



# **Environmental & Social Management System (ESMS)**

**Version 3 – August 2021**



Version 3 of the ESMS was developed by Blue Action Fund with the help of The Landscapes & Livelihoods Group, Steyn Reddy Associates and KfW.

In 2021, the Blue Action Fund ESMS has undergone a significant revision. The key changes are:

- A switch from the IFC Performance Standards (on which the previous ESMS was based) to the World Bank Environmental and Social Framework, including ESS1-10 (World Bank 2017);
- The introduction of “Safeguarding Principles & Requirements”, which clarify what is required of grantees and when;
- The revision of all existing templates as well as addition of new tools and templates to improve the usability of the system;
- The revision of ESMS reporting.

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## Acronyms and Abbreviations

AFD	Agence Française de Développement (French Development Bank)
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
CBNRM	Community Based Natural Resource Management
CCRF	Code of Conduct for Responsible Fisheries
CITES	Convention on International Trade in Endangered Species
E&S	Environmental and Social
EHS	Environmental, Health and Safety
EHSGs	Environmental Health and Safety Guidelines
EIA	Environmental Impact Assessment
ERP	Emergency Response Plan
ESA	Environmental and Social Assessment
ES COP	Environmental and Social Code of Conduct
ESIA	Environmental and Social Impact Assessment
ESF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESS	Environmental and Social Standards
EU	European Union
FAO	Food and Agriculture Organisation of The United Nations
FGD	Focus Group Discussion
FPIC	Free, Prior and Informed Consent
GIIP	Good International Industry Practice
H&S	Health and Safety
ICP	Informed Consultation and Participation
IFC	International Finance Corporation
ILO	International Labour Organisation
IPs	Indigenous Peoples
IUCN	International Union for Conservation of Nature
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
LGA	Legal Gap Analysis
LRP	Livelihood Restoration Plan
M&E	Monitoring and Evaluation
MPA	Marine Protected Area
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
PA	Protected Area
PAP	Project Affected Person
PF	Process Framework
PMU	Project Management Unit
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
ToR	Terms of Reference
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples



Environmental & Social Management System (ESMS)

VGGT	FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
VGSSF	FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries
WB	World Bank
WB ESF	World Bank Environmental and Social Framework
WB ESS	World Bank Environmental and Social Standard



# 1 INTRODUCTION TO BLUE ACTION FUND'S ESMS

## 1.1 Objective and Purpose

A non-profit foundation based in Germany, Blue Action Fund (Blue Action) has government funding partners — Germany, through the German Federal Ministry for Economic Cooperation and Development (BMZ) in cooperation with KfW (Kreditanstalt für Wiederaufbau, the German Development Bank); Sweden, through the Swedish Ministry for Foreign Affairs; and France, through the Agence Française de Développement (AFD). Within its nature of public funding, Blue Action endorses the development and implementation of an Environmental and Social Management System (ESMS) to assess and manage the environmental and social (E&S) risks and impacts of its activities on affected communities<sup>1</sup> and the environment in accordance with international standards and Good International Industry Practice.

This manual provides a description of processes of the ESMS to ensure that E&S topics are duly addressed and managed as part of Blue Action's activities in line with the World Bank Environmental and Social Framework (WB ESF 2017), including the Environmental and Social Standards (ESS) 1-10, the World Bank Group Environmental Health and Safety Guidelines (EHSGs), the Sustainability Guidelines of KfW Development Bank (2021) and all other Standards and Guidelines referred to in Annex A.

In conjunction with Blue Action Fund's Grant Procedures Manual, the ESMS defines procedures, tools and responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with projects supported by Blue Action throughout the entire project lifecycle, in line with Blue Action's international and national requirements. The ESMS is intended to be a "living document" in the form that it is periodically edited and updated to reflect latest experiences and learnings from ongoing projects.

The ESMS is applicable for all projects receiving funding from Blue Action. Projects can currently be divided into three main types, although some projects can be assigned to more than one type:

- Designation of new Marine Protected Areas (MPAs);
- Extension/ expansion of an existing MPA;
- Improved management of existing MPAs.

All Blue Action-funded projects include a sustainable livelihood component, which aims to improve the livelihoods of coastal communities in adjacent areas. Projects also include conservation measures such as law enforcement and patrolling, habitat restoration, sustainable fisheries management, and can include small scale construction and infrastructure works for research and monitoring facilities, storage facilities, etc.

## 1.2 ESMS Implementation Responsibilities

This section outlines the responsibilities of each party involved in the implementation of this ESMS and in achieving the E&S performance goals as set by Blue Action.

Both Blue Action and the grantee are responsible for assessing and managing the project impacts – direct<sup>2</sup> and indirect<sup>3</sup> – caused by activities that are either financed or technically supported by

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<sup>1</sup> See Blue Action Fund ESMS Glossary of Terms for definition of Affected Communities.

<sup>2</sup> Impact that is caused by the project, and occurs contemporaneously in the location of the project.

<sup>3</sup> Impact that is caused by the project and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable, and will not include induced impacts.



the project. This includes impacts (positive and negative) caused by activities or actors that are financially or technically supported by the project, even when these activities or actors fall outside of the mandate of Blue Action and the grantee.

As guidance, for those activities that are implemented solely by the project (e.g. the grantee or sub-grantees), that would not have happened without the financial support of the project, the project is causing the impact, and has the highest level of responsibility for preventing or mitigating the impacts (**Table 1**). For those activities where the project contributes to an existing activity, such as law enforcement that is already being conducted by a government agency, the project is contributing to an impact. Finally, in cases where the project is associated with an activity but is neither causing nor contributing to the activity, then the project is linked to this impact, and has the lowest level of responsibility.

**Table 1:** Overview of Cause/ Contribution/ Linkage as a framework for assessing responsibilities (Debevoise & Plimpton 2017<sup>4</sup>).

<b><i>If a project is...</i></b>	<b>Causing an impact</b>	<b>Contributing to an impact</b>	<b>Linked to an impact</b>
<b><i>Then it should...</i></b>	Prevent or mitigate the impact.	Prevent or mitigate its contribution to the impact.	
<b><i>And...</i></b>		Use or increase its leverage with other responsible parties to prevent or mitigate the impact.	Use or increase its leverage with other responsible parties to prevent or mitigate the impact.
<b><i>And...</i></b>	Remediate the harm of the impact.	Contribute to remediating the harm of the impact relative to the extent of its contribution.	No responsibility to remediate, but the organisations may choose to do so.
<b><i>Example</i></b>	A project is the sole financial supporter for the establishment and implementation of a Marine Protected Area which causes economic displacement.	A project is just one of many partners who financially and technically support the establishment of a Marine Protected Area which causes economic displacement.	A project works within an established Marine Protected Area where there are on-going issues of economic displacement. The project however is solely supporting biodiversity monitoring.

