

Simplified Approval Process Annex 12: Environmental and social action plan



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RIOS prepared an Environmental and Social Assessment (ESA) as part of the Simplified Approval Process (SAP) submitted to Green Climate Fund (GCF), which can be found in Section 1.7 Environmental and Social Assessments of the Pre-Feasibility Study and shall be read in conjunction with what is exposed in this section.

RIOS is considered by the GCF as Category C or minimum to no risk. Therefore, the project will have a positive impact on ecosystems, biodiversity, and the beneficiaries' livelihoods. Potential adverse environmental and social impacts will be small-scale, minimal, reversible, and readily addressed through mitigation measures. RIOS will exclude activities related to infrastructure, resettlement, use of agrochemicals, or invasive species, and will not produce any adverse impact on indigenous populations, since they are not present in the project's target areas. Accordingly, the following table outlines the following of FMCN's Environmental, Social, and Gender Safeguards (NSASG) and assesses the likelihood of the safeguards being triggered:

1. Environmental and social assessment and management
2. Biodiversity and natural resources (habitat, forests, natural resource management, ecosystem services)
3. Pollution control and prevention (chemicals management, pest control, environmental health)
4. Climate change
7. Gender

The Mexican Labor Law is recognized internationally as one of the most complete. FMCN has a strong track record of adhering to it and helping associates and recipients to understand and follow its requirements. Nevertheless, FMCN does not have a standard of its own related to labor and working conditions and this may be perceived as a risk. Thus, in the following months, FMCN will incorporate this standard based on the lessons learned in applying the Mexican Labor Law and FMCN's proven experience to:

- Promote the fair treatment, non-discrimination, and equal opportunity of workers.
- Establish, maintain, and improve the worker-management relationship.
- Promote compliance with national employment and labor laws.
- Protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the supply chain.
- Promote safe and healthy working conditions and the health of workers.
- Avoid the use of forced labor.
- Advocate to organizations implementing grants to comply with Mexican Labor Law and best hiring practices.

Summary of risks	Mitigation measures	Risk significance	Responsible party/person	Schedule	Expected results	Cost/Budget
1. Environmental and social assessment and management						
Environmental and social issues and impacts are not appropriately addressed. The environmental risks and impacts include those related to community safety (e.g.	<ul style="list-style-type: none"> • A specialized environmental and social team will be running the project, as well as observing and managing the potential risks arising during operation, including reporting to the Technical Project Committee (TPC) and the Green Climate Fund (GCF) on ESAP implementation and performance. • Sufficient training to project-contracted personnel, the Regional Funds, and 	Low	FMCN, INECC, and Regional Funds	Immediate implementation and throughout the lifetime of RIOS	All environmental and social issues and impacts are appropriately addressed.	\$349,947

<p>use of pesticides), climate change, any threat to the protection, conservation, and restoration of natural habitats and biodiversity, ecosystem service, and the use of living natural resources, such as forests. Social risks and impacts include threats to human security through the escalation of personal or communal conflict, risks that project impacts fall disproportionately on individuals and groups who may be disadvantaged or vulnerable, any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable, negative economic and social impacts relating to involuntary restrictions on land use and natural resource tenure and use, and impacts on the health, safety and well-being of workers and</p>	<p>beneficiaries on how to comply with the environmental and social standards will be provided.</p> <ul style="list-style-type: none"> • The environmental and social risk management processes and procedures to be followed during project implementation will be aligned to those developed by CONECTA and other relevant related current and future projects. • An exclusion list on activities that could involve conversion or degradation of critical habitats will be included in the call for proposals and followed throughout project implementation, which can be found at the end of Section 1.7 Environmental and Social Assessments of the Pre-Feasibility Study. • Contracts with Regional Funds and sub-project's executors will incorporate FMCN relevant internal policies and procedures, such as codes of conduct, complaint lines, among others, to minimize the project potential risks and impacts. • The Grievance Redress Mechanism (GRM, which can be found in Section 5.4 Grievance redress mechanism of the Pre-Feasibility Study), Stakeholder Engagement Plan (SEP, which can be found in Section 5.1 Stakeholders analysis and evidence of consultations and stakeholder engagement plan of the Pre-Feasibility Study), and the Gender Action Plan (GAP) will be operational during the lifetime of RIOS. They all include provisions at the earliest opportunity of the stakeholder engagement process to disseminate details (e.g. contact information and the appropriate modes by which these will be received, among others) and inform the communities affected and all stakeholders 					
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project-affected communities and their cultural heritage.	on how to access either of the three levels of the GRM: GCF's Independent Redress Mechanism (IRM), FMCN's GRM, and the project-level GRM.					
2. Biodiversity and natural resources (habitat, forests, natural resource management, ecosystem services)						
Adverse impacts on species, habitats, ecosystems, and ecosystem services during restoration activities, through possible forest conversion or degradation, hydrological changes, and introduction of invasive species as a result of restoration activities.	<ul style="list-style-type: none"> • Within conservation, restoration, and best management practices, only native species will be promoted for planting based on the approved sub-project technical proposal. The selection of species will be based on the principle of site-specific matching, which ensures that promoted species have suitable characteristics given the environmental and bio-geophysical conditions. • Appropriate plants for forest restoration activities will be fostered in existing nurseries and a seedling collecting and production strategy will be promoted. • While reforestation with native species is preferred, particularly in highly degraded areas, suitable exotic species may be encouraged if they are locally adapted, non-invasive and if no other significant ecological threats have been identified. The use of such species will be closely monitored. • Guidance on site-specific matching and the identification of suitable restoration activities, as well as related standards and procedures, will be provided. • Corridors between ecosystems to support habitat connectivity, movements of fauna, and natural resilience will be supported. • Community-based monitoring activities (e.g. climate vulnerability, biodiversity and water quality) will support adaptive management 	Low	Regional Funds will supervise the sub-projects. FMCN, INECC, and the TPC will be advising and monitoring	Since the selection of proposals and throughout the lifetime of the sub-projects	Biodiversity conservation and sustainable management of ecosystems.	\$98,504

