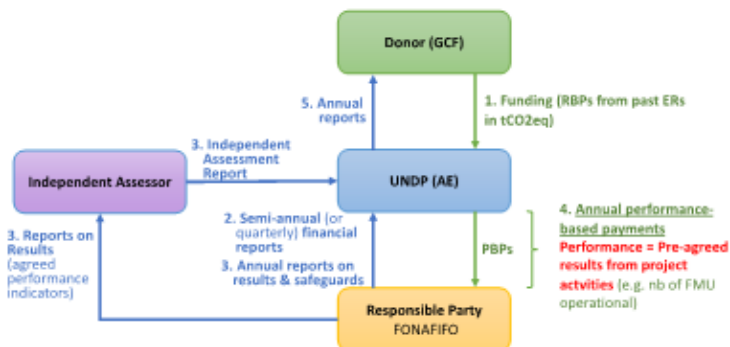


Traditional “workplan-based” modality



- Quarterly advance based on agreed workplan
 - Detailed quarterly financial reporting and report on results
- Slow disbursement...

New performance-based payments modality



Agreement “UNDP-Responsible Party” to provide grant funding upon verified achievement of a pre-agreed measurable results → New modality to update UNDP’s ‘financial toolbox’ (i.e. REDD+)

- No advances provided / Payment after results reported validated by an Independent Assessor (= independent “M&E Officer”)
 - Simplified reporting
 - RP free to use own approach, methods, capacities & resources
- More country-led + Faster disbursements!

Figure 3. Financing modalities used in the project

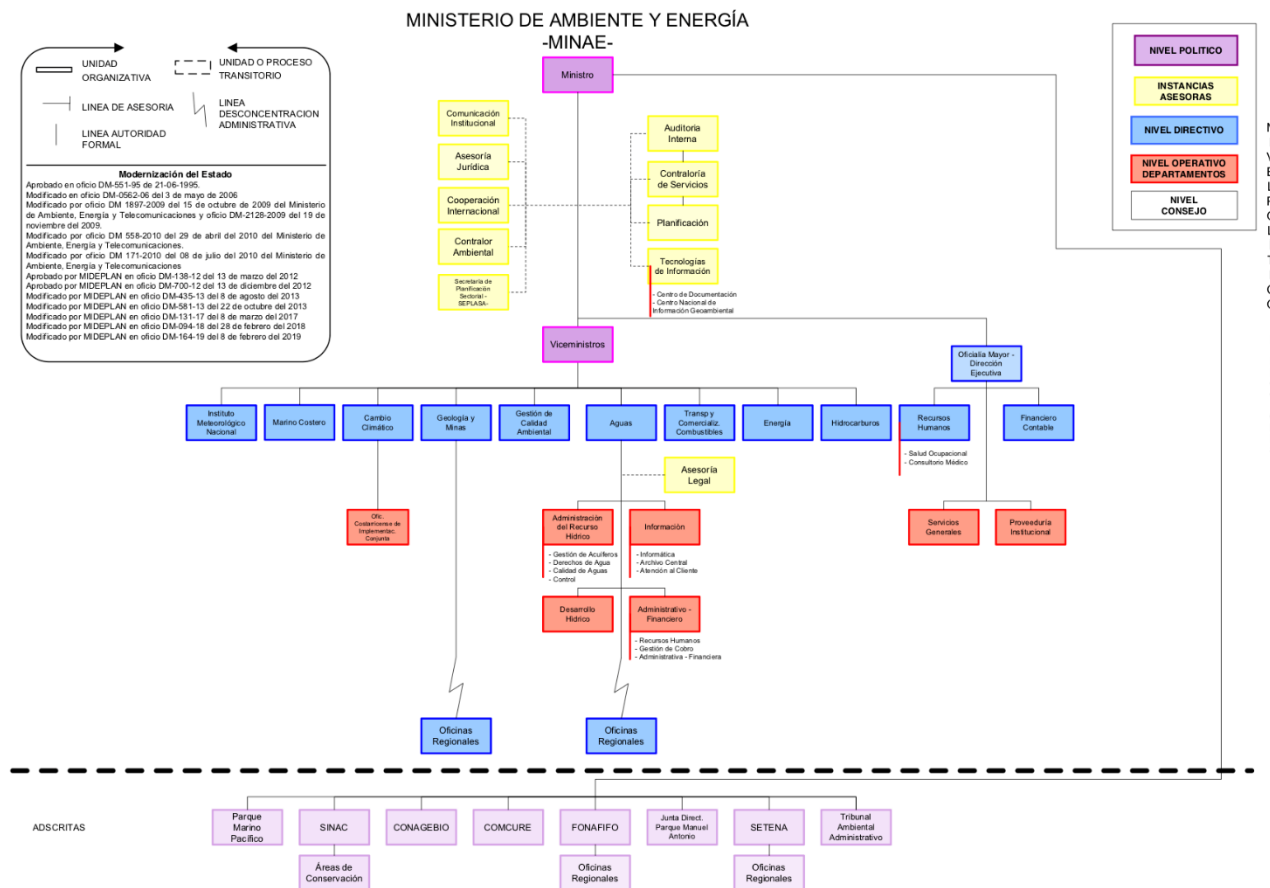


Figure 4. Organizational structure of the Ministry of Energy and Environment

6.2 PROJECT DELIVERY AND ADMINISTRATION

Project Delivery

UNDP through the PMU, Project Manager and the responsible party FONAFIFO will implement the project. In addition, collaboration with councils, existing NGOs and local communities is expected by UNDP.

Administration of Environmental and Social Management Framework

UNDP as Implementing Partner will be responsible for overseeing the implementation and compliance with the ESMF. It will seek to ensure full and effective participation of all key units as well as the articulation with other relevant government institutions as relevant. The ESMF and the developed management plans shall be considered part of any tender documentation.

The PMU through the safeguards specialist and National Project Director will be responsible for the revision or updates of this document and relevant management plans during the course of work. Material changes to the ESMF will be made in consultation with UNDP.

UNDP will coordinate closely with the REDD+ Executive secretariat (see section 7 for more details), that has a role in general planning, oversight and coordination of implementation activities of the National REDD+ Strategy. It will also support specific elements such as the compliance of safeguards, social and environmental standards and operational policies, ensuring the grievance redress mechanism (MIRI) is operating and provide reports, monitoring and verification amongst other. The secretariat shall oversee how institutions are in compliance with their REDD+ and safeguards commitments, as well as the generation of reports including reference levels, safeguards compliance, grievances, progress reports and other requirements of different financial mechanisms for the National REDD+ Strategy and the benefit distribution mechanism.

The project will ensure coordination with the broader REDD+ safeguards work in Costa Rica in charge of the National REDD+ Secretariat. The Secretariat will be responsible to ensure compliance of the policy framework on resettlement (if applicable), Indigenous Peoples, norms and procedures, social and environmental risk and impact avoidance and mitigation, monitoring of grievances, national and international reports on safeguards compliance, operation and follow-up on the SIS in coordination with the relevant implementing partners, the ESMF provisions and the elaboration of evaluation reports.

It is relevant to note that the National REDD+ Secretariat will have a **Safeguards, GRM and ESMF Unit** responsible for the implementation of the ESMF in the context of the National REDD+ Strategy. The **Project Management Unit** will coordinate with this unit to ensure that the project's safeguards work is consistent with the national framework. The project's PMU will also be held responsible for the review, dissemination and submission for validation of annual monitoring reports, and manage all documents associated with Safeguards and risk management.

This PMU will have specialized personnel to work on a range of topics including social and environmental issues and IPs issues. The latter is will be specifically dedicated to ensuring support coordination of plans, projects as well as national and international requirements in terms of stakeholder participation, consultation and IPs. This team will also provide advice for the adequate implementation of the National REDD+ Strategy's ESMF including compliance of the national and international legal framework. This unit was strengthened during the implementation phase of the National REDD+ Strategy by four professionals designated via the executive Decree number 40,464.

The REDD+ Executive Secretariat will also have a **Monitoring and Reporting Unit** who will coordinate control and follow-up of activities and projects on ecosystem services in particular greenhouse gas emissions under emission reduction agreements to protect and manage forests, carry out reforestation activities and agroforestry systems. The unit will establish the necessary monitoring mechanisms required by international organizations, donors, and banks of the different programmes and projects developed under the framework of the National REDD+ Strategy. This unit shall contemplate providing support to monitor the implementation of the ESMF for the National REDD+ Strategy to strengthen information disclosure and transparency, that shall in turn provide relevant information for the implementation of the ESMF for this specific project.

This unit will also manage the Geographical Information System of the Secretariat to establish the geo-spatial registry of all properties that respond to emission reductions. Moreover, it will support monitoring of other ecosystem services different to CO₂ generated as a result of the implementation of projects based exclusively on CO₂ emission reductions under results-based payments from the implementation of

the National REDD+ Strategy. This system will provide relevant information on implementation of the PES modalities that are supported by the RBPs Project facilitating information and decision making processes.

In this context, for the RBPs project, both UNDP and the REDD+ Executive secretariat and the project's Technical committee are accountable for the provision of specialist advice on environmental and social issues to the responsible party FONAFIFO and for environmental and social monitoring and reporting. The REDD+ Executive Secretariat under the coordination of the safeguards unit (or its delegate) will assess the environmental and social performance of the delivery organisations (e.g. contractors, NGOs) in charge of delivering each component throughout the project and ensure compliance with this ESMF. During operations the UNDP and FONAFIFO will be accountable for implementation of the ESMF. Personnel working on the project have accountability for preventing or minimising environmental and social impacts.

UNDP will be responsible for the day-to-day compliance of the ESMF for all project's outputs, in all cases this will fall under the responsibility of the PMU the safeguards specialist hired by the project. The project manager will maintain and keep all administrative and social and environmental records which would include a log of all complaints and incidents together with records of any measures taken to mitigate the cause of the complaints or incidents reported via the Grievance mechanism (MIRI).

The project's capacity building activities will be coordinated for the implementation of the National REDD+ Strategy will be coordinated by UNDP through the PMU in coordination with the REDD+ Executive Secretariat, as legal provisions establish it in Decree N° 40,464-MINAE, and its implementation will correspond to the responsible parties as stated in the Implementation plan.

UNDP will have the responsibility of leading, followup as well as other institutional capacities the continuous application of the different management instruments, and in compliance with the project's safeguards requirements. To carry out the ESMF tasks, it has been identified that the PMU will need a senior social specialist, indigenous peoples and consultations specialist, and an assistant on social issues; regarding logistics to coordinate field visits, institutional coordination and secretariat duties; as well as ensuring there is a workplace for the team.

To ensure sustainability in the long term, the project's PMU will collaborate closely with corresponding authorities to elaborate an internal Ministerial directive that clearly establishes the responsibilities derived from the National REDD+ Strategy's broader ESMF so as to ensure the political responsibility framework required in terms of transparency. The latter will be considered for the implementation of the specific activities of the National REDD+ strategy that will be supported by the RBPs Project and that are analyzed in the present document.

6.3 CAPACITY BUILDING AND TRAINING

UNDP through the PMU have the responsibility for ensuring systems are in place so that the responsible party's relevant employees, contractors and other workers are aware of the environmental and social requirements for project implementation, including the ESMF. All project personnel will attend an induction that covers relevant ESMF requirements, including health, safety, environment and cultural requirements.

All responsible party's workers engaged in any activity with the potential to cause serious social and/or environmental harm (e.g. handling of hazardous materials) will receive task specific training.

7 STAKEHOLDER ENGAGEMENT

Costa Rica is committed to ensuring stakeholder consultation and information disclosure, following the legal provisions regarding these matters; transparency, access to information, grievance redress mechanisms, public institutions disclosure. Moreover, to respecting the rights and access to adequate consultation processes. The following sections describe in detail the different participation processes and stakeholder consultations, governance arrangements, communications plans and mechanisms that are in place that support the implementation of the National REDD+ Strategy and the project.

7.1 STAKEHOLDER CONSULTATION AND INFORMATION DISCLOSURE

An extensive stakeholder engagement process was carried out in Costa Rica during this first REDD+ readiness phase (2011-2019), with funds from the FCPF and an investment of approximately U\$ 840.000. Over 180 participatory stakeholder engagement activities were carried out in the country, including townhall meetings, information & capacity building workshops, and analysis of proposals by the regional territorial groups (BTR acronym in Spanish)⁶. As a result, Costa Rica has a broadly consulted National REDD+ Strategy and implementation plan; the RBPs project will support implementation of three of the main action lines of the strategy. During the implementation of the project actions will be held to sustain and continue the ongoing participatory processes and stakeholder engagement platforms, in alignment with legal provisions for FPIC of indigenous peoples are respected as well as other legal provisions that enable stakeholder participation. One of the results of the readiness phase for the National Strategy includes a [stakeholder mapping exercise](#) that was elaborated in 2013 and is included in the ESMF for the National REDD+ Strategy.