<sup>4</sup> Debevoise & Plimpton. 2017. Practical Definitions of Cause, Contribute, and Directly Linked to Inform Business Respect for Human Rights, Discussion Draft, 9 February 2017, pp. 9 – 10.



## Blue Action Fund

By implementing the measures below, Blue Action will be able to provide evidence that best efforts are made by the grantee to address E&S risks and impacts to the extent possible given the project/ stakeholder setup, the nature of the projects and the context of the implementation.

The responsibility of Blue Action Fund is to:

- Set the Standards and Guidelines that the grantee and its partners must comply with in funded projects;
- Ensure the grantees can apply the requirements of the Blue Action Fund ESMS by:
  - Considering grantee E&S capacities (willingness, technical capacities, previous experience) during the selection grants;
  - Integrating E&S management clauses in the contractual documentation with the grantee;
  - Requiring E&S screening, assessment and development of Safeguard Instruments as part of the project design and grant-making process;
  - Raising awareness of grantees on E&S topics by addressing these topics in meetings between Blue Action and the grantees and in the form of trainings based on real cases encountered in projects;
  - Integrating E&S criteria in the project monitoring process;
  - Providing guidance to grantees regarding conducting E&S Assessments and development and implementation of suitable safeguard instruments/management measures.
- Monitor to what extent E&S risks and impacts are correctly assessed by the grantees at the planning/proposal stage and that subsequent E&S management activities are implemented per this ESMS;
- Monitor the Environmental and Social Management Plan (ESMP) implementation during all stages of the projects;
- Consolidate reporting on ESMS implementation;
- Collect project lessons learnt to adapt the requirements of this ESMS and its performance in light of the field experiences.

## Grantees

The grantees have the overall responsibility for E&S assessment and the management during the preparation and implementation phase of the project.

The responsibility of the grantees is to:

- Diligently follow the Blue Action Fund ESMS procedures (that apply to grantees), including E&S assessment, and to manage the implementation of their approved Project ESMP and associated Safeguard Instruments throughout project implementation;
- Implement all the management measures and mitigation activities aimed at reducing the negative impacts of the project to acceptable levels and enhancing any positive impacts;
- Ensure compliance with all relevant national legislation and alignment with international good practice, including the World Bank Environmental and Social Framework, the Environmental and Social Standards (ESS) 1-10, the World Bank Group Environmental Health and Safety Guidelines (EHSGs), the Sustainability Guidelines of KfW Development Bank (2021) and all of those Standards and Guidelines referred to in Section 3 and Annex A.





- Implement the monitoring programmes required to verify that the management measures outlined in the Project ESMP and associated Safeguard Instruments are achieving their expected results. Internal evaluations will be carried out by the grantee on an annual basis;
- Monitor the E&S performance of its contractors and sub-contractors used for providing workforce, supplies and services;
- Conduct public consultation activities necessary to support the implementation of any Safeguard Instruments and to disclose relevant project information<sup>5</sup> to different stakeholders, taking into account data protection regulations;
- Work closely with the host country(ies) government and third-party organisations to initiate necessary capacity building and community development actions;
- Projects shall include clear responsibilities, expertise and resources for the application of the Blue Action Fund Safeguarding Principles and Requirements practice, including an E&S coordinator, E&S expertise commensurate with the nature and significance of the risks and impacts identified, and adequate financial resources for effective E&S assessment and management. Where project staff do not have the necessary relevant skills, expertise and experience, the lead NGO will ensure adequate recruitment, training and capacity building is undertaken. All project staff working on the project should have an awareness of the Blue Action Fund ESMS, the Project ESMP, and associated Safeguard Instruments.
- Report to Blue Action as per the Blue Action Fund annual reporting (into which E&S monitoring has been integrated), on all relevant E&S topics, including serious incidents;
- Report to Blue Action on grievances and complaints issued by the public or other relevant stakeholders of the respective project;
- Report to Blue Action in case a project or an activity within a project has been stopped due to security risks of the workers, the beneficiaries or other stakeholder or due to reputational risk to Blue Action;
- Appoint at least one person for E&S monitoring who is closely familiar with Blue Action Fund's ESMS requirements. This person should be responsible for reporting to Blue Action on E&S topics.

### **E&S Operational Requirements for all Projects**

Blue Action has set the following E&S operational requirements to its funded projects, within the constraints of the financial targets set:

- Screen all projects requesting funding from Blue Action against the Exclusion List (Grantee and Blue Action);
- Screen all projects for potential E&S risks and impacts or benefits prior to any funding (Grantee and Blue Action);
- Conduct an E&S Assessment (Category B and B+ projects) and develop a Project ESMP to define adequate management measures to avoid or mitigate potential negative environmental and social impacts and enhance potential benefits (Grantee);
- Request projects to comply with national and international environmental, social, health and safety regulations applicable to the financed projects (as per Annex A), as described in the Blue Action Fund Safeguarding Principles & Requirements (as per Annex B) (Blue Action);

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<sup>5</sup> Refer to Blue Action Fund's ESMS Glossary of Terms for a description of Relevant Project Information.



- Work together with grantees via individual follow-ups, to get them to consider project related E&S management risks in each project and, if such risks are identified, ensure that they are adequately addressed during the life cycle of the project (Blue Action);
- Implement and maintain their approved Project ESMP and associated Safeguard Instruments throughout project implementation (Grantees);
- Plan, implement and document stakeholder engagement activities as an ongoing process for all projects (i.e. develop a Stakeholder Engagement Plan and maintain a Stakeholder Register) (Grantees);
- Implement a formalised process to capture and manage project-related complaints from communities, workers and other stakeholders (i.e. a Grievance Mechanism and Grievance Register) (Grantees);
- Communicate Blue Action Fund's E&S principles to external stakeholders (Blue Action and Grantees).

## 2 EXCLUSION LIST

The Blue Action Fund Exclusion List is based on:

- (1) The KfW 2021 Exclusion List;
- (2) The International Finance Corporation (IFC) 2007 Exclusion List; and
- (3) The Agence Française de Développement (AFD) 2017 Exclusion List.

The exclusion list is formatted as a checklist, so grant applicants can review the list and check their compliance with it.

Generally, Blue Action will not fund activities involved with the intentional degradation of the natural environment and the production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans.

Blue Action will therefore not financially support production or sale of any illegal product or unlawful activity under the laws of the host country and laws of its funders or under international regulations, conventions and/or agreements.

