



Galápagos
life fund

GALÁPAGOS LIFE FUND

ENVIRONMENTAL AND SOCIAL
MANAGEMENT SYSTEM (ESMS) MANUAL

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ACRONYMS

AOI	Area of Influence
DFC	United States International Development Finance Corporation
E&S	Environmental and Social
EEZ	Economic Exclusive Zone
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
ESMO	Environmental and Social Monitoring
ESMS	Environmental and Social Management System
ESSA	Environmental and Social Screening and Assessment
GBVH	Gender-based violence and harassment
GLF	Galápagos Life Fund
GMR	Galápagos Marine Reserve
GNP	Galápagos National Park
GNPD	Galápagos National Park Directorate
HMR	Hermandad Marine Reserve
IDB	Inter-American Development Bank
IFC	International Finance Corporation
ILO	International Labour Organization
IFQ	Individual Fishing Quota
IUCN	International Union for Conservation of Nature
MAATE	Ministry of Environment, Water and Ecological Transition (<i>Ministerio de Ambiente, Agua y Transición Ecológica</i>)
PAP	Project Affected People
SCA	Sustainability Commitments Agreement
SEAH	Sexual Exploitation, Abuse and Harassment
SEP	Stakeholder Engagement Plan
TAC	Total Allowable Catch
TAP	Transitional Assistance Plan
TURF	Territorial Use Rights for Fishing
UNEP FI	United Nations Environment Programme Finance Initiative

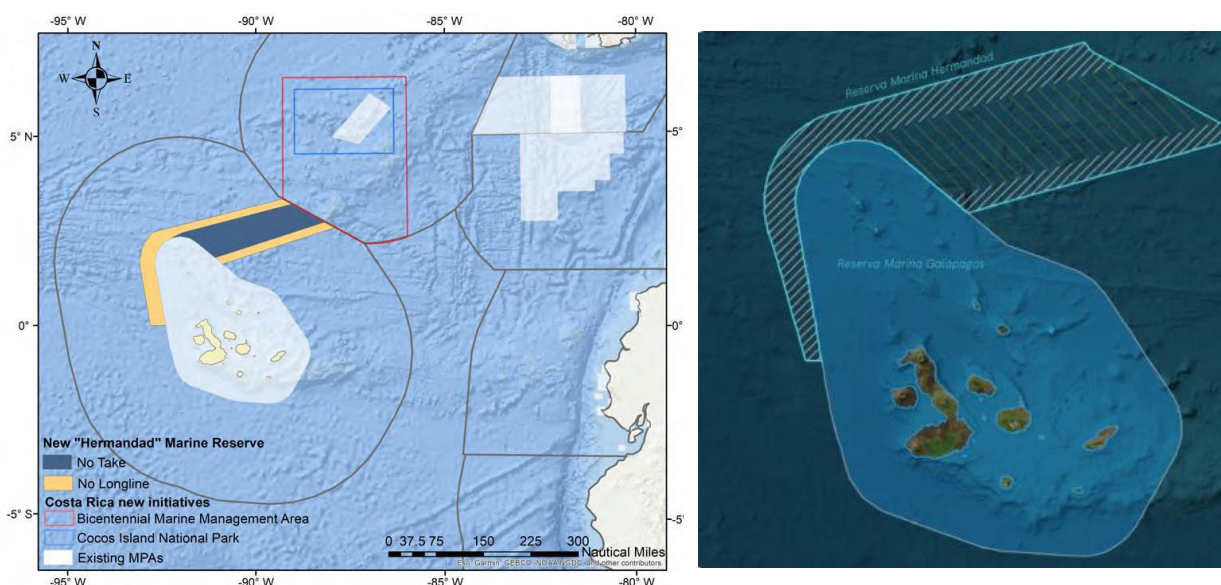
1 INTRODUCTION

1.1 BACKGROUND

In 2022, the Government of Ecuador established the Hermandad Marine Reserve (HMR), a new marine protected area to the northeast of the existing Galápagos Marine Reserve (GMR). It covers a total area of 60,000 km² of open water in Ecuador's Economic Exclusive Zone (EEZ). The HMR will protect the Galápagos-Cocos Swimway, a marine pathway used by various species of conservation concern to travel between the GMR, and the Cocos Island National Park situated in the territorial waters of Costa Rica. These include various species such as sharks, whales, turtles, and manta rays.

In May 2023, the Government of Ecuador agreed to convert US\$1.6 billion in existing commercial debt into a US\$656 million loan as part of a debt for nature conversion. This loan was financed through a marine conservation-linked bond that will provide dedicated financial resources for conservation for the terms of the transaction and into perpetuity as Ecuador has committed to a long-term funding plan that includes building an endowment to support conservation activities in the future. Galápagos Life Fund (GLF), a conservation trust fund was established to oversee the allocation of conservation funding made available through the debt for nature conversion.

Figure 1: Location of Hermandad Marine Reserve



1.2 ABOUT THE GALÁPAGOS LIFE FUND (GLF)

GLF, a non-profit organization was established in 2023 to support and promote the maintenance, growth and security of the natural capital of the Galápagos Islands and their marine ecosystems. The fund has an 11-member board of directors composed of five government and six non-government representatives of the artisanal fishing, local tourism, and academic communities. GLF is based in Puerto Ayora, on Santa Cruz Island.

GLF will provide grants to organizations, government agencies, and other entities (Grantees) to enhance management, monitoring, and enforcement within the Hermandad and Galápagos marine

reserves and the Galápagos National Park (GNP). Additionally, GLF will support research-driven initiatives aimed at achieving sustainable fisheries, climate resilience, and a thriving blue economy¹. GLF funding will be allocated through GLF-funded projects, including those selected via a Call for Proposals (CFP) or other methods. Recipients of GLF project funding in the form of a grant are referred to as "Grantees."

GLF will fund projects that align with these goals and fall within the following categories:

- Management of the Galápagos Marine Reserve (GMR, ~140,000 km²) and the Hermandad Marine Reserve (HMR, ~60,000 km²): including control, monitoring, and surveillance for effective management and enforcement.
- Sustainability Commitment projects aimed to support the implementation of the Sustainability Commitments Agreement (SCA)².
- Sustainable fisheries management initiatives that cover the implementation of systems like Individual Fishing Quota ("IFQs") for Tuna and "White" Finfish as well as Territorial Use Rights for Fishing ("TURF") for the Lobster fishery, including monitoring and enforcement systems, gear changes and outreach to fishermen.
- Science and economics research projects that might include a baseline study on the reserves, determining Total Allowable Catch (TAC) for each fishery, value chain analysis, and designing monitoring and enforcement systems for the reserve and fishing.
- Environmental Education projects that aim to educate the community on conservation and sustainability in marine-related conservation.
- Sustainable tourism projects that fund the conversion of some fishers to sustainable tourism, as well as projects that directly support Galápagos sustainable tourism.
- Other projects, including, but not limited to, focused on conservation and sustainability related projects of interest to the community of the Galápagos Island

GLF will seek to fill major funding gaps in responding to various environmental, social, and sustainable development issues and opportunities associated with the HMR. This will include ensuring that the HMR Management Plan³ is effectively implemented, together with the associated Management Programs.

GLF has an Operational Manual in place, which is intended to support its administrative and financial operations.