Costa Rica regulated governance arrangements as well as the stakeholder engagement platforms for REDD+ initially during the readiness phase and later for the implementation phase. Additional detail on the different stakeholder engagement platforms, boards and secretariats that were established in both cases is provided below.

Governance during the Readiness Phase

The Executive Decree N° 37352-MINAET defined governance for the Readiness phase of REDD+ as follows; FONAFIFO was the responsible party for REDD+ in Costa Rica, reporting to MINAE for the elaboration of the National REDD+ Strategy. In terms of representativity, the role of FONAFIFO begins with its executive Board⁷ including five members that represent key stakeholders as follows; i) two representatives from the private sector named by the National Forest Office one must necessarily represent small and medium forestry associations and one from the industrial sector; and ii) three

⁶ Results from the consultation process to fulfill FPIC for REDD+ in Costa Rica, 2019, by the REDD+ Secretariat in Costa Rica Link <http://ceniga.go.cr/wp-content/uploads/2020/02/Sistematization-of-Consultations-IPs-Costa-Rica-ENG.pdf>

⁷ Article 48 of the regulation of Costa Rica's National Forestry law N7575;

representatives of the public sector, one from the Ministry of the Environment and Energy, one from the Ministry of Agriculture and Cattleranching and one from the National Banking System.

Within FONAFIFO, the decree established the **REDD+ Executive Secretariat** that has a technical component, a social component, and a crosscutting support component. The secretariat is responsible to enable operational, logistical, programmatic, technical and financial conditions for the design and implementation of the Strategy.

The **REDD+ Steering Committee** was also created to ensure governance of the National REDD+ Strategy. Formed by an official member and a deputy for each one of the main stakeholder groups or Relevant Interested Parties (PIR); Indigenous Peoples, Timber Producers, small and medium Forest Producers, Government, Academic sector and Civil Society. The role of this committee is to provide technical and political recommendations for the National REDD+ Strategy, serving as an advisory committee.

Finally, in order to promote interinstitutionality in the REDD+ Strategy, the decree established that public institutions shall name focal points to address REDD+. The aim was to have these focal points participating in the **interinstitutional commission**, where other stakeholders from the non-government sector that support the National REDD+ Strategy's implementation also participate.

The above-mentioned arrangements were operational during the REDD+ Readiness phase and supported the design and implementation of the Strategy. It is important to note that lessons learned from the process were considered in the elaboration of the new arrangements for the implementation phase.

Governance during the implementation phase

Executive Decree Nº 40464-MINAE regulates the implementation of the National REDD+ Strategy, including the key institutional arrangements. Article 7 creates the **Executive REDD+ Secretariat** for the National REDD+ Strategy and its **Directive Council**.

The **Executive REDD+ Secretariat** is composed by two public servants from the National Protected Areas System (SINAC) and two from the National Forest Finance Fund (FONAFIFO), one of them is designated for its coordination. The secretariat is expected to i) coordinate compliance of the different phases of the Strategy; ii) ensure compliance social and environmental safeguards for the National REDD+ Strategy; iii) establish and manage specific agreements with state entities as well as with private companies and other key stakeholders; iv) Present relevant reports as required; v) Prepare and present quarterly reports on progress of the National REDD+ Strategy to the Directive Council; vi) Convene different townhall meetings for the designation of members for the steering committee vii) supervise financial resource administration processes from the National REDD+ Strategy; viii) guarantee that grievances are addressed and responded and ix) any other actions required during the implementation of the Strategy.

The **REDD+ Directive Council** is conformed by the Director of the SINAC, the director of FONAFIFO and the Viceminister of the Environment. The role of this council is oversight and political direction of the executive REDD+ secretariat, the negotiation of Emission Reductions and to ensure compliance of the National REDD+ Strategy.

The main role of the **REDD+ Steering Committee** (established in Article 18) is to ensure compliance of the National REDD+ Strategy during all its phases. The committee is composed by two representatives of

Indigenous Peoples, two small forest producers (according to the National Forestry Law), two representatives from NGOs from the environmental sector, two representatives of timber transformation Industry, two from public universities that have Forestry Science carriers, one representative from the School of Agronomy Engineers and a representative from the Professional Forestry Associations in the country.

The committee will be coordinated by the REDD+ Secretariat providing necessary collaboration for its operation. Representatives will be chosen via independent townhall meetings that will be promoted, coordinated and supervised by the Secretariat. Except for the School of Agronomy Engineers. These meetings shall be called for with a 30 days notice and shall be advertised in the national and regional level media. Representatives are chosen by election, winning over a simple majority of attendees. Once representatives have been designated, the Secretariat will call for the first meeting of the steering committee. The committee was established in May 30th, 2019 and since then has convened every 2 months, during the first meetings its own operations manual was agreed. The steering committee has the following functions; i) Ensure or monitor different stakeholder's compliance with the National REDD+ strategy as long as financing is available. May request information from public institutions that participate in the committee as considered necessary, as well as establish the grievance/complaint notes as relevant when relevant when there is non-compliance of the National REDD+ Strategy.

Indigenous peoples and local communities

As a result of the stakeholder mapping exercise during the readiness phase, four Regional Territorial Blocks (BTR Acronym in Spanish) were established to facilitate the institutional articulation between indigenous peoples and FONAFIFO; Atlantico, Central Pacific, Central and North and South Pacific. They work via definition of an indigenous development association (ADI acronym in Spanish) with the implementer role for REDD+, facilitating the information and articulation process with indigenous communities at the local level serving as an agglutinating entity for several territories in each region. FONAFIFO delegated in the ADIs all the logistic and financial responsibilities to during the participatory process. The Regional Territorial Blocks (BTR) and are conformed as described below and will continue to operate during the implementation of the Strategy, hence the RBPs project;

1. **Atlantic (RIBCA):** Implementer (ADI) ADITICA. Territories: T. Bribri-Talamanca; T. Kekoldi-Talamanca; T. Cabecar-Talamanca; T. Telire-Talamanca; T. Tayni-Valle de la Estrella; T. Nairy Awari- Siquirres; T. Bajo Chirripo-Bataan; and T. Alto Chirripó.
2. **Central Pacific:** Implementer ADI UJARRÁS. Territories: T. China Kichá; and T. Ujarrás.
3. **Central & north:** Implementer ADI MATAMBÚ. Territories: T. Zapatón; T. Guatuso; T. Matambú; T. Quitirrisí. As well as some territories that still have to decide on who will be their ADI for the process: T. Curré; T. Boruca; T. Salitre; T. Cabagra.
4. **South Pacific (Regional Ngöbe):** Implementer ADI Coto Brus. Territories: T. Ngöbe-Península de Osa; T. Ngöbe- Conte Burica; T. Ngöbe- Coto Brus; T. Ngöbe-Abrojo Montezuma; and T. Ngöbe-Altos from San Antonio

The national consultation plan for Indigenous peoples developed at the national level was a result of the participatory process carried out in the context of REDD+, describes the organizational structure of indigenous peoples through different organizational levels as described below and illustrated in Figure 5;

- **First level:** formed by organizations at the local level (OTI Acronym in spanish) or by the indigenous development association (ADIs) as the facilitating entities at the local level, The OTIs conform the Townhall for the BTR and each BTR designates a representative.
- **Second level:** Formed by the representatives of each BTR, according to geographical sociocultural characteristics and geographic location. This level defines four blocks for the following geographical areas; Atlantic, Central Pacific, south pacific and central sector. The role of the BTRs is to maintain coordination at the national and local levels.
- **Thrid level:** is the National Assembly formed by two respresentatives from each ADI, hence all members of all BTRs (48 leaders approximately).
- **Fouth level:** is the national Technical indigenous secretariat formed by one technical representative from each BTR, 4 representatives in total. Its role is to provide technical advice to all territorial blocks.
- **Fifth level:** the national Assembly (thirs level) delegates two representatives one official and a deputy who will represent indigenous peoples in the National level discussions; National REDD+ Excecutive Committee (during the readiness phase) and resently the REDD+ Steering committee.



Figure 5. IPs organizational structures at the different levels (Level 1 with the ADIS, starts below and moves upwards to level 5)

Regarding articulation with small farmers and rural communities, who represent an important area of Costa Rican families that own land under forestry or with potential to develop forestry. This sector is conformed by four types of stakeholders;

- **The National Forestry Union (UNAFOR):** a third level organization conformed by five regional organizations and over 160 local organizations including producers, cooperatives, women's organizations, administrators of rural aqueducts, independent producers.
- **Regional references for the smallfarmer sector and civil society;** this consultive group elected by participatns of all workshops carried out during the information phase include approximately 31 people from all different regions in the country.

- **The National Forestry Office (ONF):** represents small medium and large forest producers and from the forestry/timberwood industry
- Other groups of farmers, producers and their representative organizations conformed by all different groups and organizations of potential beneficiaries on REDD+ or interested in REDD and that do not form part of any of the above-mentioned groups.

To ensure that small farmers and rural communities were able to participate adequately in the readiness process and the designation of their representatives the Indigenous and Small farmers coordinating association for community-based agroforestry (ACICAFOC, acronym in spanish) was hired to carry out workshops with this specific group of stakeholders. This work was carried out jointly with the National Forestry Union (UNAFOR) who have representation in the five regions, and their affiliates. It is important to note, that REDD+ was the starting point to create UNAFOR in Costa Rica. During the implementation phase, articulation with this group of stakeholders continues and consultations are carried out with local organizations via UNAFOR's representatives.

The ONF represents the forestry/timberwood industry as well as small farmers, in terms of participating in decision making processes regarding REDD + in Costa Rica they have two different options. On one hand, ONF is represented in the Board of FONAFIFO with two members, hence can influence decision making processes of the responsible government institution in charge of REDD+. On the other hand, are members of the REDD+ Steering committee, where they have a say in accountability regarding how REDD+ is implemented.

As part of the National REDD+ Strategy and as a result of the ESMF carried out in the context of the Carbon Fund project in Costa Rica, an Indigenous People's Planning Framework was developed that responds to all needs regarding their participation, respect for rights, identifies key actions and measures to be implemented including cultural heritage. The Indigenous Peoples Planning Framework (IPPF) aims to avoid potential adverse effects or risks on indigenous communities and to maximize the benefits of the implementation of the Indigenous Peoples (IPs) Strategy; and where these cannot be avoided, reduced, mitigated or compensated for. In addition, provides guidelines to ensure that affected indigenous communities can be consulted in a culturally appropriate manner, through free, prior and informed consent, to obtain broad community support.

Costa Rica is committed to delivering FPIC, demonstrated by the regulation of the the general mechanism for indigenous peoples consultation (Excecutive decree 40932 MP-MJP April 2018) regulates the obligation to consult Indigenous peoples in a free, prior, and informed manner, through adequate procedures and representative institutions, in the cases where there will be administrative measures, new legislation or private projects that may affect them. The general consultation mechanism for Indigenous Peoples (of compulsory application for central public administration) establishes a series of general procedures for consultation, defines who the responsible parties in the process are, amongst other. In accordance with this national regulation, Costa Rica carried out a consultation process for the [National REDD+ Strategy](#) with IPs in the country the results were included in the implementation plan. The results of the consultation process include provisions to improve the forestry law and to facilitate participation of IPs in the PES Program. Also, adds provisions regarding the application in IPs territories to benefit from the PES scheme, in a better way. These provisions include the need to submit minutes and the internal agreement of each community to access the PES Scheme, with participants list, and details o how the proceeds will be used, in addition the contract must be signed by the president of each community acting

as the local government. Moreover, provisions allow for 2% of the area in the project to be used for subsistence agriculture; hence one of the outputs supported by the current project.

Under the scope of REDD+ Actions, there have been multiple spaces for the Indigenous sector to voluntarily participate in the definition of all necessary aspects to comply with International & national safeguards provisions as well as with international agreements ratified by the country.

In addition, existing stakeholder engagement platforms that will be strengthened as part of the project;

The Citizen Consultive Council on Climate Change: Citizen Consultive Council on Climate Change (5C) as a participatory platform for citizens framed under the National policy of Government openness. Established by decree 40616 Intends to strengthen accountability and transparency mechanisms and to make information available and accessible. The council aims to collaborate with the design and application of national policies on climate change, in particular the implementation of Costa Rica's NDC signed in Paris COP 21 in December 2015.

The council is conformed by representatives from the following sectors:

1. Communities; Administrative Associations of communal Aqueducts and sewers- (ASADAS Acronym in Spanish) and Development organizations (3 representatives)
2. Biodiversity- Ecosystems (3 representatives).
3. Agriculture-forestry-fisheries (3 representatives).
4. Industry- Trade (3 representatives).
5. Infrastructure-Transport (3 representatives).
6. Indigenous-Women-labor organizations (3 representatives).
7. Mobility and urban sustainability (3 representatives).

Covirenas are the civil society Natural resources surveillance committees; conformed by *AD Honorem* environmental inspectors who contribute to public servants in the application and compliance of environmental regulation and the protection of natural resources. They operate at the regional and local level. Given that they are community leaders, can serve the project's implementation by sharing and communicating information to key stakeholders on the ground to participate in the PES modalities that will be supported by the project.