Also, it will not support any sector or any service subject to an embargo by the United Nations, European Union and/or its funders in a particular country and with no absolute or relative restriction regarding the amount.



## 2. 2 Exclusion Checklist

The Exclusion checklist is provided in Table 2 below.

**Table 2: Blue Action Fund Exclusion Checklist**

Item	Checked
Any operation leading to or requiring the destruction <sup>6</sup> of critical habitat <sup>7</sup> or any forestry project which does not implement a plan for improvement and sustainable management.	
Any activity which could be associated with the significant impairment of areas particularly worthy of protection (without adequate compensation in accordance with international standards).	
Trade in animals, plants or any natural products not complying with the provisions of the Convention on International Trade in Endangered Species (CITES) / Washington convention <sup>8</sup> .	
Destructive fishing methods or drift net fishing with a net more than 2.5 km in length.	
Commercial logging operations for use in primary tropical moist forest.	
Production or trade in wood or other forestry products other than from sustainably managed forests.	
Exploitation of diamond mines and marketing of diamonds where the host country has not adhered to the Kimberley Process.	
Activities involving harmful or exploitative forms of forced labour <sup>9</sup> or harmful child labour <sup>10</sup> .	
Projects that include involuntary physical displacement and/or forced eviction.	
Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.	
Production, use, sale or trade of pharmaceuticals, pesticides/ herbicides, ozone layer depleting substances <sup>11</sup> , and other toxic <sup>12</sup> or dangerous materials such as asbestos or products containing PCB's <sup>13</sup> , wildlife or products regulated under CITES, including all products that are banned or are being progressively phased out internationally.	

<sup>6</sup> 'Destruction' means: (1) the elimination or severe reduction in the integrity of a habitat/ area caused by a major and long-term/ prolonged change in land-use or water resources; or (2) the modification of a habitat such that this habitat's ability to fulfil its function/ role is lost.

<sup>7</sup> The term 'critical habitat' encompasses natural and modified habitats that deserve particular attention. This term includes: (1) spaces with high biodiversity value as defined in the IUCN's classification criteria, including, in particular, habitats required for the survival of endangered species as defined by the IUCN's red list of threatened species or by any national legislation; (2) spaces with a particular importance for endemic species or whose geographical range is limited; (3) critical sites for the survival of migratory species; (4) spaces welcoming a significant number of individuals from congregatory species; (5) spaces presenting unique assemblages of species or containing species which are associated according to key evolution processes or which fulfil key ecosystem services; and (6) territories with socially, economically or culturally significant biodiversity for local communities. Primary forests or high conservation value forests must also be considered as critical habitats.

<sup>8</sup> [CITES: Convention on International Trade in Endangered Species of wild fauna and flora threatened with extinction \(Washington, 1993\)](#)

<sup>9</sup> Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

<sup>10</sup> Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development. Employees must be at least 14 years of age, as defined in the ILO's Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory school attendance or a minimum working age. In such circumstances, the highest age requirement must be used.

<sup>11</sup> Any chemical component which reacts with, and destroys, the stratospheric ozone layer leading to the formation of holes in this layer. The Montreal Protocol lists Ozone Depleting Substances (ODS), their reduction targets and deadlines for phasing them out.

<sup>12</sup> Including substances included under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability").

<sup>13</sup> PCBs (polychlorinated biphenyls) are a group of highly toxic chemical products that may be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985.



Item	Checked
Production or trade of arms, ammunition, weaponry, controversial weapons, or components thereof (e.g. nuclear weapons and radioactive ammunition, biological and chemical weapons of mass destruction, cluster bombs, anti -personnel mines, enriched uranium).	
Procurement of firearms.	
Provision of finances to military institutions involved in conservation or security activities.	
Production or trade of strong alcohol intended for human consumption or other alcoholic beverages (excluding beer and wine).	
Production or trade of tobacco.	
Gambling, gaming establishments, casinos or any equivalent enterprises and undertaking <sup>14</sup> .	
Any trade related to pornography or prostitution.	
Production or trade in radioactive material. This does not apply to the procurement of medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded.	
Production or trade in unbound asbestos. This does not apply to the purchase or use of cement linings with bound asbestos and an asbestos content of less than 20%.	
Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.	
Transboundary trade in wastes, except for those accepted by the Basel Convention and its underlying regulations <sup>15</sup> .	
Any activity leading to an irreversible modification or significant displacement of an element of culturally critical heritage <sup>16</sup> .	
Production and distribution, or investment in, media that are racist, antidemocratic or that advocate discrimination against a part of the population.	
Outside the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD) high income countries, large agricultural or forestry enterprises producing palm oil or wood must either comply with recognised international certification systems (RSPO or FSC) or equivalent regulations to ensure sustainable cultivation conditions, or must be in the process of achieving compliance.	

<sup>14</sup> Any direct financing of these projects or activities involving them (for example, a hotel including a casino). Urban improvement plans which could subsequently incorporate such projects are not affected.

<sup>15</sup> Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their disposal (1989).

<sup>16</sup> 'Critical cultural heritage' is considered as any heritage element recognised internationally or nationally as being of historical, social and/or cultural interest.



## 3 E&S STANDARDS AND REQUIREMENTS

### 3.1 National Standards

All project activities financed and supported by Blue Action need to be compliant with provisions of the legal framework of the host country(ies) of the project.

The grantees commit to achieve and demonstrate compliance with national legislation and other obligations (e.g. environment, health, safety and labour laws, construction and operation permits etc.) by signing a Declaration of Undertaking, which forms part of the grant agreement.

### 3.2 International Standards

The following international Environmental and Social Standards and Guidelines are applicable to all projects financed by Blue Action and should thus be acted upon by Blue Action and its grantees respectively:

- The World Bank Environmental and Social Framework (ESF), including the Environmental and Social Standards (ESS) 1-10 (World Bank 2017):
  - ESS1: Assessment and management of environmental and social risks and impacts;
  - ESS2: Labor and working conditions;
  - ESS3: Resource efficiency and pollution prevention and management;
  - ESS4: Community health and safety;
  - ESS5: Land acquisition, restrictions on land use and involuntary resettlement;
  - ESS6: Biodiversity conservation and sustainable management of living natural resources;
  - ESS7: Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities;
  - ESS8: Cultural heritage;
  - ESS9: Financial intermediaries.
- BMZ's Guidelines on Incorporating Human Rights Standards and Principles, Including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation (BMZ 2013).
- KfW Sustainability Guideline - Assessment of Environmental, Social, and Climate Performance: Principles and Process (KfW 2021)<sup>17</sup>.
- International Labour Organisation (ILO) Core Labor Standards<sup>18</sup>.
- The World Bank Group's Environmental, Health and Safety (EHS) Guidelines, including General EHS Guidelines and Industry Specific Guidelines, as applicable (World Bank 2007).
- Food and Agriculture Organisation of the United Nations (FAO) Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) (FAO 2012).
- FAO Code of Conduct for Responsible Fisheries (CCRF) (FAO 1995).