1.2.1 AREA OF INFLUENCE

GLF's Area of Influence (AOI), or area within which GLF's activities have the potential to create environmental and social changes, include:

¹ According to The World Bank's definition, the Blue Economy is an economic approach that promotes the sustainable use of marine and coastal resources and the development of economic activities related to the sea, such as fishing, tourism, and marine biotechnology.

² An agreement between the Government of Ecuador and various other entities involved in the debt for nature conversion that sets out 18 commitments that must be actions by various ministries.

³ MAATE (2023). Hermandad Marine Reserve Management Plan. Ministry of Environment, Water and Ecological Transition. Galápagos National Park Directorate. Subsecretary of Natural Heritage. Fundación de Conservación Jocotoco. Biogennia Cía. Ltda.

1. Hermandad Marine Reserve (HMR), a pelagic marine protected area (60,000 km²);
2. Galápagos Marine Reserve (GMR); a coastal and pelagic marine protected area (about 142,758.68 km²);
3. Galápagos National Park (GNP); the terrestrial area of the Galápagos Islands (7953.40 km²); and
4. Artisanal fishing communities in the wider geographical area which may potentially be impacted from the establishment of the HMR, notably in Manabi and Santa Elena provinces⁴.

2 INTRODUCTION TO GLF'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

The GLF Environmental and Social Management System (ESMS) is an intrinsic part of the of GLF-funded project lifecycle. The ESMS Manual serves as an overarching document that aims to provide Grantees with a comprehensive guide for managing potential E&S risks associated with GLF-funded projects. It applies to all stakeholders involved in implementation of the ESMS, such as organizations and institutions involved in GLF-funded projects, including GLF personnel and Grantees, subgrantees and subcontractors.

2.1 OBJECTIVE AND PURPOSE

GLF is committed to achieving optimal environmental and social performance in all its projects and ensure that adverse impacts are avoided or, when unavoidable, minimized and mitigated sufficiently, and/or compensated for. To this end, GLF has developed an ESMS to manage E&S risks associated with the projects it finances or supports.

The ESMS seeks to:

- Ensure that GLF projects comply with Ecuadorian legislation and best international standards, including the International Finance Corporation (IFC) Performance Standards;
- Apply operational measures and tools for E&S risk management so that risks in GLF-funded projects can be adequately assessed, avoided, monitored, controlled and mitigated; and
- Establish clear roles and responsibilities for GLF staff and other stakeholders such as the Grantees involved in the implementation of the ESMS.

GLF's ESMS defines procedures, tools and responsibilities for assessing, managing and monitoring E&S risks and impacts associated with projects financed or supported technically by GLF throughout the entire project lifecycle. The ESMS aligns with both international and national requirements and is applicable for all projects receiving funding from GLF. In addition, GLF's Code of Ethics guides employees, grantees, consultants, independent experts, organizational and external workers, interns, and volunteers in integrating core values into their work. The GLF Ethics Hotline allows employees,

⁴ This will be restricted to the implementation of the Transitional Assistance Plan (TAP), associated with the HMR Social Safeguard Study.

grantees, and other partners to **anonymously** report incidents of illegal or unethical conduct. Additionally, GLF is providing guidelines for disclosing conflicts of interest.

<https://glf.lineaconfidencial.com/>

2.2 ESMS IMPLEMENTATION RESPONSIBILITIES

Both GLF and the Grantee share responsibility for assessing and managing overall Project environmental and social impact. This includes both positive and negative consequences resulting from activities or partners that receive the project's financial or technical support, even if those activities are not directly managed by GLF or the Grantee.

The overarching and predominant responsibility of the GLF is to set the standards that the Grantees must implement in the GLF-funded projects and ensure the Grantees align with these standards and the requirements of the Environmental and Social Management System (ESMS). Annex H outlines GLF's responsibilities associated with the development and implementation of the GLF ESMS. The sections below provide an overview of the key role of GLF and Grantees.

2.2.1 GALÁPAGOS LIFE FUND

GLF plays a crucial role in ensuring environmentally and socially responsible projects through its grant funding through the following:

- **Setting high E&S standards:** GLF establishes standards that Grantees (and their partners, contractors etc) must align with throughout the project lifecycle.
- **Supporting grantee capacity:** GLF considers applicants' E&S capabilities during selection to ensure they meet GLF's standards.
- **Contractual safeguards:** E&S standard clauses are included in grant agreements.
- **Project design and management:** Integrating E&S screening, assessment, and the development of safeguard plans into the project design and approval process.
- **Grantee training and awareness:** GLF raises awareness by discussing E&S topics in meetings and providing training on the ESMS and expectations of Grantees based on real-world project examples.
- **Monitoring and reporting:** GLF monitors how Grantees assess E&S risks, implement E&S management activities, and adhere to the ESMS and Environmental and Social Management Plan (ESMP) throughout the project lifecycle. GLF consolidates these findings into reports for overall project monitoring.
- **Continuous improvement:** GLF learns from project experiences and adapts its E&S requirements or processes to improve performance.

In essence, GLF acts as a responsible steward, ensuring funded projects are conducted with environmental and social considerations in mind and ensuring the projects align with GLFs E&S standards and requirements (see Section 5).

2.2.2 GRANTEES

The Grantees of GLF have primary responsibility for assessing, managing and monitoring E&S risks throughout the project lifecycle as follows:

- **Align with GLF's ESMS:** Grantees must follow GLF's established E&S procedures, including conducting E&S assessments and implementing an approved ESMP during the project implementation phase.
- **Project staffing:** Project teams must have adequate personnel (staff or external experts) with the necessary expertise and resources to implement GLF's Environmental and Social Policy and align with GLF's ESMS. All project staff should be familiar with GLF's ESMS, project ESMP, and associated safeguard instruments.
- **Stakeholder engagement:** Grantees must conduct public consultations and disclose relevant project information to stakeholders in line with a Stakeholder Engagement Plan (SEP).
- **Capacity building:** Collaboration with government and other organizations is required to initiate capacity building and community development initiatives.
- **Mitigate impacts:** Grantees are responsible for implementing measures to avoid or minimize negative impacts resulting from project activities and enhance positive impacts where feasible.
- **Compliance:** Grantees must adhere to relevant national laws and international best practices, including the International Finance Corporation (IFC) Performance Standards.
- **Monitoring and reporting:** Grantees are required to establish monitoring programs to track the effectiveness of mitigation measures outlined in the ESMP. They also need to conduct annual internal evaluations and report on E&S performance, including serious incidents, grievances, and project stoppages.
- **Reporting to GLF:** Regular reports are required on E&S topics, health and safety performance, grievances, project stoppages due to security risks, and the appointment of a dedicated E&S monitoring person responsible for reporting to GLF.

By fulfilling these responsibilities, Grantees demonstrate their commitment to environmentally and socially responsible project delivery, aligning with GLF's E&S standards and requirements.

2.3 GLF'S ENVIRONMENTAL AND SOCIAL REQUIREMENTS FOR FUNDED PROJECTS

GLF has established clear E&S operational requirements that all funded projects must adhere to:

- **Exclusion list screening:** Projects are screened against a list of prohibited activities to ensure no projects that cause significant harm to the environment or community are funded.
- **E&S risk assessment:** All projects undergo an E&S assessment to identify potential E&S risks and benefits before funding is approved. Projects require the development of a Project ESMP.
- **Compliance with regulations and other requirements:** Projects must comply with relevant national and international environmental, social, health, and safety regulations and standards.

GLF works with Grantees to ensure all E&S risks are considered and addressed throughout the project lifecycle.