For the implementation of PES modalities supported by the project FONAFIFO's Board will serve as the information disclosure platform given that most of the key stakeholders are members. Given that IPs are not represented in FONAFIFO's board, to ensure they are included, a specific commission will be created under the REDD+ Secretariat to ensure that information is disclosed to the indigenous people's assembly (third level) or via direct contact with the ADIs in each territory.

In addition, the project aimed to support implementation of the National REDD+ Strategy and its scope will be presented to all relevant stakeholders in the context of existing platforms and governance arrangements once they meet.

The project builds on extensive stakeholder engagement and consultations that have been carried out to date on the REDD+ Strategy and aims to continue to strengthen the existing stakeholder engagement platforms (as described above) throughout project implementation. The latter includes engagement during the identification, assessment, and development of management measures for forthcoming

project activities and plans. Meaningful, effective and informed stakeholder engagement and participation will continue to be undertaken using existing stakeholder engagement platforms and governance arrangements, that will seek to build and maintain over time a constructive relationship with stakeholders, with the purpose of avoiding or mitigating any potential risks in a timely manner.

7.2 GENERAL COMMUNICATIONS

UNDP and FONAFIFO will develop and release updates on the project on a regular basis to provide interested stakeholders with information on project status. Updates may be via a range of media e.g. print, radio, social media or formal reports. A publicized telephone number will be maintained throughout the project to serve as a point of contact for enquiries, concern, complaints and/or grievances. In addition to the existing Grievance redress mechanisms for the National REDD+ Strategy (MIRI), the PES and for the Scheme. All material will be published in Spanish given it is the local language and English versions will be prepared as appropriate.

Stakeholders will have access to relevant project information in order to understand potential project-related opportunities and risks and to engage in project design and implementation that will be disseminated via the existing web platform of the different institutions such as FONAFIFO. Following information disclosure and transparency guidelines in Costa Rica, information about the project will be made available. This will include Stakeholder engagement plans and summary reports of stakeholder consultations, Social and environmental screening reports (SESP) with project documentation (30 days prior to approval), Draft social and environmental assessments, including any draft management plans (30 days prior to finalization), Final social and environmental assessments and associated management plans, any required social and environmental monitoring reports, amongst other relevant documents.

The REDD+ Secretariat has developed a communications strategy to ensure information on the National REDD+ Strategy is disclosed and readily available for stakeholders. This tool is part of Costa Rica's National REDD+ Strategy, nonetheless, has not been implemented to date due to lack of resources. Taking this into account the RBPs project will support the implementation of three of the PES modalities, including the new one for indigenous peoples, resources will be allocated to promote effective communications actions on the modalities as stated in the communications strategy for the ENREDD+.

Information is to be disclosed in a timely manner, in an accessible place, and in a form and language understandable to affected persons and other stakeholders. These elements of effective disclosure are briefly elaborated below:

Timely disclosure: information on potential project-related social and environmental impacts and mitigation/management measures will be provided in advance of decision-making whenever possible. In all cases, draft and final screenings, assessments and management plans must be disclosed and consulted on prior to implementation of activities that may give rise to potential adverse social and environmental impacts.

Accessible information: Appropriate means of dissemination will be considered in consultation with stakeholders. This could include posting on websites, public meetings, local councils, townhall meetings or organizations, newsprint, television and radio reporting, flyers, local displays, direct mail.

Appropriate form and language: Information needs to be in a form and language that is readily understandable and tailored to the target stakeholder group.

Learning and knowledge-sharing: Results from the project will be disseminated within and beyond the project intervention zone through existing information-sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze and share lessons learned that might be beneficial in the design and implementation of similar future projects. There will also be a two-way flow of information between this project and other projects/programmes of a similar focus.

Communications and Visibility Requirements: The project will comply with UNDP's, the Ministry of Environment and Energy and GCF Branding Guidelines. Amongst other requirements, these guidelines describe when and how the UNDP and the logos of donors to UNDP projects are used. In order to accord proper acknowledgement to the GCF for providing funding, a GCF logo will appear on all relevant project publications, including, among others, project hardware and equipment purchased with GCF funds. Any citation on publications stemming from the project will also accord proper acknowledgment to the GCF.

7.3 GRIEVANCE REDRESS MECHANISM

According to the UNDP SES, Moderate Risk projects require the availability of a project-level grievance mechanism (GRM). Where needed, UNDP and MINAE will strengthen the Implementing Partners' capacities to address project-related grievances, in this case through MIRI. UNDP's corporate SRM and SECU are available to project stakeholders as a supplemental means of redress for concerns that have not been resolved through standard project management procedures as described further in this section.

During the design and implementation of any project, a person or group of people may perceive or experience potential harm, directly or indirectly due to the project activities. The grievances that may arise can be related to social issues such as eligibility criteria and entitlements, disruption of services, temporary or permanent loss of livelihoods, impacts overall to human rights, and other social and cultural issues. Grievances may also be related to environmental issues such as excessive dust generation, damages to infrastructure due to construction related vibrations or transportation of raw material, noise, traffic congestions, decrease in quality or quantity of private/ public surface/ ground water resources during irrigation rehabilitation, damage to home gardens and agricultural lands, etc.

Should such a situation arise, there must be a mechanism through which affected parties can resolve such issues with the project personnel in an efficient, unbiased, transparent, timely and cost-effective manner. To achieve this objective, a GRM is required for this project.

The project GRM, will be operated via the GRM that has been established for the National REDD+ Strategy in FONAFIFO and coordinate with UNDP's GRM to ensure there is a diversity of channels for stakeholders to submit grievances when needed. In Costa Rica, general grievances to projects and programs implemented by the government, included the PES are processed and managed through the Office of the Comptroller (*Contraloría* in Spanish) in FONAFIFO.

Since 1997, and improving through time FONAFIFO has received, processed and responded to grievances related to the implementation of their programs including the Payment for Environmental Services Program (PES). Since 2010 all grievances related to the (PES) are recorded, monitored (including their

resolution), and managed. This system is functioning since then, although there was a gap in 2013 due to lack of resources for personnel. Since 2014 the Comptroller Office in FONAFIFO is fully equipped to receive and process grievances. Grievances are received via phone, [special form in the webpage](#), and in-person visits to FONAFIFO's office. Since 2014 there is full disclosure of the grievances received including number of grievances, status (in process, resolved), and subject of each grievance. For example, in 2014, the system recorded 6 grievances, 100% were resolved, and they were related to: Delays on PES payments, excess paperwork and requirements in pre-application, awkward location for of the San José Oriental Regional Office, and uncomfortable conditions in the regional office of Pococí.

Costa Rica's Grievance Mechanism for the National REDD + Strategy (*Mecanismo de información, retroalimentación e incorformidades, MIRI* in Spanish) was developed as part of the requisites to complete the REDD+ readiness process supported by the Forest Carbon Partnership Facility. It is described in full as part of the Environmental Social Management Framework for the National REDD+ Strategy⁸, and summarized in this document.

The grievance mechanism (MIRI) aims to facilitate a communication channel between the Government, through the Comptroller of Services as a neutral entity and functionally independent of the entities in which they are located, and the Relevant Stakeholders (PIRS). It allows stakeholders actors to clarify their information queries, express their disagreements and generate contributions that give feedback to the implementation of the National REDD+ Strategy, through a wide range of means that they are made available, so that particularities of the different groups are addressed and the greatest possible inclusion is guaranteed.

The MIRI has been designed in accordance with Costa Rica's current legal and institutional framework. The Regulatory Law of the National System of Comptroller of Services No. 9158, aims to regulate the creation, organization and operation of the system of comptrollers, as a mechanism to guarantee the rights of the users of the services. The system is integrated by the Ministry of National Planning and Economic Policy (MIDEPLAN) as the governing body, the Technical Secretariat, the Comptroller of Registered Services and the users of the services. In addition, said Law requires the creation of a Comptroller of Services in each public institution.

In accordance with Executive Decree No. 40464-MINAE, the Executive Secretariat of the National REDD + Strategy is conformed by SINAC and FONAFIFO. However, the Comptroller of Services in FONAFIFO, has generated considerable experiences and capacities in its ability to ensure the quality of services, user satisfaction and the rational use of public resources. In the case of REDD+ actions that are not under the competence of FONAFIFO, operational arrangements will be established between the institutions to transfer specific consultations and nonconformities, to their corresponding Comptroller of Services, as stated in the national regulation.

For the purposes of the MIRI, any social actor whether a natural, legal, state or private person; individual or community; national or foreign; or any that constitutes a Relevant Stakeholder in the REDD+ Strategy (according to the definition of relevant stakeholders), will be entitled to carry out procedures through the MIRI. Any interested stakeholder may require information, submit suggestions, grievances or claims on non-compliance in relation to the REDD+ Strategy and its Implementation Plan.

Among the fundamental principles that apply in the MIRI we can mention: equity, legitimacy,

⁸ Available at: <http://ceniga.go.cr/wp-content/uploads/2020/02/MGAS-Versi%C3%B3nFinal.pdf>

transparency, respect for rights, right to response, guaranteeing access to information, reliability of the mechanism, transparent and impartial processes, as well as respecting property rights and access to all interested social stakeholders, information must be culturally appropriate as required.

The "MIRI Operation and Operation Guide" aims to establish the operational scope, mechanisms and procedures for the final implementation of the MIRI through the current access systems and those to be developed as the REDD+ process advances. Likewise, it allows to clearly identify the functions and responsibilities of the different actors involved, in such a way that their consistency is guaranteed with the regulatory framework applicable to the Comptroller of Services and at the same time provides conditions of transparency and efficiency in the attention of the issues that are submitted to the system, in accordance with the principles that have been defined.

Available channels to receive consultations and grievances:

Any legitimate stakeholder can access the MIRI to file their disagreement or consultation by the following available channels:

Telephone: 2545-3512.

Email: to be defined.

Website: www.fonafifo.go.cr

Suggestions box: Located in the Regional Offices of FONAFIFO.

Headquarters: San Vicente de Moravia, Lincoln Mall square 200 meters west, 100 meters south and 200 west, adjacent to the National Symphony.

The following scheme in **Error! Reference source not found.** shows the process from when the PIRs present their management before the comptroller until it is closed permanently.

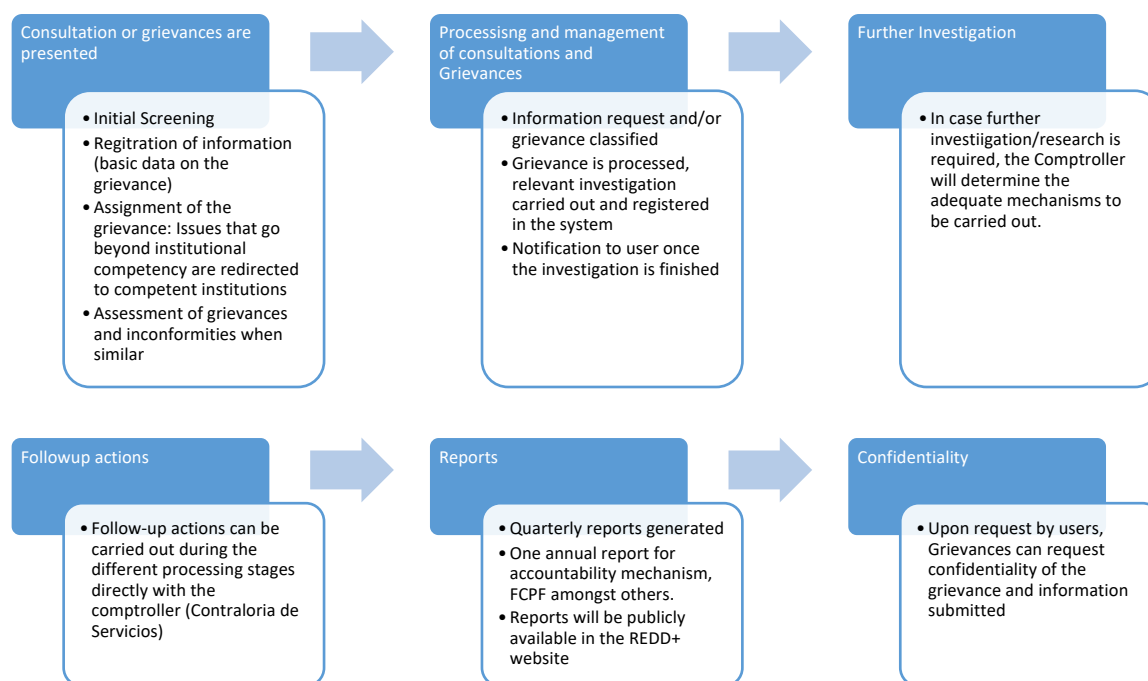


Figure 7. General flowchart for Costa Rica's grievance mechanism

MIRI will be assessed to ensure consistency with the following key principles:

- a. Be a legitimate process that allows for trust to be built between stakeholder groups and assures stakeholders that their concerns will be assessed in a fair and transparent manner;
- b. Allow simple and streamlined access to the Grievance Redress Mechanism for all stakeholders and provide adequate assistance for those that may have faced barriers in the past to be able to raise their concerns;
- c. Provide clear and known procedures for each stage of the Grievance Redress Mechanism process, and provides clarity on the types of outcomes available to individuals and groups;
- d. Ensure equitable treatment to all concerned and aggrieved individuals and groups through a consistent, formal approach that, is fair, informed and respectful to a concern, complaints and/or grievances;
- e. To provide a transparent approach, by keeping any aggrieved individual/group informed of the progress of their complaint, the information that was used when assessing their complaint and information about the mechanisms that will be used to address it; and
- f. Enable continuous learning and improvements to the Grievance Redress Mechanism. Through continued assessment, the learnings may reduce potential complaints and grievances.