<sup>17</sup> This includes KfW's Declaration on the Consideration of Human Rights in its Business Operations. Available [here](#).

<sup>18</sup> ILO defines eight labor standards as fundamental, including: 87) Freedom of Association and Protection of the Right to Organize (1948) 98) Right to Organize and Collective Bargaining (1949) 29) Forced Labor (1930) 105) Abolition of Forced Labor (1959) 138) Minimum Age (1973) 182) Worst Forms of Child Labor (1999) 100) Equal Remuneration (1951) 111) Discrimination (1958).



- FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries (VGSSF) (FAO 2015).
- For workers' accommodation (in case of construction activities), Blue Action's projects should adhere to international standards for worker housing such as "Workers' Accommodation: Processes and Standards: A Guidance Note by IFC and the EBRD" (IFC/EBRD 2009).
- UN Code of Conduct for Law Enforcement Officials (UN 1979).
- Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (UN 1990).
- The Voluntary Principles on Security and Human Rights (VPs 2000).

The UN Basic Principles and Guidelines on Development-based Evictions and Displacement (namely §§ 42, 49, 52, 54 and 60) is referred to in the KfW Sustainability Guidelines (2021), but as Blue Action does not support projects with potential for physical displacement (see Exclusion List, Chapter 2), these guidelines are not included here.

An overview of the applicable International Environmental and Social Standards and Guidelines can be found in **Annex A**.

### **3.3 Operationalising international standards through the Blue Action Fund Environmental and Social Safeguarding Principles and Requirements**

In order to make the international Standards and Guidelines in Section 3.2 and Annex A relevant and practical for marine biodiversity conservation projects, Blue Action has developed 10 Environmental and Social Safeguarding Principles and associated Requirements. Projects applying for financial support from Blue Action, and existing projects, will be responsible for applying these Principles and Requirements in the design and implementation of the project. The 10 Principles are:

- **Principle 1:** Environmental and social assessment and risk management;
- **Principle 2:** Stakeholder engagement;
- **Principle 3:** Health, safety and security of communities and project personnel;
- **Principle 4:** Protection, conservation and sustainable management of the environment, biodiversity and natural resources;
- **Principle 5:** Livelihoods and access restrictions;
- **Principle 6:** Gender equity and vulnerable groups;
- **Principle 7:** Cultural heritage;
- **Principle 8:** Indigenous Peoples;
- **Principle 9:** Grievance management;
- **Principle 10:** Human rights.

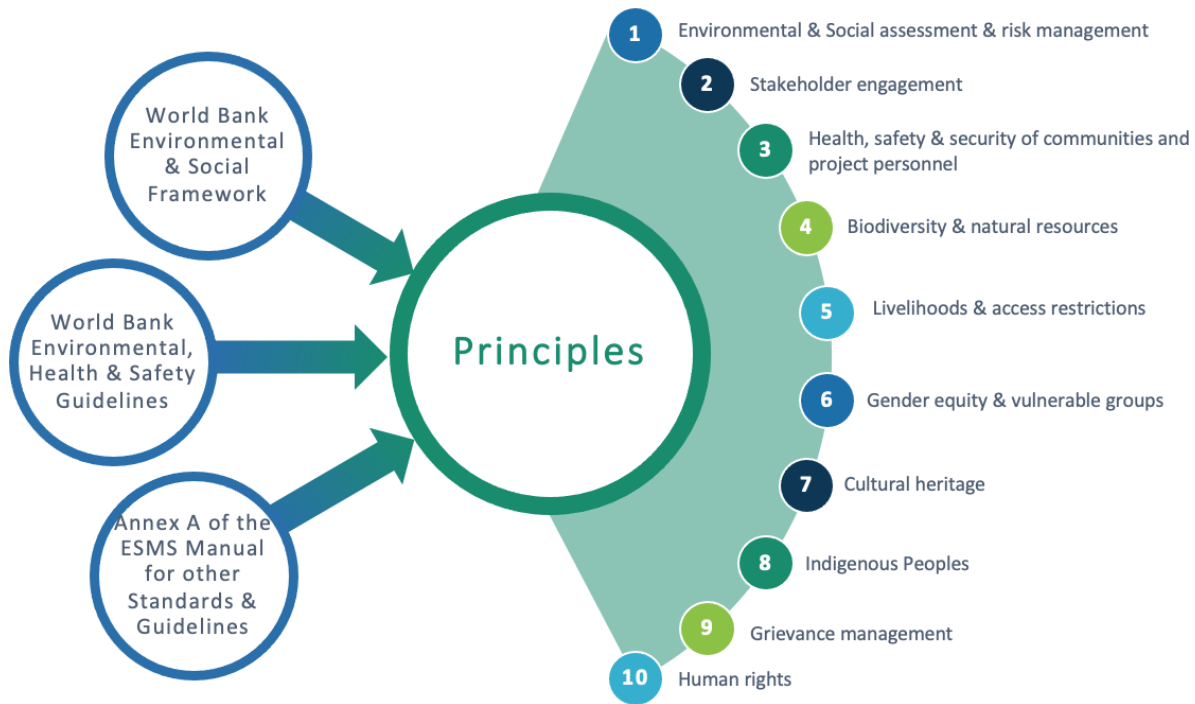
Application of these Principles and Requirements, however, does not aim to replace or supersede the Standards and Guidelines which form the basis of this ESMS, nor do they substitute for the need to be familiar with and understand the details of the Standards and Guidelines. Rather, their aim is to provide a means of operationalising and safeguarding the



Standards and Guidelines listed in Annex A in the context of marine biodiversity conservation projects, with a view to reducing the complexity of the Standards, linking the timing of requirements more closely to the Blue Action project and grant-giving cycle. They furthermore aim to ensure clear and understandable terminology for lead NGOs working in marine biodiversity conservation around the world. Moreover, these Principles and Requirements do not supersede national legislation, which is the starting point for the management of E&S risks and impacts. Instead, the Blue Action Fund Principles and Requirements aim to complement existing processes, and where the requirements surpass national legislation, supplement this.

Figure 1 below summarises the Blue Action Fund Environmental and Social Safeguarding Principles and Requirements.