- **ESMP implementation:** Approved ESMPs and associated safeguards must be implemented throughout the project lifecycle.
- **Stakeholder engagement:** Projects require ongoing stakeholder engagement activities from early in the Project lifecycle, including developing a Stakeholder Engagement Plan (SEP) and maintaining a Stakeholder Register.
- **Grievance mechanism:** Formal processes must be established to capture and manage project-related complaints from communities, workers, and other stakeholders (Grievance Mechanisms and Grievance Register).

These requirements ensure that funded projects consider and mitigate potential environmental and social impacts while fostering positive stakeholder relations.

3 ENVIRONMENTAL AND SOCIAL POLICY

GLF's Environmental and Social Policy promotes sustainable development for marine ecosystems and communities dependent on them while ensuring financial responsibility and integrity. Its objective is to maximize positive outcomes through its grant portfolio and minimize negative E&S risks and impacts.

The Environmental and Social Policy is presented in **Fout! Verwijzingsbron niet gevonden.** and articulates GLFs environmental and social investment principles and commitments. The Environmental and Social Policy is based on several core principles, including human rights, gender equality and diversity, the mitigation hierarchy, risk management, meaningful consultation, workers' rights, health and safety, and supply chain management.

The Environmental and Social Policy applies to GLF and all GLF-funded activities and projects, including sub-projects, grants and indirect financing. The Environmental and Social Policy establishes that all Grantees submitting proposals to GLF and carrying out GLF-funded projects must comply with GLF's ESMS throughout the project lifecycle to manage E&S risks.

4 GLF EXCLUSION LIST

GLF's Exclusion List presented in Annex B provides a comprehensive list of activities that GLF does not finance or support i.e. activities that are not eligible for funding. It follows international best practices and aligns with the exclusion lists of the International Finance Corporation (IFC) and the United States International Development Finance Corporation (DFC).

All GLF activities, projects, and Grantees must conform with the List. Projects being considered for GLF funding will be screened against this Exclusion List as part of the initial stages of the grant application. Furthermore, all existing GLF-funded projects will be periodically assessed against GLF's Exclusion List during monitoring.

5 APPLICABLE STANDARDS AND REQUIREMENTS

5.1 RELEVANT LAWS AND REGULATIONS IN ECUADOR

GLF and its grant-funded projects shall comply with the Constitution of the Republic of Ecuador, the Galápagos Province Special Regime, and all applicable laws and regulations of the country. This shall include relevant environmental, social, occupational health and safety requirements, labour laws as well as requirements for public disclosure and engagement. GLF's activities and grant-funded projects must also align with international agreements, conventions, treaties and other instruments subscribed by Ecuador. **Fout! Verwijzingsbron niet gevonden.** summarizes the legal framework and regulations relevant to both GLF activities and GLF-funded projects.

5.2 INTERNATIONAL STANDARDS AND BEST PRACTICES

GLF operations and projects shall comply with internationally recognized E&S standards and best practices including the following:

- International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability⁵.
- World Bank's Environmental, Health and Safety (EHS) Guidelines and relevant International Good Industry Practices (2007).
- DFC Environmental and Social Policy and Procedures (2020).
- International Labour Organization (ILO) Core Conventions.
- Inter-American Development Bank (IDB) Policy Framework and Environmental and Social Performance Standards (2021).
- United Nations Guiding Principles on Business and Human Rights (2011).
- IUCN's Green List of Protected and Conserved Areas: Standard, Version 1.1 (2017)
- IUCN's Global Conservation Standards for Marine Protected Areas.
- IUCN's Environmental & Social Management System (ESMS)-Standard on Biodiversity Conservation and Sustainable Use of Natural Resources (2016).
- United Nations Environment Programme Finance Initiative (UNEP FI) Sustainable Blue Economy Principles (2018).
- World Bank Good Practice Note: Assessing and Managing Risks and Impacts of the Use of Security Personnel (2018).
- IFC Good Practice Handbook: Use of Security Forces: Assessing and Managing Risks and Impacts (2017).
- Voluntary Principles on Security and Human Rights (2010).

⁵ [2012-ifc-performance-standards-en.pdf](#)

The full references and links to these standards are included in **Fout! Verwijzingsbron niet gevonden..**

5.3 GAP ANALYSIS BETWEEN NATIONAL LEGISLATION AND INTERNATIONAL STANDARDS

Fout! Verwijzingsbron niet gevonden. presents the findings of an analysis undertaken to identify any potential gaps between the Ecuadorian legal national and local regulatory framework and the international standards adopted by GLF⁶. This analysis supports Grantees in identifying relevant requirements applicable to their projects and complying with relevant laws and regulations in alignment with the Principle of Compliance with the Most Stringent Standard⁷.

5.4 PERMITTING STRATEGY

GLF and Grantees are responsible for acquiring the necessary permits to operate in accordance with Ecuadorian legislation. This may include E&S permits, permits associated with undertaking activities in the Galápagos National Park (GNP, e.g. surveying, sampling) as well as permits related to labour and occupational health and safety for example.

In Ecuador, the Ministry of Environment, Water and Ecological Transition (MAATE) issues three types of environmental administrative permits or authorizations for projects, works, and activities based on the potential significance of their environmental impact. In Galápagos, this falls under the jurisdiction of the Competent Environmental Authority, which is the DPNG). Grantees must determine what impact category or classification their activities are under the National Classification of Economic Activities⁸, and obtain the necessary environmental permits or license. This may require the need for the Grantees to undertake an Environmental Impact Assessment (EIA). **Fout! Verwijzingsbron niet gevonden.** presents a simple permitting strategy and an authorization procedure for GLF-funded projects in the Ecuadorian Unified Environmental Information System (SUIA)⁹.

6 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

GLF as an organization is committed to effective environmental and social risk management through its internal policies, management plans and manuals, and for its grant-funded projects through its ESMS. GLF supports the preservation, growth, and protection of natural capital in the Galápagos Islands and their marine ecosystems. GLF provides grants to organizations, government agencies, and other entities to fulfil its purpose. The operations required for GLF grant-making and other activities are limited and mostly confined to the Galápagos.

Section 6 presents E&S Risk Management for GLF grant-funded projects and Section 6.1 presents some provisions for harmonization with other ESMS's.

⁶ Note this was undertaken in May 2024, based on current legislation.

⁷ The Principle of Compliance with the Most Stringent Standard, adopted by GLF Environmental and Social Policy, says that if multiple relevant national or international regulations or standards equally apply to the same activity or project, GLF will adhere to the more stringent one.

⁸ INEC – CIUU - National Classification of Economic Activities. 4th Revision. 2012.