MIRI will also be assessed - and where gaps are identified, they will be strengthened, to ensure that it will be gender- and age-inclusive and responsive and address potential access barriers to women, the elderly, the disabled, youth and other potentially marginalized groups as appropriate to the Project. The GRM will not impede access to judicial or administrative remedies as may be relevant or applicable and will be readily accessible to all stakeholders at no cost and without retribution.

Information about the Grievance Redress Mechanism and how to make a complaint and/or grievance must be communicated during the stakeholder engagement process and placed at prominent places for the information of the key stakeholders.

All complaints and/or grievances regarding social and environmental issues can be received either orally (to the field staff), by phone, in complaints box or in writing to the UNDP or FONAFIFO. A key part of the grievance redress mechanism is the requirement to maintain a register of complaints and/or grievances received. FONAFIFO's Comptroller Office has been registering all claims associated with the implementation of the PES scheme, generating yearly reports moreover, there is and archive with all the relevant information. A review of the information gathered will be carried out to ensure the following information is recorded when implementing the RBPs project:

- a. time, date and nature of enquiry, concern, complaints and/or grievances;
- b. type of communication (e.g. telephone, letter, personal contact);
- c. name, contact address and contact number;
- d. response and review undertaken as a result of the enquiry, concern, complaints and/or grievances; and
- e. actions taken and name of the person taking action.

Throughout the implementation of the project, MIRI will periodically review its effectiveness, lessons learned from implementation and recommendations to improve overtime. Moreover, the documentation of grievances will provide information to the SIS serving as an indicator on how safeguards are addressed and respected during the implementation of the project.

More information on how project stakeholders will be provided with the necessary financial and technical support to access applicable GRMs will be included in the SE and IP Plans.

UNDP SRM and SECU

In addition to the project-level (national REDD+ grievance redress mechanism, MIRI), complainants have the option to access UNDP's Accountability Mechanism, with both compliance and grievance functions. The Social and Environmental Compliance Unit (SECU) investigates allegations that UNDP's Standards, screening procedure or other UNDP social and environmental commitments are not being implemented adequately, and that harm may result to people or the environment. The Social and Environmental Compliance Unit is housed in the Office of Audit and Investigations and is managed by a Lead Compliance Officer. A compliance review is available to any community or individual with concerns about the impacts of a UNDP programme or project. The Social and Environmental Compliance Unit is mandated to independently and impartially investigate valid requests from locally impacted people, and to report its findings and recommendations publicly.

The Stakeholder Response Mechanism (SRM) offers locally affected people an opportunity to work with other stakeholders to resolve concerns, complaints and/or grievances about the social and environmental impacts of a UNDP project. Stakeholder Response Mechanism is intended to supplement the proactive stakeholder engagement that is required of UNDP and its Responsible Party, in this case FONAFIFO, throughout the project cycle. Communities and individuals may request a Stakeholder Response Mechanism process when they have used standard channels for project management and quality assurance and are not satisfied with the response (in this case the project level grievance redress mechanism). When a valid Stakeholder Response Mechanism request is submitted, UNDP focal points at country, regional and headquarters levels will work with concerned stakeholders and Implementing Partners to address and resolve the concerns. Visit www.undp.org/secu-srm for more details. The relevant form is attached at the end of the ESMF in annex 5.

8 MONITORING AND EVALUATION OF ESMF IMPLEMENTATION

Project-level monitoring and evaluation (M&E) will be undertaken in compliance with the [UNDP POPP](#) and the [UNDP Evaluation Policy](#). The M&E Plan will be conducted in accordance with UNDP and GCF procedures by the project team and the Costa Rican UNDP Country Office (UNDP CO). These arrangements will work with project stakeholders to ensure the M&E requirements are implemented in a timely manner and to the satisfaction of the stakeholders. UNDP will report to GCF on disbursement of project finance, as well as M&E and safeguards for the project, including co-finance, in the project's annual performance report. The UNDP project document will also include additional information such as corresponding means of verification. The M&E plan will include simplified annual performance reports (APRs) following GCF format for RBP projects. It will be submitted in accordance with terms of reference of the pilot program and FAA. The APRs will include information on the Activities undertaken with the GCF Proceeds as well as on the use of the GCF Proceeds in compliance with the Environmental and Social Safeguard standards, Gender Policy, Indigenous People's Policy and the Policy on Prohibited Practices. This information will be made available online via UNDP and FONAFIFO's REDD+ website⁹.

The annual project report will be prepared by the PMU, consolidated by the Project Coordinator, and finally approved by the Project Board to monitor progress made since project start and for the previous reporting period.

The project will be audited as per UNDP norms and standards and supplementary audits may be requested by the GCF and stakeholders.

Annual reports following the simplified reporting template for UNDP's Performance Based Payment modality are planned for submission by end of December of each year, or each anniversary of the Launch date of the project.

The primary role of monitoring is vested in the independent assessor, and UNDP and RP – through the PBP agreement – have committed to accept and abide by the findings of the independent assessor. Hence, UNDP principally monitors progress post facto in the case of PBPs, instead of accompanying and overseeing the work of RPs as would be the case in other projects

Table 5 below provides a summary of specific measures related to implementation of the ESMF requirements.

Table 5. Summary of ESMF Implementation Activities

Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
Update the Gender action plan and IPs Plan, including	Costa Rica has already developed a gender action plan and an IPs plan for the whole NS. A	Quarters one and two of programme	The existing IPS and gender action plan will be reviewed, risks updated where	The PMU will launch the consultancies process. A group of consultants will	

⁹ FONAFIFO REDD+ public website: <http://reddcr.go.cr/>



Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
specific Targeted assessments.	full review of each will be carried out and information on specific project activities will be further developed, ideally drafted in a participatory and gender responsive manner, in-depth analysis of potential social and environmental impacts, as well as identification / validation of mitigation measures linked to projects activities.	implementa tion	relevant and potential impacts assessed according the specific activities that the project will pursue with support of external consultants and participation of project team and stakeholders; management actions are further detailed and new ones identified and incorporated into project implementation strategies.	lead the process and garner the expertise needed. Stakeholders will review the terms of reference and validate the findings. The Consultants and the team will ensure that relevant changes and updates are made to the ESMF and again validated by stakeholders.	
Development of Management plans	A stakeholder engagement plan will be Carried out and drafted in a participatory and gender responsive manner, in-depth analysis of potential social and environmental impacts, as well as identification / validation of mitigation measures linked to projects activities.	Quarters one and two of programme implementa tion	The development of the plans will respond to existing relevant information, stakeholder mappig exercise, and respond to specific project needs, but not be exclusive to the project. While theywill provide specific details regarding project activities, both plans will support the implementation of Costa Rica's National REDD+ Strategy.	The PMU and project specialists with the support of UNDP will launch the consultancies process. A group of consultants will lead the process and garner the expertise needed. Stakeholders will review the terms of reference and validate the findings. The Consultants and the team will ensure that relevant changes and updates are made to the ESMF and again	

Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
				validated by stakeholders.	
Track progress of ESMF implementation	Application of mitigation measures, as well as any required changes to ESMF, including site-specific plans as required by applicable SES, will be monitored through a participatory process, and with results reported to Project Board on bi-annual basis.	Quarterly, or in the frequency required for each measure.	Slower than expected progress will be addressed by project management.	Collection of data will be ascribed to various stakeholder groups and the PMU. The project management unit, and particularly the safeguards and gender specialist, will integrate the mitigation measures into the overall monitoring and reporting framework of the project.	
Implementation of mitigation measures and monitoring of potential impacts identified in ESMF, targeted assessments and specific management plans and reporting through SIS and Summary of Information to the UNFCCC	Permanent and participatory implementation and monitoring of impacts and mitigation measures, in accordance with Environmental and Social Management Plan - ESMF (to be revised and updated once the management plans and targeted assessments are completed)	Continuous	Implementation of ESMF; participatory monitoring of management plans (i.e. identifying and aligning indicators, monitoring potential impacts and risks); integration of ESMF into project implementation strategies	The PMU will be responsible for the implementation of the mitigation measures in conjunction with stakeholders in various parts of the project, these include Indigenous peoples, farmers, NGOs and CSOs as well as government institutions. Reporting to the UNFCCC will be done by MINAE with support of FONAFIFO as the lead in the elaboration of safeguards reports in Costa Rica once	

Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
				validation has taken place.	
Learning	Knowledge, good practices and lessons learned regarding social and environmental risk management will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	The Project Management Unit with the communications officer, and the learning units of the project, including sub-national and local partners.	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP (country office, regional and HQ).	
Review and adapt activities and approach as necessary	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	PMU	
Annual Performance Reports	As part of progress report to be presented to the Project Board and key stakeholders, analysis, updating and recommendations	Annually, and at the end of the project (final report)		PMU	

Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
	for risk management will be included.				
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews during which an updated analysis of risks and recommended risk mitigation measures will be discussed.	At least annually	Any risks and/ or impacts that are not adequately addressed by national mechanisms or project team will be discussed in project board. Recommendations will be made.	Project Board	
Safeguards Information System (SIS)	Systematize information on how REDD+ safeguards are addressed and respected during project implementation, in order to comply with the requirement of the Warsaw framework on REDD+.	Continuously	The information on how REDD+ safeguards are addressed and respected during project implementation will continue to be published in the SIS 1.0 version until the SIS platform designed for Costa Rica is fully operational in the SIS 2.0. This second version will gather information online, serve the generation of future SOIs and present key data online.	FONAFIFO and SINAC at the National Level with support from UNDP as required.	
Summary of Information to the UNFCCC on how safeguards	Summarize and present to the UNFCCC and interested stakeholders how the REDD+	Summary of information (Sol) as part of the National Communication	Elaboration of the summary of information, once every 4 years, in the National	FONAFIFO at the National Level, validated by key stakeholders at the national level	

Monitoring Activity	Purpose	Frequency	Expected Action	Roles and Responsibilities	Cost (if any)
are addressed and respected	safeguards have been and are being addressed and respected during project implementation.	tion every 4 years; encouraged to submit the Sol more frequently (every 2 years) directly to the UNFCCC REDD+ platform.	Communication. Direct submission of the Summary of Information to the UNFCCC REDD+ platform on more frequent basis (every 2 years) is encouraged.	with support from UNDP as required.	

9 BUDGET FOR ESMF IMPLEMENTATION

An indicative budget has been prepared for the implementation of the ESMF as follows:

Item	Cost (USD)
Design of Indigenous Peoples Plan, including engagement with government, non-governmental and IP stakeholders	\$50,000
Design of Stakeholder Engagement Plan, including engagement with government, non-governmental and IP stakeholders	50,000
Targeted assessments related to unknown risks (incl. biodiversity; community, health and safety; labor conditions; displacement; pollution prevention) and recommended management measures or plans as needed	\$125.000
Implementation of management measures and plans, incl. IP governance assessments, capacity building, trainings, etc.	750.000
PMU Safeguards Specialist; & International safeguards expert	350.000
Strengthening Grievance Redress Mechanism	200.000
Monitoring and reporting on safeguards indicators, and strengthening Safeguards Information System	200.000
Total	\$ 1.7250.000

[Annexures](#)

Below is a list of annexes and indicative outlines for relevant documents and management plans referred to in this ESMF

1. UNDP SESP for Costa Rica RBPs Project
2. Guidance on Stakeholder Engagement Plan
3. Guidance for submitting requests to UNDP SECU/SRM
4. Indigenous Peoples Management Framework for the National Strategy

Annexure 1. UNDP Social and Environmental Screening (SESP) for Costa Rica RBPs Project

Project Information

Project Information	
1. Project Title	Costa Rica REDD+ Result-Based Payments
2. Project Number	6447
3. Location (Global/Region/Country)	National- Costa Rica

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project is being conducted in the context of a substantial legal and policy framework that strives to protect, promote and respect human rights constitutionally, via numerous international agreements and instruments to which Costa Rica's a party, and a host of national laws relevant to resource management, conservation, sustainable economic development, and the enjoyment of fundamental rights and freedoms. Costa Rica has led and been involved in the creation of international rights standards. It is signatory to, and has ratified, many international treaties regarding rights, including the 1948 United Nations Declaration on Human Rights. According to international comparative analysis¹⁰, Costa Rica scored above the world mean for human rights, achieving top global rankings. Its poverty levels sit at 18.6%, one of the lowest in the Latin American region.