Each Principle has Criteria that must be met to demonstrate that the Principle is upheld. For each Criterion there are Indicators that can be used to demonstrate that the Criterion has been met and are independently reviewable. There are a total of 10 Principles and 32 criteria. These Principles, and the associated Criteria and Indicators, form the basis for the environmental and social risk and impact identification, assessment and management process required of Blue Action-supported projects. The specifics of the Principles, Criteria and Indicators are detailed in the Blue Action Fund Environmental and Social Safeguarding Principles and Requirements document in **Annex B**.



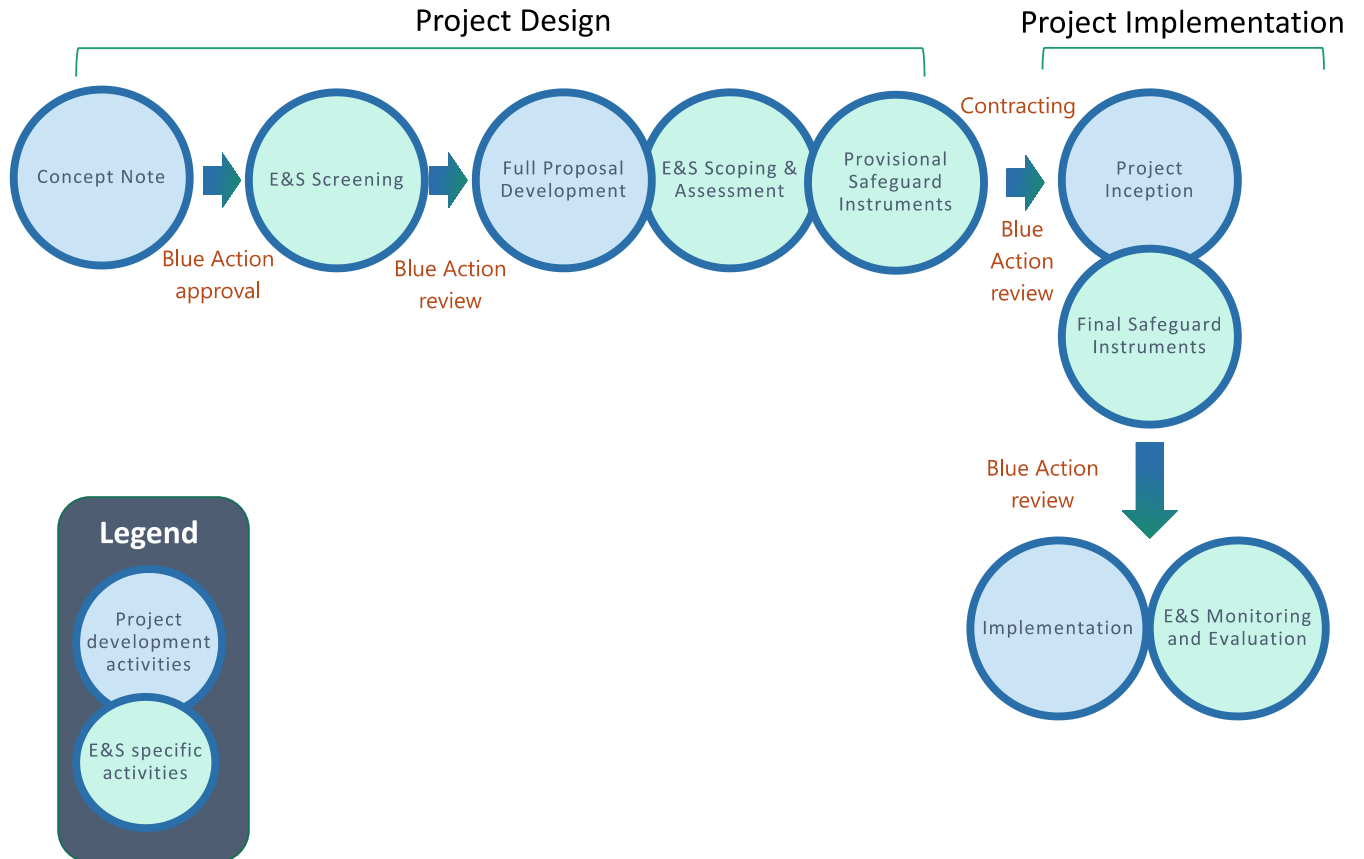
**Figure 1:** Blue Action Fund Environmental and Social Safeguarding Principles and Requirements



## 4 E&S RISK MANAGEMENT PROCESS WITHIN BLUE ACTION

A key principle of the E&S risk management process is incorporating E&S concerns raised by stakeholders as an intrinsic part of project cycle management. Each step of the project life cycle provides opportunities to address E&S requirements to achieve good E&S performance in Blue Action projects.

Figure 2 below summarises the E&S risk management process implemented by Blue Action Fund. The process is further described in the subsequent sections.



**Figure 2:** E&S risk management process implemented by Blue Action projects





## 4.1 E&S development steps – Summary

Blue Action’s eligibility requirements concern the project content (“what”), project approach (“how”) and the grantee (“who”).

Blue Action has provided an environmental and social development tool, illustrated in Annex C, which has been designed to support grantees through the steps illustrated in Figure 2 above. This section briefly describes these steps. In summary, there are four key phases of E&S development:

- 1. Step 1 - E&S Screening** (for approved Concept Notes): Preliminary appraisal, called ‘Screening’, aims at determining the environmental and social risks and impacts associated with a project, based on a desk-top review of the project Concept Note. Screening determines the project risk category (A, B+, B or C), if and what type of E&S assessment is required, and the types of Safeguard Instruments that are likely to be needed. Screening also confirms that no exclusion list activities are being supported by the project. The project risk categories are explained further below and in the E&S development tool (Annex C).
- 2. Step 2 - E&S Scoping, assessment and provisional Safeguard Instruments** (prior to full proposal submission): For Category B and B+ projects, the scoping stage determines the appropriate scope of the environmental and social assessment, providing a clear scope of assessment that would allow the grantee to implement an E&S assessment. The assessment itself involves stakeholder engagement and field activities, and the development of the provisional safeguard instruments, that can be further developed into concrete plans during the project inception phase. Blue Action generally does not fund Category A projects which have potentially significant adverse environmental and social impacts. If Blue Action deems a Category A project worthy of funding, it will need special approval by Blue Action’s donors.
- 3. Step 3 - Development of final Safeguard Instruments** (project inception): the provisional framework-level<sup>19</sup> Safeguard Instruments are developed into concrete plans during the project inception period. Timeframes for this will depend on the type of instrument or plan, and are indicated in the Safeguarding Principles and Requirements (Annex B). The development of safeguard instruments can involve conducting socioeconomic assessments and baselines, further assessment of feasibility of particular mitigation measures, and development of any Procedures (e.g. community engagement, Free Prior and Informed Consent, or integrated procedures) that allow for implementation of the project and E&S components on the site or village level.
- 4. Step 4 - On-going E&S implementation, monitoring and evaluation:** once safeguard instruments are finalised during the project inception phase, implementation commences, with associated M&E.