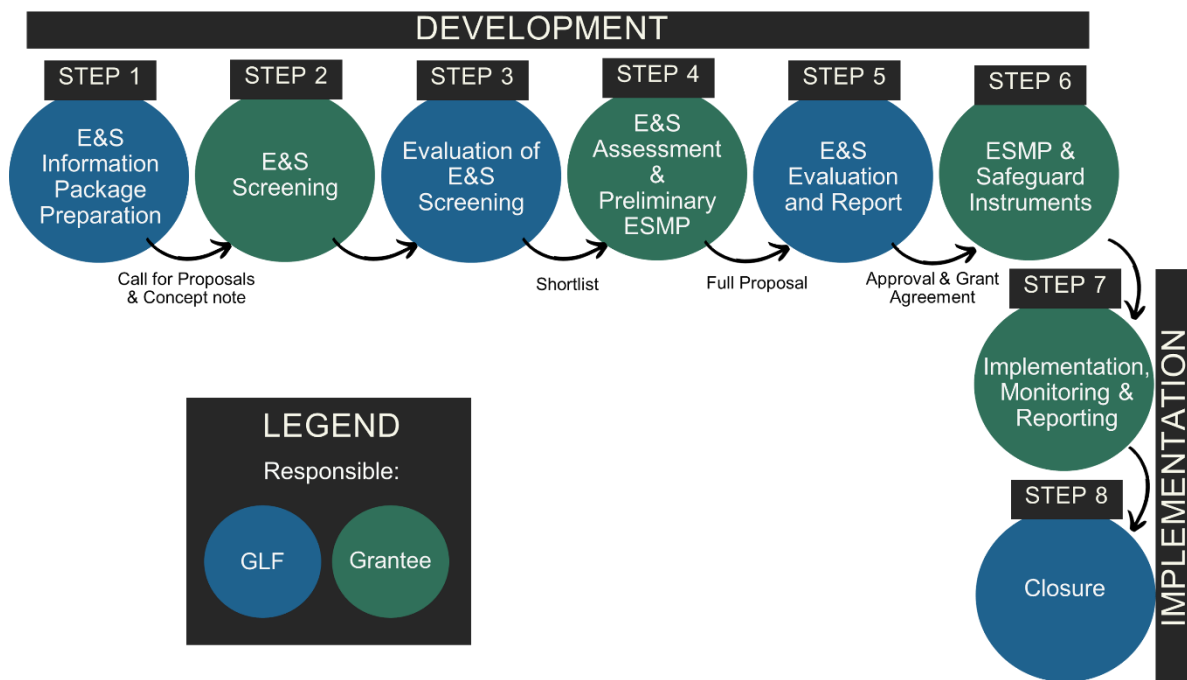
⁹ The Ecuadorian Unified Environmental Information System (SUIA) is a web-based application developed for managing procedures and projects aimed at controlling, registering, maintaining, and preserving the environment.

6.1 E&S RISK MANAGEMENT PROCESS FOR GLF-FUNDED PROJECTS

GLF's approach to E&S risk management involves comprehensive E&S screening and evaluation of all potential grant-funded projects. This process entails identifying, evaluating, and managing E&S risks and impacts to ensure appropriate mitigation and management measures are put in place and implemented to avoid, minimise and mitigate risks and impacts to the extent possible. It includes criteria and guidelines for initiating, preparing, implementing, monitoring and closure activities and grants throughout the project lifecycle.

E&S Risk Management is embedded in the grant lifecycle of projects, as shown in Figure 2, with risk screening taking place as early as possible in project conceptualization and risk assessment during project proposal development.

Figure 2: E&S Risk Management and the Grant Cycle



GLF and the Grantees share responsibility for the project's environmental and social screening and assessment, with clear roles outlined in the sections below.

6.1.1 STEP 1: E&S INFORMATION PACKAGE PREPARATION

The first step in the grant lifecycle is the preparation of the 'E&S Information Package'. In anticipation of the Call for Proposals, GLF's Sustainability Officer shall prepare an information package that includes the GLF Environmental and Social Policy, Exclusion List, and the ESMS (Manual and associated Annexes). The package shall contain clear instructions to the potential Grantees on how to access all relevant E&S documentation on the GLF's website.

This information package will form part of the Call for Proposals that GLF will make twice a year.

6.1.2 STEP 2: E&S SCREENING

As part of the initial GLF grant application process, during the Concept Note preparation process, all prospective projects undergo an E&S screening process. This screening helps determine the project risk category, identify potential risks and impacts, assess the need for a full E&S assessment (and its type), and consider the likely environmental and social safeguard instruments to be developed alongside the full proposal.

Grantees are required to conduct an E&S screening exercise to identify potential E&S risks and impacts that may arise from their proposed projects. This desk-based screening exercise may involve engaging with stakeholders to understand potential impacts but does not require any field activities.

Grantees screen the activities set out in their Concept Note against GLF's Exclusion List (presented in Annex B) and conduct the E&S Screening using the Environmental and Social Screening and Assessment (ESSA) Tool. The ESSA tool is an Excel-based integrated tool that supports the application of the ESMS to GLF-funded projects during the concepts and proposals preparation, evaluation and approval phases. It also facilitates preparing the basic information for monitoring projects' environmental and social performance during the implementation and closure phases. The ESSA tool is presented in **Fout! Verwijzingsbron niet gevonden..**

After conducting the screening, Grantees assign a preliminary E&S category (see subsection below) and include a summary of the E&S Screening conclusions in their project Concept Note.

ENVIRONMENTAL AND SOCIAL RISK CATEGORIZATION

All GLF grant-funded projects are categorized into one of three categories presented below, depending on their level of risk.

It should be noted that GLF does not provide financing for Category A projects.

Table 1: E&S Risk Categories

Risk	Category	Examples
High	<p>Category A:</p> <p>Projects with the potential for significant adverse risks and/or impacts that are diverse, sensitive, irreversible, or unprecedented.</p> <p>High risk projects will not be considered further by GLF.</p>	<ul style="list-style-type: none"> • Large-scale industrial plants. • Large resettlement. • Large infrastructure projects. • Projects with serious SGBV issues
Moderate	<p>Category B:</p> <p>Projects with the potential for causing limited adverse risks and/or impacts that are generally site-specific, few in number, easily addressed through mitigation measures, and largely reversible.</p> <p>Additionally, in specific cases, this category includes projects that may have potentially significant risks or impacts or heightened potential for adverse social and environmental risks.</p>	<ul style="list-style-type: none"> • Community based natural resource management. • Habitat restoration. • Construction of small-scale infrastructure.
Low	<p>Category C:</p> <p>Projects with minimal or negligible environmental or social risks.</p>	<ul style="list-style-type: none"> • Education and training. • Monitoring programs. • Studies and research projects.

The level of risk assigned helps to determine the level of E&S Assessment required (see Step 4). GLF uses a tiered system to determine the level of E&S Assessment required for funded projects.

- **Category A (High Risk):** projects identified as high risk are not eligible for GLF funding.
- **Category B (Moderate Risk):** projects identified as moderate risk require an E&S assessment tailored to the specific risks and impacts identified during screening. GLF may offer financial support for these assessments.
- **Category C (Low Risk):** projects deemed low-risk after screening are exempt from a **full** E&S assessment.

This tiered approach ensures that E&S Assessments (Step 4) are commensurate with project risk levels, while also promoting effective mitigation strategies through the development of a comprehensive ESMP.

Where Grantees can explicitly exercise control, the risks and impacts identification process will also consider those risks and impacts associated with primary supply chains.

Screening also helps determine the type of safeguard instruments needed for each project. All projects require an Environmental and Social Management Plan (ESMP) as the main safeguard instrument including a Stakeholder Engagement Plan, and a Grievance Mechanism.

Additional safeguard instruments may be necessary based on specific project risks and triggers identified during screening or further assessment.

6.1.3 STEP 3: EVALUATION OF E&S SCREENING

GLF will evaluate the E&S Screening findings delivered by the Grantee to ensure project compliance with the Exclusion List and review and modify the preliminary categorization. GLF shall also seek to identify activities that require special consideration in the following steps, such as the imposition or enforcement of access restrictions to natural resources that can cause loss of livelihood and economic displacement or activities that may necessitate Free, Prior and Informed Consent¹⁰.