The RBP Project proposes activities that seek not just to conserve the environment by strengthening and expanding a proven system to provide incentives to conserve forests, Payment for Environmental Services (PES), but also the well-being of those who live in and depend on the nation's forests and other critical habitats for their livelihoods and/or their cultural identity. Because the proposed RBP activities envision activities in indigenous lands (via expansion of the PES system with a special program for indigenous peoples designed responding to IP demands and in full consultation with them), the overall project risk has been rated as Moderate. The project design and intended implementation, however, is fundamentally based on partnerships and previous agreements with all stakeholders (public and private (including these indigenous peoples and local communities)), as well as meaningful, effective, inclusive and *voluntary* participation of these stakeholders (and where required, the free prior

¹⁰ [Human rights and Confrontation in Central America 2010-2011](#); Regional Human Rights Monitoring and Analysis Team in Central America.

and informed consent of these collectives). The voluntary nature of the RBP Project activities and the PES, the multi-stakeholder participation in the PES and national REDD+ strategy design, the project's applicable legal and policy framework, and the mitigation measures already in place and those to be added in accordance with the ESMF – all will work together to ensure not only that risks of human rights impacts are minimal, but also that opportunities to advance the enjoyment of these rights will be seized.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The project builds on the existing Gender analysis and aims to implement the [Gender Action plan](#) that was developed for the National REDD+ Strategy through the activities that will be implemented by FONAFIFO. The gender plan's scope is Costa Rica's National REDD+ Strategy, which is broader and includes all the activities of this project.

Between 2017 and 2019, FONAFIFO's REDD + Secretariat carried out the first analysis of the country's situation in terms of forests, gender and climate change mitigation, which included field visits, case studies, analysis of inequalities, opportunities, challenges and lessons learned, as well as the analysis of regulatory, institutional, academic and social framework related to gender relevant to REDD +. The Gender Action Plan was built upon this information. To elaborate these actions, the gender considerations relevant to each of the REDD+ strategy policies and measures and their implementation plan were analyzed, in order to ensure that the expected results are not only concrete and realizable, but that they recognize gender roles and address the gaps they face Costa Rican women and how they contribute to the conservation and sustainable management of forests.

Since 2015, Costa Rica leads the gender negotiations within the UNFCCC and is one of the managers of the Gender Action Plan for this Convention. This commitment translates into national policies, where the NDC of Costa Rica recognizes that the country is in favor of a transformational gender approach in public climate management and supports the participation of women in the definition of policies and the implementation of actions climatic The Gender Action Plan for EN-REDD + is the first gender action plan that the country develops in climate matters and is an important step that contributes to the commitment made by the country in its NDC. Likewise, this action plan reaffirms Costa Rica's commitment to human rights and gender equality, and shows how a country can implement its gender sensitive climate policies through a gender responsive climate strategy. Finally, the EN-REDD's Gender Action Plan is not just an instrument of compliance, it is a proposal of concrete and novel social and environmental transformation, based on the reality, needs and priorities of women and men who day by day as they contribute to the true conservation and sustainable management of Costa Rican forests.

Briefly describe in the space below how the Project mainstreams environmental sustainability

Costa Rica is a country with a stable democracy, strong public institutions, and considerable own resources; its UNDAF (2018-2022) has been framed in the context of the 2030 Sustainable Development Agenda, and is more ambitious, holistic and focused on human rights, as well as the transition

to a high-income country. This project fully aligns with the principles and UNDAF's approach, and directly contributes to its strategic priorities 2 and 3 (Strengthen capacities of institutions for innovation, efficiency and effectiveness of public management, in order to accelerate compliance SDGs in the framework of national priorities for sustainable development, and Strengthen capacities of the population to participate and enforce rights in order to accelerate compliance with the SDGs).

The project intends to result in improved access and coverage of a proven and successful system for providing Payments for Environmental Services, that has two innovative modalities: a special program for indigenous peoples designed responding to their demand and in full consultation with their Assemblies (IP PES), and a program to promote agroforestry systems (SAF PES), that is focus on improving livelihoods of rural inhabitants, and breaching gender gaps; as well as in strengthened environmental management capacities of country partners in relation to control forest fires and illegal logging activities in protected areas. The expansion of the PES system in particular under the IP and SAF modalities will allow to improve livelihoods and reduce poverty in vulnerable populations, and contribute to reducing gender existing gender gaps. By strengthening capacities and actions to reduce threats to protected areas, and by expanding incentives to promote forest conservation, and reforestation via agroforestry systems, the project will directly contribute to enhance natural resource conservation in Costa Rica.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>		<p>QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>		<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>
<i>Risk Description</i>	<i>Impact and Probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
<p>Risk 1: Human rights.</p> <p>Personnel involved in the implementation of the project and beneficiaries (duty-bearers and right holders) lack full capacity and updated training on national legislation and best-practices under international legislation related to Human Rights which can limit meeting their obligations in the implementation of the project activities.</p>	<p>I = 3 P = 4</p>	<p>Moderate</p>	<p>Costa Rica has a strong legal and institutional framework for upholding human rights as stated in its constitution. These include the right of access to justice. In addition, Costa Rica, when proclaiming the Rule of Law, submits the authority and its citizens to the supremacy of the Constitution, guaranteeing the subjection of public powers to the legal</p>	<p>Existing capacity building and information mechanisms for personnel and beneficiaries of the PES schemes, as well as SINAC’s personnel involved in forest prevention activities will be reviewed and reinforced including a chapter on human-rights related issues.</p> <p>Training and capacity building will be included and budgeted for in the project document.</p> <p>A stakeholder engagement plan will be developed, building on the existing one that was prepared in the context of the</p>

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		<p>order and guaranteeing the effectiveness of all human rights. To ensure, precisely this obedience to the Constitution, bodies and laws have been created, such as the Constitutional Jurisdiction Law and the Constitutional Chamber whose objective is “to guarantee the supremacy of the constitutional norms and principles and of the International or Community Law in force in the Republic ...”(Art. 1, LJC).</p> <p>The project will build on existing mechanisms by FONAFIFO regarding the PES schemes, which has already capacity building programs to ensure that both duty bearers and rights-holders have the capacities and understanding of the PES, their rights and obligations in relation to human-rights.</p> <p>On the other hand, low capacities of stakeholders and knowledge regarding how the activities aimed to</p>	<p>implementation of the REDD+ National Strategy.</p> <p>The ESMF will outline how the existing Stakeholder Engagement plan will be used and elaborated and applied in the context of this project, in line with UNDP’s SES.</p> <p>FONAFIFO has a Grievance mechanism already in place called the Information, Feedback and inconformities Mechanism “MIRI” (Acronym in Spanish) this addresses and responds to grievances related to the implementation of the PES scheme.</p> <p>The IP Plan will provide further detail regarding the governance structure of each of the Indigenous communities that may participate in the project. This documentation will enable tailored consultations and FPIC processes. The IP Plan will also identify ways in which all participating Indigenous communities may contract on PES, including those communities that embrace ADIs and those that maintain their traditional structures of governance.</p>
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			<p>strengthen monitoring and control of forest fires and illegal logging in protected areas, work, could potentially affect human-right related matters.</p> <p>As to recognition and legal representation of IPs, some communities have embraced ADIs as their governance structure, while others maintain their traditional structures of governance.</p>	
<p>Risk 2: Adverse impacts on gender equality and/or the situation of women and girls.</p> <p>The PES scheme under its three modalities to be strengthened and expanded by the project could potentially reproduce existing discrimination against women. The project could potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing benefits.</p>	<p>I = 3 P = 4</p>	<p>Moderate</p>	<p>Access to the traditional PES scheme in Costa Rica is granted based on land-tenure rights. Given that 84.3% of land is owned by men, 15% of farms are owned by women, and most of them are small farmers (under 10ha), where only 8% receives technical assistance and training. The project could reproduce existing discrimination against women, especially regarding participation in design and implementation or access to opportunities and benefits of the project. Similarly, PES</p>	<p>The first mitigation measure will be to implement the Gender Action Plan (2018) for the implementation of Costa Rica's National REDD+ Strategy, which encompasses the implementation of all the project activities (3 out of 5 of the REDD+ policies and measures). The Gender Action Plan includes carrying out a review the PES modalities and requirements to address the barriers related to land-tenure rights that limit the participation of women.</p> <p>In addition, and given that from the three PES modalities, the PES for agroforestry system (SAF PES) is the most conducive to empower women participation, expansion of this modality will be prioritized.</p>

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			in indigenous territories, would risk to generate unequal distribution of benefits, negatively affecting women.	<p>The project will elaborate a targeted gender assessment for its activities following the provisions of the gender action plan Gender Action Plan that will identify additional Gender-responsive Actions and indicators to ensure that the PES addresses the GAP's proposed measures in the updated operations manual to ensure that conditions to access PES scheme are diversified and include gender-sensitive elements to ensure that women can benefit from PES benefits without the requirement of land titles.</p> <p>In addition, the IP Plan will indentify inputs to strengthen the gender dimensions of the IPs specific PES modalities, including in respect of decision-making and benefit-sharing.</p>
<p>Risk 3: Biodiversity Conservation and Sustainable Natural Resource Management.</p> <p>Small scale and limited habitat degradation and fragmentation could potentially occur during the establishment of firebreaks in forested areas around legally protected areas, and maintenance of roads to access the areas.</p>	I = 2 P = 2	Low	Outcome 2 of the project focuses on strengthening forest-fires prevention and control of illegal logging activities around protected areas. Activities focus mainly in strengthening capacities for monitoring and implementing an early warning system, but also include activities on the ground, in particular the establishment of firebreaks in forested areas around	<p>During project implementation, the forest fires early-warning system (currently under development) will be implemented to support timely decision making on specific sites where firebreaks should be established as well as trails to access remote areas to control potential fires. The system will also facilitate response at the national level during the dry season. This will allow to limit to the minimum possible the negative impacts of establishing the firebreaks.</p> <p>Statistics regarding areas more prone to forest fires, on recurrent fires and that recently</p>

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		<p>protected areas, that are previously identified as high-risk for forest fires. These activities could potentially have limited impacts on habitat degradation and fragmentation. However, is important to note that the potential benefits to biodiversity conservation inside protected areas were fires are prevented, would largely outgrow the negative impact of the mitigation measures itself.</p> <p>When establishing fire breaks in Costa Rica, two main actions are implemented; i) permanent prevention fire breaks; establishment of new fire breaks, and maintenance of previously established (trails, river banks, breaks, depressions in mountains etc.) ii) defense lines that are established during the fire as control measures, they are opened depending on each</p>	<p>presented forest fires will be used to plan adequate responses: different type of firebreaks and others seeking for cost-efficient measures that require low-maintenance as well as the adequate amount. Natural regeneration of forest areas affected by fires is the main activity that should lead to forest recovery in the mid & long term.</p>
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			<p>fire, its strength, winds, geography of affected area, etc. they remove all vegetation in an area (except large trees) to stop the fire. Once fires are controlled, there is room for mitigation actions and forest recovery actions in the areas affected by the fire and where forest was cut to prevent it from spreading. The main restoration activity is natural regeneration of the affected areas.</p>	
<p>Risk 4: Biodiversity Conservation and Sustainable Natural Resource Management.</p> <p>Potential negative impacts to biodiversity due to planting of exotic species (<i>Melina</i> and <i>Teca</i>) in non-forest areas for timber production under the PES modality for agroforestry systems (SAF PES).</p>	<p>I: 2 P:2</p>	<p>Low</p>	<p>The PES modality focused in agroforestry systems, is open for including planting of both native and some selected exotic species (<i>Melina</i> and <i>Teca</i> that are well adapted to Costa Rica's Ecosystems, climate & soils) for timber production (only in areas classified as non-forested areas). Timber species can be harvested for additional income generation. Exotic timber species could be affected by disease that could</p>	<p>Existing monitoring protocols for the PES system (including SAF PES) include verification of: planting of trees only in designated, suitable areas, species planted in accordance to the implementation plan of the PES, and the status of the plantations. SAF PES participants also receive training and capacity-building on best-practices and regulations for establishing the agroforestry systems.</p> <p>The project document will include strengthening and expanding capacity building activities to producers and forest officers in charge of monitoring, as well as direct</p>