While the grantee is responsible for following this E&S process, using the E&S development tool provided by Blue Action, Blue Action is responsible for conducting reviews. Reviews refer to not only reading the information in the E&S development tool, and associated documentation provided, but also making decisions regarding the next steps. The decisions to be made are

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<sup>19</sup> Provisional ‘Framework-level’ safeguard instruments include the broad structure and approach, and to some degree remain conceptual. Proposed mitigation measures are included, but often the feasibility of these measures remains to be assessed during project inception. ‘Plan-level’ has had substantial input from Project Affected Peoples and other stakeholders and is what will actually be implemented in practice.



captured in the E&S development tool in the 'conclusion' boxes, clearly identified in blue for the E&S reviewer. Therefore, a review includes both reading and familiarisation, and associated decision-making. The reviewer decisions will be informed by the grantee responses/ information provided, and any necessary exchanges with the grantee. This review is conducted in a supportive manner, providing any necessary explanations that enable an agreed set of next steps.

## 4.2. E&S Development Steps – Details

### Step 1: Screening

As part of the Blue Action application process, all prospective projects undergo an initial E&S screening process to determine the project risk category, to identify the potential risks and impacts associated with the planned project, to identify if an E&S assessment is required (and if so, what type of assessment), and to consider the likely Safeguard Instruments that would be developed in parallel to full proposal development.

The E&S risk screening occurs once a Concept Note has been approved by Blue Action's Supervisory Board for Full Proposal development, using the E&S development tool "E&S screening" section<sup>20</sup>.

Once the E&S risk screening is concluded by the applicant, Blue Action will then review the screening results, and complete the Screening Report (embedded in the E&S development tool). This includes making decisions on:

1. The exclusion list: the Blue Action reviewer will verify that the project proposed by the grantee does not include criteria that would place it on the Blue Action Fund Exclusion List (see Section 2 above for the exclusion list).
2. Project risk category: the Blue Action reviewer will decide on the project risk category using the definitions provided (see Annex C and section below for the project risk categories).
3. E&S assessment: the Blue Action reviewer will decide on the type of E&S assessment that will be required, including any details on the focus of this assessment.
4. Safeguard Instruments: the Blue Action reviewer will decide on the likely Safeguard Instruments that will need to be developed in parallel with the full proposal development.

The conclusion of this review is whether the proponent can start the E&S assessment scoping, or if the E&S screening requires further attention/ actions.

The screening will determine the project risk rating. Table 3 below provides definitions of the project E&S risk ratings (A to C) for Blue Action-funded projects. Each project has its own unique E&S characteristics, which depend on the local context, prevailing legislation, project activities. The project risk categories simply aim to categorise a project in order to then plan for appropriate assessment and risk management measures.

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<sup>20</sup> Note that V2 of the Blue Action Fund ESMS used an E&S Questionnaire, which had a number of questions per risk/impact area. The E&S development tool includes questions to help determine the scope of application of a Principle (eg. does the principle of Indigenous Peoples apply to this project?), but does not include a list of questions as per the original E&S questionnaire. Grantees can use their own E&S questionnaire, or refer to IUCN's 'ESMS Screening and Clearance template' ([here](#)) if this will help identify E&S risks/ impacts. Blue Action Fund only expect the screening section of the E&S development tool to be completed, and would not review a separate ESMS questionnaire.



**Table 3:** Blue Action Fund project risk ratings

Risk rating	Definition
Category C (Low)	No or insignificant adverse risks or impacts. No particular management plans required.
Category B (Moderate)	Moderate adverse risks and impacts and risks are limited to the project site and manageable with standard solutions and state of the art technology as part of the project's ESMP.
Category B+ (Substantial)	Projects with substantial risks and impacts are those where impacts occur in single areas that are higher risk than Category B projects but not as diverse and unprecedented as for Category A projects. Example safeguard instruments that could be required include: Process Frameworks (PFs), Indigenous Peoples Plans or Frameworks (IPP/Fs), and a project ESMP.
Category A (High)	Projects with high adverse risks and impacts that are diverse, irreversible and unprecedented. The impacts may extend beyond the project site, the areas of construction and/or the direct project area and require specific management measures that go beyond standard solutions and state of the art technologies. Example safeguard instruments that could be required include: Process Frameworks (PFs), Indigenous Peoples Plans or Frameworks (IPP/Fs), and a project ESMP.

The screening will indicate the type of E&S assessment that is required. Category C projects do not require an E&S assessment<sup>21</sup>. Category B and B+ projects require an E&S assessment commensurate with the risks and impacts that have been identified at screening, and tailored to the specifics of these risks and impacts.

Following completion and review of the E&S screening, Blue Action can make financial support available for further E&S assessments and development of provisional, framework-level safeguard instruments.

The screening will indicate the type of Safeguard Instruments that are likely to be required by the project. All projects require an Environmental and Social Management Plan (ESMP) (Annex D), a Stakeholder Engagement Plan (Annex E), and a Grievance Mechanism (Annex F). The other safeguard instruments have specific 'triggers' which can sometimes be determined at screening, and sometimes require further assessment to understand if that safeguard instrument is required. As described below, the E&S assessment should be planned and conducted in such a manner that allows for the project to design a fit-for-purpose Environmental and Social Management Plan (ESMP), which is the umbrella safeguard instrument, and includes all the planned mitigation measures for identified risks and impacts.

<sup>21</sup> While Category C projects do not require an E&S assessment, these projects would still require a Grievance Mechanism and Stakeholder Engagement Plan, in a format that is suitable for the project and context, and meets the requirements illustrates in the Blue Action Fund requirements and templates. All projects, including Category C projects, which conduct small-scale construction, would be expected to have an Environmental and Social Code of Practice (ESCP).



## **Step 2: E&S Risk Assessment and provisional Safeguard Instruments**

### **E&S Risk Assessment**

An E&S assessment (ESA) is an assessment of environmental and social risks, impacts and opportunities including, where appropriate assessment of potential transboundary risks and impacts undertaken by the project in a manner that follows good international industry practices, identifies best alternatives and allows for an integrated and balanced view of the environmental and social risks and impacts.