The results of the E&S Screening evaluation are presented to GLF's Technical Advisory Committee, which is considered when shortlisting of Concept Notes for further development into Full Proposals by the Grantees. Note - templates for Concept Notes and Full Proposals will be made available to Grantees.

6.1.4 STEP 4: E&S ASSESSMENT

On approval of a Concept Note, in preparation of a Full Proposal, Grantees are required to undertake an E&S Assessment based on the findings of the E&S Screening and the E&S Risk Categorization (Step 2). The E&S Assessment is a comprehensive evaluation of a project's potential environmental and social risks, impacts, and opportunities and includes assessing potential transboundary risks and impacts, identifying the best alternatives, and providing an integrated and balanced view of environmental and social considerations.

This E&S Assessment may involve field activities, such as site visits and stakeholder engagement and consultation activities. Grantees should conduct this E&S Assessment methodically, using the ESSA Tool to guide and document their stakeholder engagement and consultation processes.

The outcomes of the E&S Assessment (Step 4) should inform the development of an **Environmental and Social Management Plan (ESMP)** and should be complimented by additional safeguard instruments, as required.

SAFEGUARD INSTRUMENTS DURING E&S ASSESSMENT

During the E&S Assessment, **preliminary versions** of the ESMP and safeguard instruments are developed by the Grantee. Note- preliminary versions of the ESMP and safeguard instruments will be finalized for implementation by the Grantee only after grant approval, during the first three to six months of the project's inception phase (see Step 6).

ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)

All projects are required to develop an ESMP. The ESMP is the principal or core safeguard instrument for applying GLF's ESMS to projects. It serves as the "umbrella" safeguard instrument for all projects

¹⁰ Free, Prior, and Informed Consent (FPIC) is a right granted to Indigenous Peoples recognised in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). It is not likely that this will be applicable to GLF projects, however it is to be considered as applicable.

aligning with GLF's ESMS and incorporating other relevant safeguard instruments. For more details on the ESMP, see Step 6.

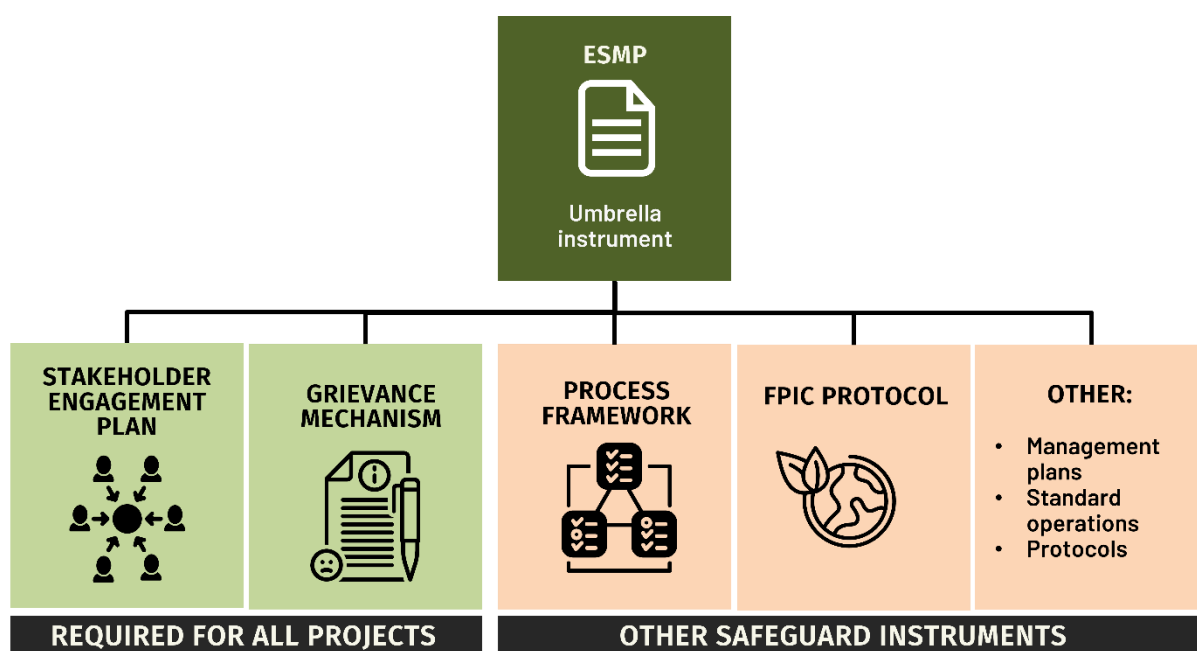
The overarching safeguard instrument, the ESMP, references other relevant safeguard instruments which can be annexed to the ESMP (see examples below).

OTHER RELEVANT SAFEGUARD INSTRUMENTS

- Required for all projects:
 - Stakeholder Engagement Plan (SEP)
 - Grievance Mechanism (to address both external stakeholders and internal workers) that includes GLF's Ethics Hotline as an alternative mechanism
- Required based on project activities and associated risks:
 - Process Framework (for projects causing access restrictions and potential economic displacement)
 - Free, Prior and Informed Consent (FPIC) Protocol (in the case of Indigenous Peoples being impacted by a GLF grant-funded project)

These safeguard instruments work together with the ESMP to ensure comprehensive management of environmental and social risks throughout the project lifecycle.

Figure 3 ESMP and Other Safeguard Instruments



Depending on the type, scale, likelihood, and impact of E&S risks identified during E&S Screening (Step 2) and E&S Assessment (Step 3), the Grantee may also be required to conduct specific studies or comprehensive risk mitigation or management plans for triggered IFC PS's or develop additional procedures, plans, protocols etc. This may include:

- Standard Operating Procedures e.g. for diving / boating safety, or law enforcement/patrolling,
- Any other relevant management plans, procedures, protocols as needed

In the case of some projects, some additional issues should be relevant and considered further as set out below:

- As a result of the E&S Assessment, the Grantee may change the project's preliminary categorization or reaffirm the category initially selected. In most cases, Category C projects do not require further assessment, while Category B projects do.
- From an environmental licensing perspective some of the Category C projects and many of the Category B projects in Galápagos, the environmental legislation will require an Environmental Impact Assessment (EIA) or environmental permit issued by the Galápagos National Park Directorate (DPNG), the Competent Environmental Authority in Galápagos¹¹. Grantees shall refer to **Fout! Verwijzingsbron niet gevonden. Fout! Verwijzingsbron niet gevonden.**, to determine specific requirements for Ecuadorian legislation and norms. Should an EIA be required, the Grantee shall indicate this in the grant proposal and the EIA shall be undertaken by the Grantee on grant agreement being awarded.

6.1.5 STEP 5: E&S EVALUATION AND REPORT

GLF, or suitably qualified external specialists appointed by GLF, will conduct a thorough E&S Evaluation of project proposals and create an E&S Evaluation Report for the Technical Advisory Committee. The Sustainability Officer will present the report to the Committee to make an informed decision regarding the proposals received. A positive Evaluation Report is necessary for the Committee to approve a proposal.

The E&S Evaluation consists of:

- i. in depth review of the Grantee's E&S Assessment using the ESSA Tool,
- ii. review of the preliminary ESMP and preliminary safeguard instruments,
- iii. the execution of any additional study that GLF deems necessary for the proposal to be approved, including further stakeholder engagement and consultation activities, and
- iv. the identification of additional studies and plans required for project implementation.