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			potentially negatively affect biodiversity in surrounding areas.	technical support to producers, in a gender-responsive manner, to ensure that the Agroforestry Systems are implemented following best-practices and do not result in negative impacts to biodiversity and natural habitats. Training will include specific references of consequences of breaking regulations specified in the PES's implementation plans.
Risk 5: Risk of economic displacement of farmers and communities associated with commitments under PES agreements could potentially restrict the use of forests and their livelihoods, as well as customary rights to land in indigenous lands.	I: 3 P: 2	Low	Voluntary PES agreements consist on a commitment to either conserve existing forests with individually or community-owned private lands (Conservation PES) or to establish an agroforestry system in non-forested individually or community-owned private lands. Despite the voluntary nature of the PES scheme, some farmers or community members may be restricted in their use of forests as a consequence of the agreement.	<p>In Costa Rica land-use change is forbidden by law, therefore individual and communal land-owners can't change use of lands even without PES agreements.</p> <p>In all PES agreements FONAFIFO and landowners need to agree on what actions and uses are allowed under the PES contracts. New contracts need to be clear on which activities are allowed in their lands and that will be evaluated to condition payments. Under PES contracts, 2% of the areas under contract can be used for subsistence agricultural production.</p> <p>During project implementation capacity building to PES participants on the conditions and limitations with potential implications on land and resource use would be included. In addition, the revised operation manual of the PES will include provisions to ensure full disclosure of limitations and process for</p>

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				<p>reaching agreements on the activities that are allowed in areas under PES.</p> <p>This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a livelihoods management plan.</p>
<p>Risk 6: Climate change mitigation and adaptation. Climate change is expected to increase the frequency and severity of droughts and floods in the project area, potentially impacting the project's activities before they are completed.</p>	<p>I: 2 P: 2</p>	<p>Low</p>	<p>The whole Central American region is considered highly vulnerable to Climate Change (increased duration and intensity of droughts floods, and hurricanes). However, it is unlikely that catastrophic events that will directly affect the project's activities would take place during implementation time-frame.</p>	<p>Due to its high forest coverage, and institutional capacities, Costa Rica is prepared to respond to potential increasing climate change negative impacts. By strengthening and expanding forest coverage the project's outcomes directly contribute to enhance Costa Rica's resilience ('green infrastructure').</p> <p>During the development of the project, up to date vulnerability assessments performed by the National Meteorological Institute (IMN in Spanish) will be reviewed and the most vulnerable areas will be identified. Mitigation measures (I.e. strengthening early warning systems and capacities to deal with climate related emergencies) will be defined, budgeted for and included as part of the project activities.</p>
<p>Risk 7: Community health, safety and working conditions.</p> <p>The establishment of firebreaks in previously identified fire-risk areas around protected areas to be</p>	<p>I:3 P:2</p>	<p>Moderate</p>	<p>One of the project's activities related to prevention measures to control forest fires includes opening of firebreaks around previously identified</p>	<p>Voluntary and institutional forest-firefighter brigades participate on mandatory training and capacity building activities on security protocols that are part of the existing certification process for fire-fighters. Fire-</p>

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<p>established by the project could pose potential safety risks to local communities in the project area, some of whom are indigenous.</p> <p>Monitoring and control activities of illegal logging could pose potential safety risks to Personnel in SINAC in charge of carrying out the activities associated to the operation of vehicles in the field and their transportation.</p>			<p>fire risk around protected areas. This activity has potential safety risks to the volunteer and institutional forest firefighter brigades, that may include local community members some of whom are indigenous peoples.</p> <p>Costa Rican Roads in comparison to others in the region are generally good conditions. Nonetheless it is possible that accidents occur while travelling. Roads in the country and personnel of all government offices are trained in security protocol and the government provides life and accidents insurance for all personnel.</p>	<p>fighters from the National Protected Area System (SINAC) and voluntary fire brigades are provided with a special insurance policy that can be used in case there are any safety-related incidents while they are operating in the ground.</p> <p>Additional training and capacity building activities on best-practices on prevention, and best safety-related practices for the forest-firefighter brigades will be designed, included, and budgeted for in the project document. Additional safety equipment will be procured by the project.</p> <p>The government will continue to provide insurance, maintenance of vehicles for the mobilization of personnel.</p> <p>The project should include an activity to provide training in best practices and updated security protocols to all personnel involved in control of illegal logging.</p> <p>This risk will be further assessed upon project initiation and if needed, additional management measures will be put in place, including a management plan.</p>
Risk 8: Cultural heritage.	I: 2 P: 2	Low	The PES for indigenous lands has been designed in full consultation with	Costa Rica has a robust legal framework that allows the protection of IP rights as well as an Indigenous Peoples plan that has been

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By including activities in indigenous lands, inherently the project activities could have adverse impacts on sites, structures or objects with historical, cultural, artistic, traditional or religious values.			<p>indigenous peoples and participation on it is voluntary. IP PES includes the following activities: Forest conservation, natural regeneration, and agroforestry Systems.</p> <p>The National Biodiversity Law, includes a chapter focused on protection of IPs traditional knowledge. A national level IPs policy is being developed in the country and will be discussed during 2019-2020.</p> <p>Nevertheless, there is a risk that payments made directly to indigenous and traditional communities will trigger a shift to a more market-integrated economy, which could lead to the loss of some traditional livelihood practices (especially those related to the sustainable extraction of forest products and fishing).</p>	<p>developed for the national REDD+ Strategy. The plan details key risks and mitigation measures associated with cultural heritage and the implementation of each of the PAMs in the strategy, including the activities that will be supported by the Project. The plan includes provisions for IPs engagement and consultations.</p> <p>The ESMF and updated Indigenous people plan (that includes actions on cultural heritage), will incorporate the proposed risk mitigation measures to ensure they are mainstreamed in the revised operations manual for the PES in Indigenous territories. This includes actions carried out regarding strengthening decision making processes, capacity building on activities that the PES scheme supports and independent decisions made by IPs and stakeholders regarding how they spend resources from the PES scheme.</p>
Risk 9: Indigenous peoples.	I=3 P=4	Moderate	The project will be developed in areas where there is presence of	Costa Rica has a robust legal framework that allows a high degree of protection of the rights

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<p>The project could affect negatively indigenous peoples' traditional land use practices and land management by applying standard PES schemes, that include conservation agreements between the government and land owner/s. Despite the fact that such agreements are voluntary, once signed they may lead to a series of actions that limit their cosmovision and traditional use of forests. In addition, IPs have reported low capacity of the state to work on environmental and social issues that have been prioritized in their life-plans.</p>			<p>indigenous peoples with important cultural heritage, ancestral land and resource rights. Costa Rica has laws in place that guarantee IPs participation and the recognition of their rights.</p> <p>Despite the fact that IPs territories account for 7% of the country's area, Costa Rica's forest Policy does not include a chapter on IPs. The National Biodiversity Law, includes a chapter focused on protection of IPs traditional knowledge. A national level IPs policy is being developed in the country and will be discussed during 2019-2020.</p> <p>The executive Decree No. 40932 establishes the general mechanism/Protocol to address consultations. The</p>	<p>of IPs. During 2015 a full review¹¹ of the PES scheme was carried out including consultations with IPs to identify key improvements for the mechanism to ensure their interests were included in the improved PES scheme. Decree N°39871 MINAE was approved providing guidelines that led to include provisions a chapter has been developed for the operations manual for the PES scheme that establishes the agreed guidelines that resulted from the consultation process that respect IPs cosmovision. The project will build on these existing agreements and support its implementation in IPs Territories. Local indigenous counterparts responsible for articulation with the government in each IPs territory during the consultation process with IPs. These arrangements will be chosen internally of each IP community in alignment with their customary law and representation mechanisms. The project aims to support implementation of the recently designed tool the PES+ for IPs.</p> <p>The updated IPs Plan developed for the whole National REDD+ Strategy, will include these</p>
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¹¹ Results from the consultation process to fulfill FPIC for REDD+ in Costa Rica, 2019, by the REDD+ Secretariat in Costa Rica Link <http://ceniga.go.cr/wp-content/uploads/2020/02/Sistematization-of-Consultations-IPs-Costa-Rica-ENG.pdf>

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			<p>Ministry of Justice and Peace and Ministry of Interior are establishing technical committees at the territorial level (CT acronym in Spanish) as the first step to implement territorial governance.</p> <p>Furthermore, the consultation mechanism requires that local consultation platforms with indigenous peoples are established as the specialized focal points pilot the Consultation protocols.</p>	<p>considerations and will be applied during the project's implementation. To ensure this in the revision, the proposed activities in the plan will be included and budgeted for as part of the RBPs project.</p> <p>The existing IP plan will be reviewed against UNDP's SES to identify and address any gaps.</p> <p>The IP plan will be elaborated to focus on this project's scope, including the specific issues concerning PES in IP territories identified in Annexure 4 on the IP Plan.</p> <p>Further targeted assessment of impacts on IPs will be undertaken to inform the design of the IP component of the PES.</p> <p>A stakeholder engagement plan will be developed and will include specific procedures for engaging with IPs in the design and implementation of the new PES modality.</p> <p>The ESMF will elaborate the existing IP plan and steps for applying it in the context of this project.</p>
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	QUESTION 4: What is the overall Project risk categorization?	
	Select one (see SESP for guidance)	
	<i>Low Risk</i>	<input type="checkbox"/>
	<i>Moderate Risk</i>	<input checked="" type="checkbox"/>
	<i>High Risk</i>	<input type="checkbox"/>
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?	
	Check all that apply	
	<i>Principle 1: Human Rights</i>	<input checked="" type="checkbox"/>
	<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input checked="" type="checkbox"/>
	<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>
	<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>
	<i>3. Community Health, Safety and Working Conditions</i>	<input checked="" type="checkbox"/>
	<i>4. Cultural Heritage</i>	<input type="checkbox"/>
	<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>
	<i>6. Indigenous Peoples</i>	<input checked="" type="checkbox"/>
	<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	Answer (Yes/ No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	Yes
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹²	Yes
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	Yes
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	Yes
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project <u>during</u> the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	Yes
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes

¹² Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	Yes
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods?	yes
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	Yes
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water?	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?	No

Standard 2: Climate Change Mitigation and Adaptation	
2.1 Will the proposed Project result in significant ¹³ greenhouse gas emissions or may exacerbate climate change?	No
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3 Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?	No
Standard 3: Community Health, Safety and Working Conditions	
3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	Yes
3.2 Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3 Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6 Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9 Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage	

¹³ In regards to CO₂, ‘significant emissions’ corresponds generally to more than 25,000 tons per year (from both direct and indirect sources).

4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)?	Yes
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Yes
5.3	Is there a risk that the Project would lead to forced evictions? ¹⁴	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	Yes
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	Yes
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?	Yes
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No

¹⁴ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Cancun safeguard (f) – Address the risk of reversals		
Does the scope of the project include conservation, sustainable management of forests, and/or enhancement activities?		Yes
Are C stocks conserved, enhanced, managed through the project activities likely to be vulnerable to: climate change (e.g., more frequent drought, flooding, Wildfire? Institutional failure?		Yes
Cancun safeguard (g) – Reduce displacement of emissions		
Is the scale of the project subnational?		No
Does the scope of the project include less than all 5 REDD+ activities?		No
Are any project activities likely to result in displacement of land-use change at the local level? Within national borders?		No

Annexure 2. Guidance on Stakeholder Engagement Plan

UNDP supported projects require the development of an appropriately scaled Stakeholder Engagement Plan. See [UNDP Guidance Note: Stakeholder Engagement](#) for further information on stakeholder engagement. The following information is provided here as guidance to assist in the development of a Stakeholder Engagement Plan.

Appropriately scaled plans. No one type or format of a stakeholder engagement plan will accommodate all projects. Its content will depend on various factors, including the nature, scale, location, and duration of project; the diverse interests of stakeholders; the scale of the project’s potential positive and adverse impacts on people and the environment; and the likelihood of grievances.

For a relatively small project with few if any potential adverse social and environmental impacts or initial stakeholder concerns (e.g. Low Risk project, straightforward Moderate Risk project), it is likely that only a “simplified” stakeholder engagement plan would be needed, focusing primarily on initial consultations, information disclosure and periodic reporting (see Box). In such cases, the “plan” would be relatively simple and easily described in the body of the Project Document (that is, no separate plan would be needed).

A project with greater complexity and potentially significant adverse social and environmental impacts (complex Moderate Risk project or High Risk project) should elaborate a more strategic plan. A “comprehensive” plan would outline mechanisms that buttress not just disclosure and good communications, but iterative consultations and possibly consent processes over the course of the social and environmental assessment process, development of mitigation and management plans, monitoring project implementation, and evaluation. A separate, detailed stakeholder engagement plan should be appended to the Project Document (see outline below).

All stakeholder engagement plans – whether simplified or comprehensive (see below) – should address basic minimum criteria. The following checklist will help ensure that the plan addresses key issues and components.

Box. Triggering the appropriate scale of stakeholder engagement plans

- *Simplified stakeholder engagement plan:* Project funding aimed at providing technical support (training in survey equipment) and materials (office space, computers, GPS equipment) to a national land and survey commission will likely have minimal impact on stakeholders other than the government.
- *Comprehensive stakeholder engagement plan:* Project funding to the same land and survey commission to actually conduct land titling in indigenous and forest-dependent communities across the nation, however, would require a comprehensive plan.