For a large part, risks and impacts associated with conservation projects are social, and the focus of the assessment would be the most important risks and impacts that have been identified. The ESA is a flexible process and will be proportionate to the potential risks and impacts of the project. The E&S assessment refers to the assessment that is conducted after E&S screening, and prior to full project design, and includes the development of framework-level safeguard instruments. An ESA is required for moderate (Category B) and substantial (Category B+) risk projects.

### **Potential E&S Risks & Impacts**

Although it is expected that the overall impacts of the Blue Action projects will be largely positive, risks and adverse impacts of establishing Protected Areas do occur and can affect some of the most vulnerable coastal communities.

The potential risks and impacts associated with Marine Protected Areas are included in the Blue Action Fund E&S development tool (Annex C) in the guidance tabs. In addition to the descriptions of different risks and impact areas, organised along the lines of the Blue Action Fund Principles, further guidance of specific risk areas has also been signposted in the E&S development tool.

Projects conducting E&S assessments should refer to the Blue Action Fund requirements (principles, criteria and indicators, as per Annex B), and the E&S development tool risk assessment framework (the guidance tabs within the tool).

### **Steps in developing an E&S Assessment**

Blue Action requires that after completing an E&S screening, and prior to starting the E&S assessment itself (i.e. prior to engaging with stakeholders for the E&S assessment), the project proponent conducts an E&S scoping and planning exercise, described here.

#### *E&S assessment scoping*

The E&S development tool (Annex C) contains sections on E&S scoping and planning (“C: E&S Assessment Scoping and Planning”). E&S scoping aims to deepen the understanding of the identified potential risk and impacts, and to clearly define what is within the scope of the assessment (activities, risks/impacts, project area), to identify required expertise for the E&S team, and to identify a suitable methodology and sampling strategy.

#### *E&S assessment scoping considerations*

Scoping takes into account the following considerations:

- Previous E&S assessments: What existing E&S assessments have been conducted already in the project area, that could be used to inform (or even substitute, if they are recent and relevant assessments) the planned E&S assessment.
- Existing Safeguard Instruments: What safeguard instruments already exist. For example, does the MPA, the lead NGO, or the landscape/ programme already have a



stakeholder engagement plan, grievance mechanism, or even a Process Framework, that could be used/adapted/reinforced as part of the Blue Action project. What are the management measures that are already in existence in the MPA, or being implemented by the lead NGO?

- Required E&S assessment:
  - What needs to be assessed for each risk/impact area? For some lower risks it might just be some desk-based checks that are required, or some basic field observations needed. For higher risk areas, an assessment of potential impacts, legacy issues, and development of a planning framework might be required. The E&S assessment is tailored to the risks and impacts identified during the screening.
  - What information is already available for the development of provisional Safeguard Instruments, and what information is still required? And how will this be collected during the E&S assessment to allow for these framework level plans to be drawn up?
  - During scoping it is also possible to identify what is feasible to assess prior to the project commencing (in the absence of baseline data), and what will be more thoroughly assessed during the project inception when baseline data are available.
- Stakeholders: who are the likely stakeholders who would be engaged in the E&S assessment? This often includes a review and update of the project's stakeholder list and stakeholder analysis, to inform the E&S assessment.
- Methods: which are the likely methods that will be applied, and what is the overall methodology likely to be, considering the risk areas, the context, and stakeholders.
- Expertise: based on the points above, what specific expertise needs to be included in the E&S team? In cases where the project proponent will be delivering some or all of the E&S assessment, is there any expertise required that extends beyond the expertise of this team? For example, when developing an FPIC protocol, have team members got sufficient FPIC expertise?
- Schedule: what is the likely schedule for the planning, stakeholder consultations, and development of safeguard instruments, taking into account the lead-in times needed to contact local communities, government personnel, and other stakeholders.

This scoping exercise will allow for the development of the fieldwork methodology and ensure that the assessment will allow the development of the Safeguard Instruments required by the project. The E&S assessment scoping, which is included in the E&S development tool (Annex C), and the Terms of Reference for the E&S assessment, are then reviewed by Blue Action prior to the assessment being undertaken. The E&S scoping and assessment are undertaken in parallel to the development of the full proposal

#### *E&S assessment scoping and national legislation*

When scoping, the project will also aim to understand what the national legislation requires in relation to E&S assessment. In some countries, the establishment of a new MPA, or expansion of an existing MPA, requires a full ESIA or similar assessment, and development of a safeguards document that sits alongside the MPA management plan. If a fuller assessment is required by national legislation, then the applicant would comply with this obligation and undergo the national ESIA process. The scoping allows for the scenario where a similar project or wider programme



has already undertaken a recent ESIA or E&S assessment, which would mean the E&S assessment obligation is waived if the available ESIA appropriately addresses the identified risks.

### *E&S assessment*

Guidance on how to conduct an E&S assessment is not provided here, but the Blue Action Fund E&S Development tool (Annex C) illustrates guidance in relation to each risk and impact area, and how to ascertain project risk significance through understanding the likelihood of a risk or impact, and the consequence of such a risk or impact. E&S assessments should follow best practice impact assessment<sup>22</sup>.

### *E&S assessment and the mitigation hierarchy*

Importantly, projects should follow the mitigation hierarchy, prioritising the avoidance of unnecessary impacts through careful project design. Where avoidance is not possible, in order to reach set conservation targets, then minimisation and finally compensation, should be considered, in that order. Clearly establishing the spatial boundaries and resource use regulations that are required for a particular conservation outcome, can aid with the identification of unnecessary impacts that could be avoided. Compensation measures, such as livelihood restoration programmes, are costly and can create new risks. Where avoidance and minimisation are feasible, this would always be the preferred option.

### *E&S assessment considerations*

Once the scope of the assessment has been agreed with Blue Action, it is the responsibility of the applicant to complete the E&S Assessment within the agreed scope. The reader is referred to Annex B, Criterion 1.2, for more information on the expectations for the E&S assessment. Importantly, indicator 1.2.2 reads: “An E&S assessment has been undertaken with findings that: (i) clarify the significance of potential risks and impacts; (ii) identify gaps in alignment with these requirements; (iii) accounts for existing plans and management measures in place; (iv) provides evidence for substantial input from Project Affected People and stakeholders; (v) identifies any further assessment required during project implementation; and (vi) identifies plans that need to be developed”. Therefore, an E&S assessment should be able to identify the mitigation measures and safeguards that are already in place in the MPA in question (or MPA to be established), to better understand and describe the potential risks and impacts, including providing a risk significance (likelihood and consequence) for each key risk area.