As a result of the E&S Evaluation, GLF may reassign the Grantee project's preliminary E&S categorization or confirm the category initially chosen.

GLF may interact with the Grantees as needed during the evaluation process, conduct site inspections, and engage directly with stakeholders, including Project Affected Peoples (PAPs) and other vulnerable stakeholders¹², if necessary.

¹¹ A system determines the impact category based on the National Classification of Economic Activities, which differs from this ESMS's C, B, and A categories.

¹² Where vulnerable people or groups are likely to be affected differentially by a GLF-funded project, project teams will implement measures so that adverse impacts do not fall proportionately upon such vulnerable groups.

The findings of the E&S Evaluation will identify any additional environmental and social studies required and plans necessary during project implementation, their scope, and their most probable implementation schedule (i.e., some studies will be necessary before the start of certain activities).

The E&S Evaluation Report clearly indicates whether the proposed project, along with the identified mitigation measures, complies with the GLF's ESMS or where gaps need to be addressed.

This E&S Evaluation Report will be used by the Technical Advisory Committee to determine whether or not to recommend a grant for the project. If the risk level associated with the project activities and the proposed mitigation measures is deemed unacceptable or unrealistic, then the potential Grantee will not be eligible for a grant.

6.1.6 STEP 6: FINAL VERSIONS OF THE ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP) INCLUDING SAFEGUARD INSTRUMENTS

The ESMP acts as the project's core safeguard document. It serves several key functions:

- **Comprehensive overview:** The ESMP provides a complete picture of the project, including a detailed description and an analysis of potential environmental and social risks associated with pollution prevention, biodiversity, labour relations, human rights, gender mainstreaming, cultural heritage, occupational and community health and safety, emergency response etc.
- **Mitigation strategy:** The ESMP outlines a clear roadmap for managing environmental and social risks. It details the specific actions and measures the project will take to minimize or avoid negative impacts.
- **Implementation tracking:** The ESMP serves as a reference point throughout project implementation. It allows for monitoring progress on mitigation measures and ensuring their effectiveness.
- **Integration of safeguard instruments:** The ESMP acts as a central hub for other Safeguard Instruments relevant to the project. It references and integrates these instruments, which can be attached as annexes for easy access (e.g., SEP, Grievance Mechanisms).

The **final version of the ESMP** including additional safeguard instruments will be developed after grant approval during the project's implementation phase, during the first three to six months of the project's inception phase. A template for Grantees ESMP is included in Annex G.

It should be noted:

- ESMPs will vary in content and complexity depending on the level and nature of risks associated with each project. For example, Category C projects' ESMPs will be simplified, while Category B projects require more detailed ESMPs. Section 7.1 provides more detail about what the ESMP should comprise.
- A preliminary ESMP and initial safeguard instruments are required for the Technical Advisory Committee's project approval, and its implementation budget should be included in the total project budget approved by GLF.

When the project is approved, GLF shall incorporate ESMS Standard Clauses (see Annex F) into the respective Grant Agreements. The grant agreement should also include the implementation schedule, timelines, and expected deliverables required to align with GLFs ESMS.

6.1.7 STEP 7: ESMP IMPLEMENTATION AND MONITORING

The **final version of the ESMP** including all additional safeguard instruments shall be developed during the project's inception phase (the first three to six months after project start). Once the final versions of the ESMP and safeguard instruments have been approved by GLF, implementation starts, including monitoring and reporting.

The Grantee is responsible for implementing and monitoring the ESMP, clearly assigning roles and responsibilities and allocating sufficient budget and resources in the proposal to meet the required timelines and fulfil the E&S requirements.

GLF uses a cascading system for monitoring and reporting of the ESMS implementation:

- Primary monitoring and reporting are the responsibility of the Grantee and will be done through the update of relevant safeguard instruments (e.g. SEP, Process Framework, etc.) and the completion of an Environmental and Social Monitoring and Reporting (ESMO) Tool to monitor compliance with the ESMP. The ESMO tool is included in Annex I with instructions and guidance for use.
- Secondary monitoring is the responsibility of GLF and will be done through the review of the Grantee's reporting, the assessment of ESMS implementation during the technical reviews and through on-site visits.

Grantees must monitor their ESMP implementation regularly and submit a Monitoring Report to GLF at least biannually using the ESMO Tool. The monitoring frequency is determined by GLF and can vary depending on the scope and nature of the projects, e.g., if their duration is short. Grantees will use the relevant monitoring sheet in the ESMO Tool for each activity to create a project monitoring report. They should aggregate all sheets for a given period and submit them to GLF.

GLF is responsible for reviewing the monitoring reports and making necessary changes using the same monitoring sheets. The approved versions of the monitoring sheets are then registered in the ESMO Tool. As part of its responsibilities, GLF might conduct field visits and evaluate specific projects' environmental and social performance as needed, either directly or through competent service providers.

When the monitoring shows an issue of non-compliance with the ESMP and the Grantee has not addressed that issue in its own monitoring report, GLF will identify the remedial action and set the deadline for its completion. GLF will document these decisions in the ESMO tool. If non-compliance issues persist, GLF will take all necessary actions to address them, including suspending or cancelling the grant.

If monitoring identifies significant changes in a project's scope, activities, or context that increase risks and impacts, Grantees should conduct a new environmental and social screening and submit it to GLF for evaluation. Both parties should then agree on resulting changes in the ESMP without submitting the project for new approval.

Grantees' projects may be audited to determine performance and level of compliance with their ESMPs by external third parties.

6.1.8 STEP 8: ESMP CLOSURE

The final step in the lifecycle is ESMP Closure, which marks the completion of the project and the execution of ESMP. The Grantee is responsible for preparing an ESMP Execution Closure Report highlighting the results achieved, challenges faced during execution, lessons learned, and any remaining risks and impacts that exceed the project's life. GLF will review this report and evaluate how the ESMP execution complied with the ESMS requirements.

If the Grantee submits a new project proposal in the future, GLF will consider this ESMP execution closure report during its evaluation process.

6.1.9 OTHER GRANT-FUNDED PROJECTS WITHOUT CALL FOR PROPOSAL PROCESS

For different reasons, GLF may support projects through grants that are not subject to a Call for Proposal process. In those cases, these grants will follow the same comprehensive E&S screening and evaluation of the grant-funded projects and satisfy all ESMS applicable requirements. This is the case of grants intended to partially finance the operations of environmental authorities in protected areas¹³ or their procurement of goods and services.

¹³ Including the Navy for surveillance and enforcement activities.

E&S RISK MANAGEMENT PROCESS FOR GLF PROJECTS – SUMMARY

The main five steps of the E&S risk management process for Grantees of GLF-funded projects:

Step 2: E&S Screening of Concept Notes

This initial assessment identifies potential environmental and social risks and impacts based on the grant application.

- Screening determines the project's risk category (A, B, or C), the need for a full E&S Assessment, and the relevant safeguard instruments.
- GLF excludes projects involved in activities on its Exclusion List.

Step 4: E&S Assessment

- This stage defines the appropriate scope for the E&S Assessment for moderate-risk (Category B) projects.
- The assessment involves stakeholder engagement, field work, and development of **preliminary** safeguard instruments.
- GLF avoids funding high-risk (Category A) projects with potentially severe environmental and social impacts.

Step 6: Finalizing ESMP and Safeguard Instruments (Project Inception)

- During the initial project phase, provisional safeguard instruments are refined into concrete and final plans.
- This may involve an EIA or socioeconomic assessments, further mitigation measure evaluation, and developing procedures for implementation.