Checklist: Key questions for developing a stakeholder engagement plan¹⁵

Who	<ul style="list-style-type: none"> ✓ Which stakeholder groups and individuals are to be engaged based on the stakeholder analysis? ✓ Have potentially marginalized groups and individuals been identified among stakeholders?
Why	<ul style="list-style-type: none"> ✓ Why is each stakeholder group participating (e.g. key stakeholder objectives and interests)?
What	<ul style="list-style-type: none"> ✓ What is the breadth and depth of stakeholder engagement at each stage of the project cycle? ✓ What decisions need to be made through stakeholder engagement?

¹⁵ As modified, see Asian Development Bank (ADB), Strengthening Participation, p. 43.

<i>How</i>	<ul style="list-style-type: none"> ✓ How will stakeholders be engaged (strategy and methods, including communications)? ✓ Are special measures required to ensure inclusive participation of marginalized or disadvantaged groups?
<i>When</i>	<ul style="list-style-type: none"> ✓ What is the timeline for engagement activities, and how will they be sequenced, including information disclosure?
<i>Responsibilities</i>	<ul style="list-style-type: none"> ✓ How have roles and responsibilities for conducting stakeholder engagement been distributed among project partners (e.g. resident mission, executing agency, consultants, NGOs)? ✓ What role will stakeholder representatives play? ✓ Are stakeholder engagement facilitators required?
<i>Resources</i>	<ul style="list-style-type: none"> ✓ What will the stakeholder engagement plan cost and under what budget?

Building mutual trust and ensuring meaningful and effective engagement is facilitated by stakeholder ownership of the relevant processes. All efforts should be made to work with the relevant stakeholders to design by mutual agreement the engagement and consultation processes, including mechanisms for inclusiveness, respecting cultural sensitivities, and any required consent processes. Cultural understanding and awareness are central to meaningful stakeholder engagement.

Moreover, a general solicitation of feedback or input cannot be relied upon, nor accepted as the sole method of consultation. Information laden questions presenting various options, the reasons for those options, and their consequences may be a better method in that it presents information in a relationship-building manner, does not assume full stakeholder knowledge of the project plans, and solicits input on specific project instances instead of placing the impetus on the stakeholder to make seemingly high-level suggestions.

Recall that stakeholder engagement may be minimal at certain times and intense at others, depending on the issues and particular project phase. Also, targeted input from select stakeholder groups may be needed at key points in project development and implementation.

As project information changes – perhaps from subsequent risk assessments, the addition of project activities, stakeholder concerns – the stakeholder engagement plan should be reviewed and modified accordingly to ensure its effectiveness in securing meaningful and effect stakeholder participation.

The stakeholder engagement plan should also anticipate if/when professional, neutral facilitators might be needed to lead key engagement activities. For projects where the stakeholder engagement process is likely to be complex or sensitive, social advisors or other expert staff should help design and facilitate the process and assist with participatory methodologies and other specialized techniques.¹⁶

Grievance redress processes for the project need to be described in the stakeholder engagement plan. Section 3.4 above elaborates on relevant SES requirements.

The plan should also outline a reasonable budget for stakeholder engagement activities, including potential support for groups to facilitate their participation where necessary (noting that meeting

¹⁶ IFC Stakeholder Engagement, p. 101.

locations should be as convenient as possible and stakeholder acceptance of such support should not be interpreted as endorsement of the project).

Simplified Stakeholder Engagement Plan

The below provides a rough outline for a simplified stakeholder engagement plan. Many approaches exist, and this is one example of outlining key elements. It is important to not simply list stakeholders and say they will be consulted, but to identify **why** they are being engaged, **how** engagement will proceed, **who** will do it, **when**, and **how** it will be financed/supported.

Sample template for simplified stakeholder engagement plan					
Stakeholder Group	Why included (interests)	Participation methods		Timeline	Cost est.
		Method	Responsibility		

Comprehensive Stakeholder Engagement Plan

Below is an example of elements that should be addressed in a comprehensive stakeholder engagement plan. The scope and level of detail of the plan should be scaled to fit the needs of the project.

1. Introduction

- Briefly describe the project including design elements and potential social and environmental issues. Where relevant, include maps of the project site and surrounding area.

2. Regulations and Requirements

- Summarize any legal, regulatory, donor/lender requirements pertaining to stakeholder engagement applicable to the project. This may involve public consultation and disclosure requirements related to the social and environmental assessment process as well as relevant international obligations.

3. Summary of any previous stakeholder engagement activities

- If any stakeholder engagement activities had been undertaken to date, including information disclosure and/or consultation, provide the following details:
 - Type of information disclosed, in what forms and languages (e.g., oral, brochure, reports, posters, radio, etc.), and how it was disseminated
 - Locations and dates of any meetings undertaken to date
 - Individuals, groups, and/or organizations that have been consulted
 - Key issues discussed and key concerns raised
 - Responses to issues raised, including any commitments or follow-up actions
 - Process undertaken for documenting these activities and reporting back to stakeholders

4. Project Stakeholders

- List the key stakeholder groups who will be informed about and engaged in the project (based on stakeholder analysis). These should include persons or groups who:
 - Are directly and/or indirectly affected by the project
 - Have “interests” in the project that determine them as stakeholders
 - Have the potential to influence project outcomes or operations

- [Examples of potential ^[11]_[SEP] stakeholders are beneficiaries and project-affected communities, local organizations, NGOs, and government authorities, indigenous peoples; stakeholders can also include politicians, private sector companies, labor unions, academics, religious groups, national environmental and social public sector agencies, and the media]
- Consider capacities of various stakeholder groups to effectively participate in the stakeholder engagement activities, and include measures to support them where capacity is limited

5. Stakeholder Engagement Program

- Summarize the purpose and goals of the stakeholder engagement program
- Briefly describe what information will be disclosed, in what formats and languages, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified in section 4 above. Methods used may vary according to target audience, for example: ^[11]_[SEP]
 - Newspapers, posters, radio, television
 - Information centers and exhibitions or other visual displays
 - Brochures, leaflets, posters, non-technical summary documents and reports
- Briefly describe the methods that will be used to engage and/or consult with each of the stakeholder groups identified in section 4. Methods used may vary according to target audience, for example:
 - Interviews with stakeholder representatives and key informants
 - Surveys, polls, and questionnaires
 - Public meetings, workshops, and/or focus groups with specific groups
 - Participatory methods
 - Other traditional mechanisms for consultation and decision-making
- Describe how the views of women and other relevant groups (e.g. minorities, elderly, youth, other marginalized groups) will be taken into account and their participation facilitated
- Where relevant, define activities that require prior consultation and FPIC from indigenous peoples (and refer to Indigenous Peoples Plan and FPIC protocols)
- Outline methods to receive feedback and to ensure ongoing communications with stakeholders (outside of a formal consultation meeting)
- Describe any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs, stakeholder-led initiatives, and training and capacity building/support programs. ^[11]_[SEP]

6. Timetable ^[11]_[SEP]

- Provide a schedule outlining dates/periodicity and locations where various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be undertaken ^[11]_[SEP]

7. Resources and Responsibilities

- Indicate who will be responsible for carrying out the specified stakeholder engagement activities
- Specify the budget and other resources allocated toward these activities
- [For projects with significant potential impacts and multiple stakeholder groups, it is advisable to hire a qualified stakeholder engagement facilitator to undertake all or portions of the stakeholder engagement activities]

8. Grievance Mechanism

- Describe the process by which people concerned with or potentially affected by the project can express their grievances for consideration and redress. Who will receive grievances, how and by

whom will they be resolved, and how will the response be communicated back to the complainant? (see Annex 4)

- Ensure reference is made to and stakeholders are informed of the availability of UNDP's Accountability Mechanism (Stakeholder Response Mechanism, SRM, and Social and Environmental Compliance Unit, SECU) as additional avenues of grievance redress.

9. Monitoring and Reporting

- Describe any plans to involve project stakeholders (including target beneficiaries and project-affected groups) or third-party monitors in the monitoring of project implementation, potential impacts and management/mitigation measures
- Describe how and when the results of stakeholder engagement activities will be reported back to project-affected and broader stakeholder groups. Examples include newsletters/bulletins, social and environmental assessment reports; monitoring reports.

Annexure 3 Guidance for Submitting a Request to UNDP SECU and/or SRM



*Empowered lives.
Resilient nations.*

Guidance for Submitting a Request to the Social and Environmental Compliance Unit (SECU) and/or the Stakeholder Response Mechanism (SRM)

Purpose of this form

- **If you use this form, please put your answers in bold writing to distinguish text**
- **The use of this form is recommended, but not required. It can also serve as a guide when drafting a request.**

This form is intended to assist in:

- (1) Submitting a request when you believe UNDP is not complying with its social or environmental policies or commitments and you are believe you are being harmed as a result. This request could initiate a ‘compliance review’, which is an independent investigation conducted by the Social and Environmental Compliance Unit (SECU), within UNDP’s Office of Audit and Investigations, to determine if UNDP policies or commitments have been violated and to identify measures to address these violations. SECU would interact with you during the compliance review to determine the facts of the situation. You would be kept informed about the results of the compliance review.

and/or

- (2) Submitting a request for UNDP “Stakeholder Response” when you believe a UNDP project is having or may have an adverse social or environmental impact on you and you would like to initiate a process that brings together affected communities and other stakeholders (e.g., government representatives, UNDP, etc.) to jointly address your concerns. This Stakeholder Response process would be led by the UNDP Country Office or facilitated through UNDP headquarters. UNDP staff would communicate and interact with you as part of the response, both for fact-finding and for developing solutions. Other project stakeholders may also be involved if needed.

Please note that if you have not already made an effort to resolve your concern by communicating directly with the government representatives and UNDP staff responsible for this project, you should do so before making a request to UNDP’s Stakeholder Response Mechanism.

Confidentiality If you choose the Compliance Review process, you may keep your identity confidential (known only to the Compliance Review team). If you choose the Stakeholder Response Mechanism, you can choose to keep your identity confidential during the initial eligibility screening and assessment of your case. If your request is eligible and the assessment indicates that a response is appropriate, UNDP staff will discuss the proposed response with you, and will also discuss whether and how to maintain confidentiality of your identity.

Guidance

When submitting a request please provide as much information as possible. If you accidentally email an incomplete form, or have additional information you would like to provide, simply send a follow-up email explaining any changes.

Information about You

Are you...

1. A person affected by a UNDP-supported project?

Mark “X” next to the answer that applies to you: Yes: No:

2. An authorized representative of an affected person or group?

Mark “X” next to the answer that applies to you: Yes: No:

If you are an authorized representative, please provide the names of all the people whom you are representing, and documentation of their authorization for you to act on their behalf, by attaching one or more files to this form.

3. First name:
4. Last name:
5. Any other identifying information:
6. Mailing address:
7. Email address:
8. Telephone Number (with country code):
9. Your address/location:
10. Nearest city or town:
11. Any additional instructions on how to contact you:
12. Country:

What you are seeking from UNDP: Compliance Review and/or Stakeholder Response

You have four options:

- Submit a request for a Compliance Review;
 - Submit a request for a Stakeholder Response;
 - Submit a request for both a Compliance Review and a Stakeholder Response;
 - State that you are unsure whether you would like Compliance Review or Stakeholder Response and that you desire both entities to review your case.
13. Are you concerned that UNDP’s failure to meet a UNDP social and/or environmental policy or commitment is harming, or could harm, you or your community? Mark “X” next to the answer that applies to you: Yes: No:

14. Would you like your name(s) to remain confidential throughout the Compliance Review process?

Mark “X” next to the answer that applies to you: Yes: No:

If confidentiality is requested, please state why:

15. Would you like to work with other stakeholders, e.g., the government, UNDP, etc. to jointly resolve a concern about social or environmental impacts or risks you believe you are experiencing because of a UNDP project?

Mark “X” next to the answer that applies to you: Yes: No:

16. Would you like your name(s) to remain confidential during the initial assessment of your request for a response?

Mark “X” next to the answer that applies to you: Yes: No:

If confidentiality is requested, please state why:

17. Requests for Stakeholder Response will be handled through UNDP Country Offices unless you indicate that you would like your request to be handled through UNDP Headquarters. Would you like UNDP Headquarters to handle your request?

Mark “X” next to the answer that applies to you: Yes: No:

If you have indicated yes, please indicate why your request should be handled through UNDP Headquarters:

18. Are you seeking both Compliance Review and Stakeholder Response?

Mark “X” next to the answer that applies to you: Yes: No:

19. Are you unsure whether you would like to request a Compliance Review or a Stakeholder Response?

Mark “X” next to the answer that applies to you: Yes: No:

Information about the UNDP Project you are concerned about, and the nature of your concern:

20. Which UNDP-supported project are you concerned about? (if known):

21. Project name (if known):

22. Please provide a short description of your concerns about the project. If you have concerns about UNDP’s failure to comply with its social or environmental policies and commitments, and can identify these policies and commitments, please do (not required). Please describe, as well, the types of environmental and social impacts that may occur, or have occurred, as a result. If more space is required, please attach any documents. You may write in any language you choose

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-
-
-

23. Have you discussed your concerns with the government representatives and UNDP staff responsible for this project? Non-governmental organisations?