	<p>and improve outcomes of conservation, restoration, or best management practices.</p> <ul style="list-style-type: none"> • All sub-projects and activities will be voluntary and demand-based. Therefore, only sustainable practices will be supported, and the highest environmental standards will apply. All sub-project will analyze and map potential for presence of protected, rare, or endangered species in the sub-project area and propose the corresponding mitigation measures from the beginning. The monitoring results will also show if additional measures are required (e.g. protect rare or endangered species). • Periodic assessments for all the sub-projects, including progress reports and follow-up field visits, will be fulfilled. 					
<p>Biodiversity risks may occur due to the unanticipated expansion of agricultural activities onto forested land.</p>	<ul style="list-style-type: none"> • Conservation and restoration efforts will be complemented by access to credit and availability of a range of economic incentives to accelerate the transition to sustainable climate resilient production systems in non-forest areas. All the proposed project's activities were reviewed, feedback, and adjusted during the consultation process with stakeholders and other interested groups. Moreover, all activities will be voluntary and demand-based. • The use of local species with economic value for farmers/ranchers will be promoted. 	<p>Low</p>	<p>Regional Funds will supervise the sub-projects. FMCN, INECC, and the TPC will be advising and monitoring</p>	<p>Since the selection of proposals and throughout the lifetime of the sub-projects</p>	<p>Ensuring no net loss of forest land and adequate protection of critical habitats and species. All sub-projects and activities will be voluntary and demand-based. Therefore, only sustainable practices will be supported, and the highest environmental standards will apply. All sub-project will</p>	<p>\$43,181</p>

					analyze and map potential for presence of protected, rare, or endangered species in the sub-project area and propose the corresponding mitigation measures from the beginning.	
3. Pollution control and prevention (chemicals management, pest control, environmental health)						
Some households may presently use agrochemicals, leading to harm and intoxication and impacts on ecosystem health and biodiversity.	<ul style="list-style-type: none"> • Agrochemicals will not be procured by the project. • Training on environmental and human health hazards attributed to agrochemicals, as well as safety measures for the responsible store, use, and disposal of agrochemicals will be supported through RIOS. • Capacity building and increase awareness on integrated pest management and agrochemical-free agricultural practices (e.g. biocontrols) will also be promoted by RIOS. 	Low	Regional Funds will supervise the sub-projects. FMCN and the TPC will be advising and monitoring	Since the selection of proposals and throughout the lifetime of the sub-projects	Reduction of accident risk.	\$19,585
4. Climate change						
Adaptation actions may not reduce ecosystem and community climate vulnerability.	<ul style="list-style-type: none"> • Sub-projects will conduct an ecosystem and social vulnerability assessment to provide feedback on adaptation actions at the community level. The evaluation will include, but not be limited to, climate risks to which the sub-projects are exposed, their sensitivity, and adaptive capacity during the entire lifecycle of the sub-projects. 	Low	Regional Funds will supervise the sub-projects. FMCN, INECC, through the TPC, will be advising and monitoring	Throughout the lifetime of the sub-projects	Reduction of ecosystem and community climate vulnerability.	\$54,175