Step 7: Ongoing E&S Implementation, Monitoring & Evaluation (M&E)

- Once finalized, the safeguard instruments guide project implementation with ongoing M&E to ensure effectiveness.

Step 8: ESMP Closure

- During the final project phase, develop an ESMP Execution Closure Report.

6.2 HARMONIZATION WITH OTHER ESMS

If a Grantee has a fully established ESMS that aligns with GLF's ESMS and addresses E&S risks associated with the Grantee's proposed project, this can be used by the Grantee in place of GLF's ESMS. In such cases, GLF will evaluate the Grantee's ESMS to ensure compliance with GLF's ESMS. If GLF is satisfied with the proposed system, using the Grantee's ESMS will be possible. However, the Grantee must still complete and use the ESSA and ESMO tools of GLF's ESMS.

Similarly, if the Grantee's proposed project is funded in part by an organization that has a functioning ESMS aligning with GLF's ESMS, the co-financing organization's ESMS can be used instead of GLF's ESMS under the following conditions:

1. The co-financing organization must contribute more than 40% of the total project cost.
2. GLF will verify that the co-financing organization's ESMS complies with GLF's ESMS.

In this scenario, the co-financing organization's ESMS can be used with specific monitoring and reporting arrangements. However, the Grantee must still utilize GLF ESMS's ESSA and ESMO tools.

7 OVERVIEW OF THE ESMP AND OTHER RELEVANT SAFEGUARD INSTRUMENTS

This section first details the requirements of an ESMP, the main safeguard instrument of Grantees. It also covers other E&S safeguard instruments that may be included in the ESMP based on the project's identified risks and impacts. Templates for an ESMP and the mandatory safeguard instruments are included in Annex G.

7.1 THE ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)

The core safeguard instrument for Grantees is an ESMP, an umbrella instrument encompassing the E&S management measures to be implemented during the project's lifecycle. All GLF-funded projects and activities must develop and implement a fit for purpose ESMP. Depending on the project's characteristics, risks, and potential impacts, there will be the need for a simplified ESMP (most Category C projects) or a more detailed ESMP (most Category B projects).

Both include specific deadlines, roles, responsibilities, and an indicative budget but differ in the number and complexity of measures.

A simplified ESMP includes at least a Stakeholder Engagement Plan (SEP) and the Grievance Mechanisms but might also include Statement of Compliance with Labour and Working Conditions, Gender Mainstreaming and Accidents and Serious Incident Reporting Instrument.

A more complex ESMP addresses the same components of a simplified ESMP plus additional safeguard instruments necessary to address the projects specific E&S risks and impacts, as well as any procedures, plans and protocols.

GLF will determine the nature and extent of ESMP required during the E&S Evaluation at the proposal phase of the project.

7.2 STANDARD SAFEGUARD INSTRUMENTS INCLUDED IN ALL ESMP'S

Standard safeguard instruments that will be considered in all project ESMP's are outlined below and included in Annex G.

7.2.1 STAKEHOLDER ENGAGEMENT PLAN (SEP)

GLF requires all funded projects to develop a SEP to ensure inclusive communication and participation throughout the project lifecycle. A template for a SEP, including a stakeholder register, can be found in Annex G-1. Maintaining a stakeholder register is crucial for documenting all stakeholder engagement activities.

KEY ELEMENTS OF AN SEP:

- An SEP outlines a plan for identifying, understanding, and engaging with project stakeholders, particularly those potentially impacted by the project.

- It specifies communication mechanisms (forums, meetings, social media) tailored to different stakeholder groups.
- SEPs define varying levels of engagement based on stakeholder importance and potential impact.
- Some SEPs may include specific protocols for community engagement.

IMPORTANCE OF STAKEHOLDER ENGAGEMENT:

- Informs project development: Stakeholder input helps identify risks and develop mitigation strategies during screening, project design, and safeguard development.
- Enhances project implementation: Ongoing engagement fosters collaboration and addresses concerns throughout project execution.
- Improves monitoring and evaluation: Stakeholder feedback contributes to effective monitoring and evaluation processes.

SEP REQUIREMENTS BASED ON PROJECT RISK:

CATEGORY C PROJECTS (LOW RISK):

- Grantees develop a simple SEP outlining key stakeholders and a communication strategy to keep them informed (e.g., social media or periodic meetings).

CATEGORY B PROJECTS (MODERATE RISK):

- More detailed SEPs are required, addressing at least:
 - Stakeholder identification (concept stage)
 - Stakeholder analysis and consultation (proposal stage)
 - Stakeholder engagement activities (implementation phase)
 - Information disclosure and reporting (implementation phase)

GLF emphasizes equitable participation of people of all genders in project stakeholder engagement, especially during consultations.

ALTERNATIVE TO SEPs:

For projects funding protected area management or environmental authority operations, an information dissemination plan aligned with IFC Performance Standards can replace the SEP. This plan should detail information types, dissemination frequency, and methods for planned activities.

7.2.2 GRIEVANCE MECHANISM

All Grantees executing GLF-funded projects must have a Grievance Mechanism in place. A Grievance Mechanism is a safeguard instrument for receiving and responding to stakeholders' grievances related to the project. It is principally designed for Project Affected People (PAPs) and accessible to all project stakeholders including project staff (including contractors and their workers).

This mechanism is important to ensure that the project is responsive to stakeholders, particularly PAPs and vulnerable groups, and can quickly and efficiently respond when there are issues that require attention. Specifically, the Grievance Mechanisms aim to:

- Guide Grantees' personnel in charge of the implementation of the project to address complaints, comments, questions, concerns and suggestions from PAPs and other rightsholders and stakeholders, related to the project and its activities in a fair and transparent, and practical manner;
- Identify and manage stakeholder concerns and thus support effective risk management for the project;
- Provide stakeholders fearing or suffering adverse impacts from the project with the assurance that they will be heard and assisted in a timely manner;
- Build and maintain trust with all stakeholders thereby creating an enabling environment in which to operate; and
- Have an established protocol to adequately address grievances.
- Include procedures for managing sensitive complaints such as those related to gender-based violence, sexual exploitation, and harassment through its Ethics Hotline as an anonymous alternative mechanism

The Grievance Mechanisms include:

- A description of criteria for eligible grievances
- Grievance resolution procedure
- Methods to inform stakeholders about the grievance mechanisms
- Serious Incident Reporting Procedure
- System for maintaining records and monitoring actions.

The Grievance Mechanisms ensure that Grantees and implementors of a project can identify, register and respond to grievances appropriately. Grievances will be handled in a timely and culturally appropriate manner. Responses to grievances will be discreet, objective, and sensitive to the affected stakeholders. Confidentiality and anonymity will be respected.

The project Grievance Mechanism is linked to the GLF Grievance Mechanism.

It shall be free, open and accessible to all through various channels, including an email address, a dedicated WhatsApp number, a virtual mailbox on the GLF website and/or project website, and a physical mailbox at GLF headquarters in Puerto Ayora, Galápagos.

GLF-funded project-related complaints raised with project supervisors, project managers or Human Resource leads will be processed consistent with GLF protocols.