Mark “X” next to the answer that applies to you: Yes: No:

If you answered yes, please provide the name(s) of those you have discussed your concerns with

Name of Officials You have Already Contacted Regarding this Issue:

First Name	Last Name	Title/Affiliation	Estimated Date of Contact	Response from the Individual

24. Are there other individuals or groups that are adversely affected by the project?

Mark “X” next to the answer that applies to you: Yes: No:

25. Please provide the names and/or description of other individuals or groups that support the request:

First Name	Last Name	Title/Affiliation	Contact Information

Please attach to your email any documents you wish to send to SECU and/or the SRM. If all of your attachments do not fit in one email, please feel free to send multiple emails.

Submission and Support

To submit your request, or if you need assistance please email: project.concerns@undp.org

Annexure 4. Indicative Outline for Indigenous Peoples Plan

Please refer to the [UNDP SES Guidance Note: Standard 6: Indigenous Peoples](#) for additional information.

If the proposed Project may affect the rights, lands, resources or territories of indigenous peoples, an "Indigenous Peoples Plan" (**IPP**) needs to be elaborated and included in the Project documentation. The **IPP** is to be elaborated and implemented in a manner consistent with the UNDP Social and Environmental Standards and have a level of detail proportional to the complexity of the nature and scale of the proposed Project and its potential impacts on indigenous peoples and their lands, resources and territories. With the effective and meaningful participation of the affected peoples, the **IPP** shall be elaborated and contain provisions addressing, at a minimum, the substantive aspects of the following outline:

- A. Executive Summary of the Indigenous Peoples Plan: Concisely describes the critical facts, significant findings, and recommended actions
- B. Description of the Project: General description of the project, the project area, and components/activities that may lead to impacts on indigenous peoples
 - i. The description should be such as to enable a process of dialogue with indigenous peoples leading to trust building. The information should be clear, sufficient, and precise. It should encompass the nature of the PES program generally and the PES IP program specifically, the experience with the PES IP program to date, the goal of expanding it to benefit indigenous peoples not yet participating in it, the challenges stemming from CR's PLR on IP rights, including contracting, and the goal of improving the specific IP modalities. The information should also address the consultation *process*. This process should be elaborated in collaboration with the indigenous peoples concerned, in a culturally appropriate manner. The description of the consultation process should highlight the elements of free, prior and informed consent. The "free" element should take into account the rhythms of time needed to avoid placing indigenous peoples under pressure. The "prior" element means the consultation process is to take place prior to the discussion of specific proposals for PES contracts.
- C. Description of Indigenous Peoples: A description of affected indigenous people(s) and their locations, including:
 - i. description of the community or communities constituting the affected peoples (e.g. names, ethnicities, dialects, estimated numbers, etc.);
 - ii. description and documentation of the governance structures of each of the affected peoples, including whether they embrace ADIs as their structures of governance, or otherwise whether they maintain traditional structures of governance. The description and documentation should address situations of competing governance structures, actual or potential conflict, within historical and current timelines.
 - a. This description and documentation should be the result of a mission to the indigenous peoples' territory and engagement with relevant actors in the communities by a team of specialists (see below).
 - b. The assessment and documentation by the team of specialists should prioritize those indigenous peoples that have not participated in the PES IP Program.
 - iii. description of the resources, lands and territories to be affected and the affected peoples connections/ relationship with those resources, lands, and territories. This description should take cognizance of the forest cover in indigenous territories. It should also describe traditional uses of the forests, as well as other community activities that may concern IP PES modalities, including agroecological practices; and

- iv. an identification of any vulnerable groups within the affected peoples (e.g. uncontacted and voluntary isolated peoples, women and girls, the disabled and elderly, others). This identification should also include relevant leaders and stakeholders of those vulnerable groups, particularly women and girls that may engage in discussions on the gender dimensions of the IP PES Program.
- D. Summary of Substantive Rights and Legal Framework: A description of the substantive rights of indigenous peoples and the applicable legal framework, including:
 - i. An analysis of relevant domestic laws that concern the rights of affected indigenous peoples (include general assessment of government implementation of the same), including possible shortcomings and pathways for strengthening them, such as with respect to legal representation of Indigenous peoples that maintain their traditional structures of governance.
 - ii. Analysis of relevant international laws that concern Indigenous Peoples in Costa Rica, including the American Convention on Human Rights and relevant jurisprudence on indigenous peoples rights by the Inter-American Court of Human Rights, ILO Convention 169 on the Rights of Indigenous and Tribal Peoples, and the Cancun Agreements adopted under the UNFCCC.
 - iii. Analysis as to whether the Project involves activities that are contingent on establishing legally recognized rights to lands, resources, or territories that indigenous peoples have traditionally owned, occupied or otherwise used or acquired. Where such contingency exists (see Standard 6 Guidance Note, sections 6 & 7), include:
 - a. identification of the steps and associated timetable for achieving legal recognition of such ownership, occupation, or usage with the support of the relevant authority, including the manner in which delimitation, demarcation, and titling shall respect the customs, traditions, norms, values, land tenure systems and effective and meaningful participation of the affected peoples, with legal recognition granted to titles with the full, free prior and informed consent of the affected peoples; and
 - b. list of the activities that are prohibited until the delimitation, demarcation and titling is completed.
 - iv. Analysis whether the Project involves activities that are contingent on the recognition of the juridical personality of the affected Indigenous Peoples or the ability of the State to enter into contracts with traditional structures of governance, or with entities under their direction. Where such contingency exists (see Standard 6 Guidance Note, section 7):
 - a. identification of the steps and associated timetables for achieving such recognition with the support of the relevant authority, with the full and effective participation and consent of affected indigenous peoples;
 - b. identification of the steps and associated timetables for achieving such contracting modalities, and
 - c. list of the activities that are prohibited until the recognition is achieved.
- E. Summary of Social and Environmental Assessment and Mitigation Measures
 - i. A summary of the findings and recommendations of the required prior social and environmental impact studies (e.g. limited assessment, ESIA, SESA, as applicable) – specifically those related to indigenous peoples, their rights, lands, resources and territories. This should include the manner in which the affected indigenous peoples participated in such study and their views on the participation mechanisms, the findings and recommendations.
 - ii. Where potential risks and adverse impacts to indigenous peoples, their lands, resources and territories are identified, the details and associated timelines for the planned measures to avoid, minimize, mitigate, or compensate for these adverse effects. Identification of special

measures to promote and protect the rights and interests of the indigenous peoples including compliance with the affected peoples' internal norms and customs. These will include, inter alia:

- a. Measures to strengthen the gender dimensions of the IPs Specific PES modality, such as with respect to decision-making and benefit-sharing. These measures may include ways to increase participation of women in the decision-making mechanisms of the structures of governance of the communities, as well as consideration of specific allocation of funding for programs for women empowerment, as designed by women in the community.
- b. Identification of legal means for contracting with, or for the benefit of, the affected peoples that maintain traditional structures of governance. For the purposes of contracting PES with FONAFIFO, this may include: recognition of legal personality of traditional structures of governance; setting up specific legal entities, under the supervision and control of traditional structures of governance; and use of NGOs that enter into agreements with traditional structures of governance.
- c. Identification of the tools to prevent non-indigenous persons to enter into any PES contract in relation to property that may be location in Indigenous territories.
- iii. If the Project will result in the relocation of indigenous peoples from their lands and territories, a description of the consultation and FPIC process leading to the resulting agreement on relocation and just and fair compensation, including the possibility of return.
- iv. A description of measures to protect traditional knowledge and cultural heritage in the event that the Project will result in the documentation and/or use and appropriation of such knowledge and heritage of the indigenous peoples and the steps to ensure FPIC before doing so.

F. Participation, Consultation, and FPIC Processes

- i. A summary of results of the culturally appropriate consultation, including any consultation through ADIs for those affected people that embrace them, or with traditional structures of governance for those affected people that maintain them. Where there are competing structures of governance, the consultation process should engage them separately. The process should not assume that ADIs represent the people, and similarly it should not assume that competing governance structures, where that is the case, need to all agree. In cases of disagreement, the decision to move forward with PES contracting will need to balance several competing considerations, including the position of competing structures of governance, their levels of representativeness, their historical track record, their degree of acceptance by the people, and other relevant factors. All this needs to be documented specifically by a team in mission to the territory.
- ii. A summary of results of the FPIC processes undertaken with the affected peoples' which led to the indigenous peoples' support for the Project .
- iii. A description of the mechanisms to conduct iterative consultation and consent processes throughout implementation of the Project. Identify particular Project activities and circumstances that shall require consultation and FPIC (consistent with section 4 of the Standard 6 Guidance Note). The process of continuous engagement shall strengthen, inter alia:
 - a. The distribution of benefits and financial accountability. This goal will require the strengthening of tools to enhance transparency in the reporting of contract achievements, in a culturally and technologically appropriate manner. It will also require capacity building on available grievance mechanisms that may hear complaints regarding any mismanagement.

- b. The PES IP modalities in Indigenous peoples territories. This goal will require assessing the implementation of existing IP modalities in the territories, as well as the identification of new issues that may need to be addressed. Inter alia, this may include documenting the community's views of: agroecological practices, the relationship between forest cover and the question whether 2% of the areas under contract that can be used for subsistence agricultural production is sufficient.
- G. Appropriate Benefits: An identification of the measures to be taken to ensure that indigenous peoples receive equitable social and economic benefits that are culturally appropriate, including a description of the consultation and consent processes that lead to the determined benefit sharing arrangements.
 - i. Mechanisms for review by the community of allocation of benefits within the community should be explored. These mechanisms could include distribution of culturally appropriate information in the community of how PES funds are used.
- H. Capacity support
 - i. Description of Project activities aimed at increasing capacity within the government and/or the affected indigenous peoples, and facilitating exchanges, awareness, and cooperation between the two.
 - ii. Description of measures to support social, legal, technical capabilities of indigenous peoples' organizations in the project area to enable them to better represent the affected indigenous peoples more effectively
 - a. In a case where indigenous peoples have not embraced ADIs as their structure of governance, but nevertheless the ADI has entered into PES contracts with FONAFIFO, this situation needs to be addressed by setting up a plan whereby the traditional structure of governance decides on the mechanism to contract with FONAFIFO (see above on mechanisms for legal contracting)
 - iii. Where appropriate and requested, description of steps to support technical and legal capabilities of relevant government institutions to strengthen compliance with the country's duties and obligations under international law with respect to the rights of indigenous peoples.
- I. Grievance Redress: A description of the procedures available to address grievances brought by the affected indigenous peoples arising from Project implementation, including the remedies available, how the grievance mechanisms take into account indigenous peoples' customary laws and dispute resolution processes, as well as the effective capacity of indigenous peoples under national laws to denounce violations and secure remedies for the same in domestic courts and administrative processes.
- J. Monitoring, Reporting, Evaluation
 - i. Mechanisms and benchmarks appropriate to the Project for transparent, participatory joint monitoring, evaluating, and reporting, including a description of how the affected indigenous peoples are involved.
 - ii. Define the mechanisms put in place to allow for periodic review and revision of the *IPP* in the event that new Project circumstances warrant modifications developed through consultation and consent processes with the affected indigenous peoples.
- K. Institutional Arrangements: Describes institutional arrangement responsibilities and mechanisms for carrying out the measures contained in the *IPP*, including participatory mechanisms of affected indigenous peoples. Describes role of independent, impartial entities to audit, conduct social and environmental assessments as required, and/or to conduct oversight of the project.

- i. FONAFIFO should set up a team of specialists to carry out assessment and consultations, and produce documentation specific to each of the indigenous peoples participating in the program.
 - ii. The team may be composed by 3-5 persons, preferably individuals that are independent of the project, including persons from government, academia, international consultants, and NGOs, as appropriate.
 - iii. The inclusion in the team of members of other indigenous peoples in CR should be carefully considered, and the opportunities for cultural bridges balanced against the risk of conflict or suspicion between indigenous peoples.
 - iv. The team of specialists should reflect gender balance, in order to engage in meaningful consultation with both men and women.
 - v. The team should have a flexible agenda to spend time as needed in the community, and it should be prepared to return to the community with answer to any questions that may have arisen, including requests for additional information.
 - vi. FONAFIFO should not contract ADIs for the purpose of carrying out consultations, as that can present a conflict of interest.
 - vii.
- L. Budget and Financing: An appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the activities described.

Note: The **IPP** will be implemented as part of Project implementation. However, in no case shall Project activities that may adversely affect indigenous peoples – including the existence, value, use or enjoyment of their lands, resources or territories – take place before the corresponding activities in the **IPP** are implemented. The relationship between the implementation of specific **IPP** measures and the permitted commencement of distinct Project activities shall be detailed within the **IPP** to allow for transparent benchmarks and accountability.

Where other Project documents already develop and address issues listed in the above sections, citation to the relevant document(s) shall suffice.