Exposition to disease or safety risks (e.g. COVID-19, wild fires, gender-based violence among others).	<ul style="list-style-type: none"> • Emergency Response Plan will be provided by RIOS and shared with project beneficiaries. • Contracts with Regional Funds and sub-project's executors will incorporate FMCN relevant internal policies and procedures, for the prevention of misbehaviors. • The Gender Action Plan (GAP) will be operational during all the lifetime of RIOS. 	Low	Regional Funds will supervise the sub-projects. FMCN and the TPC will be advising and monitoring	Throughout the lifetime of the sub-projects	Reduction of disease and accident risks.	\$19,586
5. Land acquisition and land tenure, compensation, and resettlements,						
RIOS will exclude activities related to land acquisition and involuntary resettlement.						
6. Indigenous Peoples						
RIOS will not produce any adverse impact on indigenous populations, since they are not present in the project's target areas.						
7. Gender						
Adverse impacts on gender equality and/or reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits.	<ul style="list-style-type: none"> • The project will include a gender approach to engage women within the sub-projects, the activities of the local providers for technical support, training, employment opportunities, and decision-making process, based on the potential adverse impacts on gender equality identified in the gender analysis and incorporated into the Gender Action Plan (GAP) with specific associated mitigation measures. • The GAP will be functioning during all RIOS project cycle to provide equal gender opportunities. • The GRM will be operational during all the lifetime of RIOS to provide a channel for raising women concerns and a transparent, consistent mechanism for conflict resolution. 	Low	FMCN and Regional Funds	Immediate implementation and throughout the lifetime of RIOS	Minimizing risks based on gender.	\$403,090
8. Physical cultural resources and cultural heritage						

<p>No cultural heritage places, buildings or monuments were identified in the project areas. Nevertheless, further review on cultural practices shall be conducted, so the project will respect and preserve traditional knowledge and practices (e.g. the use of medicinal plants).</p>	<ul style="list-style-type: none"> • Capacity building and increase awareness on the Chance Finds Procedure will be provided by RIOS. 	<p>Low</p>	<p>Regional Funds</p>	<p>Throughout the lifetime of the sub-projects</p>	<p>Minimizing risks to cultural heritage.</p>	<p>\$4,123</p>
Stakeholder Engagement and Information Disclosure						
<p>Loss of trust with stakeholders and unrest.</p>	<ul style="list-style-type: none"> • The Stakeholder Engagement Plan (SEP) will actively involve stakeholders and project affected people in a timely manner, providing sufficient opportunity to voice their opinions and concerns that may influence project decisions. It will be updated as necessary. • The GRM will be operational during all the lifetime of RIOS and will be known by the stakeholders involved or potentially impacted by the project. • A dissemination strategy will be developed to inform stakeholders on the project results in culturally appropriated ways. • Information on the project design, implementation and compliance will be accessible on the website of FMCN and the Regional Funds. • Register of external communications, including minutes of meetings held with stakeholders, will be maintained. • Periodic reports on how GAP, SEP, and GRM are being addressed and respected during the 	<p>Low</p>	<p>FMCN, INECC, and Regional Funds</p>	<p>Immediate implementation and throughout the lifetime of RIOS</p>	<p>Manage risks and impacts on affected communities and other stakeholders.</p>	<p>\$32,615</p>

	implementation of the project will be delivered to the TPC and the GCF.					
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**Risk significance. The probability of occurrence is the likelihood for a risk to occur and can be characterized in terms of the degree to which it will happen (for example, the UNDP screening procedure uses “expected, highly likely, moderately likely, not likely, and slight”). The impact or magnitude of risks is the description of how severe the impacts would be if it were to occur (for example, “critical, severe, moderate, minor, and negligible”). A significance value of the risk (for example low, medium, high) can be obtained by combining the probability and impact values. The risk significance indicates the relationship between probability and severity or magnitude of impacts. The entities or organizations that will be implementing the proposed activities are best positioned to define the probability of occurrence and severity or magnitude of impacts. There is no single technique to determine the significance of risks nor will it apply in all situations. The entities and organizations that will be implementing the activities will need to determine which technique will work best for each situation. Determining risk significance would require an understanding of activities and locations, the urgency of situations, and objective judgment.*