GLF has established an anonymous online and phone mechanism accessible to employees, consultants, independent experts, organizational and external workers, interns, volunteers, partners, communities, and other stakeholders. This platform allows for reporting violations of GLF's Code of

Conduct and related Policies (e.g., Human Rights, Sexual Exploitation, Abuse and Harassment (SEAH), Gender-based violence and harassment (GBVH)), as well as sensitive grievances including rights-related issues outlined in GLF's Policy Framework and GLF's ESMS. Reports can be submitted anonymously or confidentially, in Spanish or English, either online or by phone. Third-party reporting is also accepted.

<https://glf.lineaconfidencial.com/>

Neither the Grievance Mechanism nor GLF's Ethics Hotline do not substitute any of the existing grievance procedures, including those established by national or regional authorities in Ecuador. This means that Project Affected People can always use formal country level mechanisms, including arbitration, administrative or legal avenues to raise concerns.

Annex G-2 presents a template and guidance for Grantee's Grievance Mechanism along with a grievance register template for documenting grievances and project responses.

7.3 OTHER ADDITIONAL ESSENTIAL INSTRUMENTS

Grantee is required to align with the GLFs Environmental and Social Policy (Annex A) and the principles outlined therein. The following sections provide an overview of additional essential instruments to help align Grantees with some of these principles, to be considered by all projects. These shall be addressed through the ESMP.

7.3.1 LABOUR AND WORKING CONDITIONS STATEMENT

The statement of compliance with Labour and Working Conditions is a Grantee's commitment to adhere to Ecuadorian labour laws, the ILO Core Conventions, and internationally recognized workers' rights. It should be included in the contract agreements between GLF and Grantees. Useful text regarding commitment to align with GLFs requirements around labour and working conditions is included in Annex F Standard Clauses and in Annex G.

7.3.2 GENDER MAINSTREAMING COMMITMENT

The Gender Mainstreaming Commitment is a statement by the Grantee of its commitment to pursuing gender equality based on a concise analysis of the project's gender risks and challenges. Grantees can use GLF's Gender Policy or other suitable gender equality reference, including their gender plans and tools, as a framework to identify, assess, and anticipate their projects' potential risks and impacts on women, girls, and non-binary people. This will help prevent any adverse effects and contribute to closing the gender gap. The text of the Gender Commitment is included in Annex F Standard Clauses.

7.4 OTHER SAFEGUARD INSTRUMENTS AND TOOLS

In addition to the standard safeguard instruments included in the simplified ESMP, most Category B projects may require *some* of the specific safeguard instruments presented in the sections below. These are the key safeguard instruments likely to be relevant to the projects supported by GLF. They are to be included in the projects ESMP by Grantees or in separate standalone documents.

7.4.1 PROCESS FRAMEWORK

When projects involve imposing or enforcing restrictions on access to natural resources that negatively impact people's livelihoods, Grantees must adhere to the IFC Performance Standard 5 guidance. The Process Framework is a critical tool for projects that involve access restrictions within national parks or protected areas. It outlines a systematic approach to identifying, assessing, and managing the potential social and economic impacts these restrictions may have on local communities.

KEY COMPONENTS:

- **Socioeconomic Baseline:** The framework establishes a baseline understanding of the social and economic conditions in the communities potentially affected by access restrictions.
- **Impact Assessment Process:** It details a clear process for identifying and evaluating the potential social and economic impacts of the restrictions.
- **Mitigation Measures:** The framework outlines agreed-upon measures to avoid, minimize, and compensate for any negative impacts identified.

BENEFITS:

By employing a systematic approach, the Process Framework helps to:

- **Minimize Social and Economic Disruption:** Proactive identification and mitigation of impacts can lessen negative consequences for local communities.
- **Improve Park-Community Relations:** Open communication and collaboration throughout the process can foster positive relationships between the national park and affected communities.

7.4.2 FREE, PRIOR, AND INFORMED CONSENT (FPIC) PROTOCOL

All Grantees planning to carry out projects that may impact indigenous peoples' settlements, livelihoods, and well-being should respect the right of Indigenous Peoples to Free, Prior, and Informed Consent (FPIC)¹⁴. A FPIC Protocol will clearly set out the objectives of FPIC, identifies indigenous rightsholders and describes the processes through which FPIC will be sought, and for what. It is not likely to be applicable in the Galápagos, however, should it be required, it is a critical safeguard instrument as it allows Indigenous People and local communities to understand the proposed project interventions, and to provide input into these, and align on them in such a way that respects their rights. GLF will develop a template for a Process Framework and make this available to Grantees.

¹⁴ UN Declaration of the Rights of Indigenous Peoples (UNDRIP) United Nations General Assembly, 2007.)

7.4.3 ADDITIONAL INSTRUMENTS

Depending on the nature and scale of the project, additional instruments such as management plans, procedures, Standard Operating Procedures, protocols may be required by specific GLF-funded projects. These will be tailored to the complexity of the projects. Such examples are:

- Community health, safety and security
- Occupational health and safety e.g. for diving / boating safety
- Security management e.g. for law enforcement/patrolling
- Emergency preparedness and response
- Supply chain
- Human rights
- Waste management
- Hazardous materials management
- Biodiversity e.g. invasive alien species or pest management
- Cultural heritage

These will describe mitigation and performance improvement measures and actions that address identified E&S risks and impacts of the project supplementary to the ESMP.

8 TRAINING

Prospective grantees will receive training on ESMS fundamentals, including the E&S Policy, Exclusion List, and ESMS procedures and requirements during each Call for Proposals from GLF.

Successful grantees will receive training on ESMS requirements, procedures, and tools, including the safeguard instruments required for their projects during the project inception phase and as needed thereafter.

9 DOCUMENT AND INFORMATION MANAGEMENT

GLF commits to maintaining a document management system to ensure that all documentation that forms part of the ESMS and the grant lifecycle of projects (successful and rejected) is properly tracked, managed and documented. This includes screening documents, the processed ESSA and ESMO tools, Concept Notes, grant agreements, ESMPs, E&S performance and closure reports, etc.

10 REVIEW AND CONTINUOUS IMPROVEMENT

The ESMS is considered a dynamic system that will need periodic adjustments to new developments and the ESMS manual is considered as living document, and core to it is a commitment to continual improvement. To ensure it remains current, GLF will evaluate the effectiveness of its implementation within two years of its introduction and periodically thereafter. The findings of such evaluations will be presented to the GLF Board of Directors. The ESMS will be updated accordingly or as needed in

response to changes in E&S impacts or risks or organizational changes or to include best practices and/or lessons learned.

Furthermore, GLF's Board of Directors may evaluate the ESMS at its discretion. Following the evaluation, the Board of Directors may instruct the Executive Director to amend it. A revised version of the ESMS will enter into force after being approved by GLF's Board of Directors and it will be shared with GLF personnel and grant-funded projects in a timely manner.

11 INFORMATION DISCLOSURE

GLF is committed to transparency and disclosure of information relating to the E&S aspects of its activities and those of its grant-funded projects. The Executive Director will ensure that all relevant information and documents are posted on the GLF website in a timely manner.

This ESMS is shared with all GLF employees, GLF's Board of Directors, Grantees and others as required. The document, together with other relevant E&S documents, are publicly available on the GLF [website](https://galapagoslifefund.org.ec/):

<https://galapagoslifefund.org.ec/>

An overview of the grant portfolio will be included on the GLF's website, including a brief description of each project.

Furthermore, E&S performance information will be made available on the GLF website periodically. This includes the disclosure of various GLF reports including the annual E&S Monitoring Report and Impact Report, as well as performance related to the grant-funded projects.

ANNEXES (*available in a separate document*)