### *E&S assessment implications to project design*

An E&S assessment can result in the modification of a project’s design, such as a change in the project area, project activities, or project stakeholders, in order to avoid or minimize risks or impacts. There must always be room for flexibility in the project design, which is why the E&S assessment is conducted in parallel with the full proposal design, to ensure that the E&S assessment feeds into and informs the design of the project. This is particularly important where additional cost items might be identified for managing E&S risks and impacts.

In some cases, a project’s risk rating could increase, or decrease, or a ‘red flag’ issue could be identified. A red flag issue can include when there is an unavoidable environmental or social risk or impact, which cannot be managed by the project. For example, in the case where a project is

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<sup>22</sup> Guidance on impact assessments can be found on the website of the International Association of Impact Assessment (IAIA), and on the IUCN ESMS website ([here](#)).



not able to control or influence the necessary mitigation measures – for example in cases where the project is contributing to a risk or impact that is caused by another entity, and that entity is not willing to modify practices to meet safeguard requirements – this would represent an unavoidable risk or impact, and would require re-visiting project design.

The Environmental and Social Management Plan should illustrate the avoidance, minimisation and compensation measures that allow for the existing project design to go ahead.

#### *E&S assessment and stakeholder engagement*

It is essential that the E&S assessment engages fully with Project Affected Peoples. It is also important to recognise that the E&S assessment in and of itself does not satisfy the project's responsibilities in regards to stakeholder engagement. That is to say, while the E&S assessment will engage with PAPs and other stakeholders, this does not substitute the project's responsibilities to have engaged with these groups in the project design and development process, or the project's responsibilities to fully disclose project relevant information.

#### *E&S assessment – Blue Action Fund review*

Blue Action will review the summary of assessment results using the submitted E&S development tool, reviewing the assessment section (D: E&S Assessment Results [Field-Based - Full Proposal Stage]) at the same time as reviewing the risk management section (E: Safeguard tool development [Desk or Field-Based: Full Proposal Stage]). This Blue Action Fund review does not need to occur prior to the submission of the provisional Safeguard Instruments, which can be submitted at the same time as the E&S Assessment Results. However, if projects are seeking input into their E&S Assessment Results prior to finalising their provisional Safeguard Instruments, Blue Action can conduct a review of the E&S Assessment Results. For this reason, the section "D: E&S Assessment Results" is marked as 'optional review' in the E&S development tool.

### **Provisional Safeguard Instruments**

#### *Design of safeguard instruments during the E&S assessment*

During the E&S assessment the provisional safeguard instruments for the project are also designed. The E&S assessment should generate the necessary content for these instruments, including further information on risks and impacts, an understanding of context, and stakeholder input into the mitigation measures that will become project activities. The E&S development tool has a section dedicated to risk management (Section E: Safeguard tool development [Desk or Field-Based: Full Proposal Stage]), which includes consideration of:

- Existing and proposed management measures
- The feasibility, potential effectiveness and sustainability of these measures
- In which Safeguard Instrument these measures are included (noting that all mitigation measures are included in the project logframe and budget)
- Who is responsible for implementing the measure
- The capacity of the implementing entity, and any capacity development needs
- Costs, which can refer directly to the budget line items
- Schedule for the implementation of the mitigation measures.



### *Safeguard instruments*

With these considerations in mind, and based on the relevant information collected from the E&S assessment, applicants write provisional Safeguard Instruments as described below. These are submitted to Blue Action along with the E&S development tool. Projects are referred to Annex B, Criteria 1.3 on risk management measures and plans, for details of what is expected of the provisional Safeguard Instruments. As with the E&S assessment, there is an expectation that the mitigation measures, such as stakeholder engagement forums, grievance processes, and livelihood programmes, have had adequate input from key stakeholders, and in particular Project Affected People.

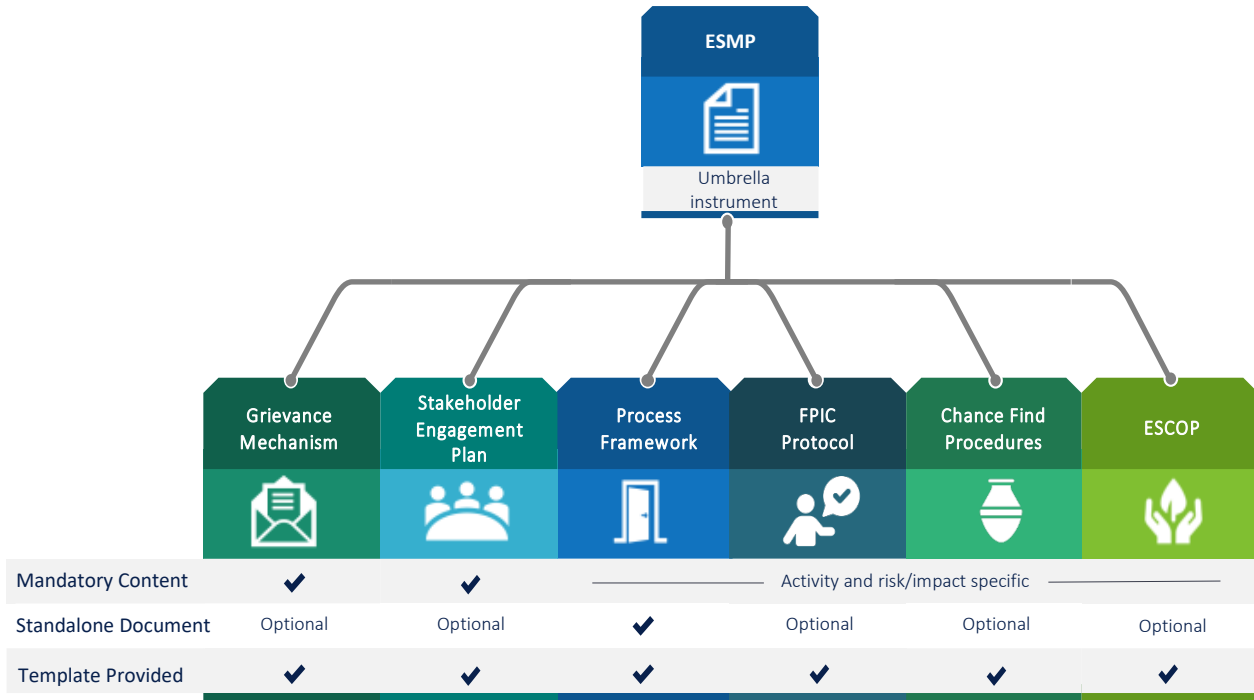
The principal Safeguard Instrument for the application of the Blue Action Fund ESMS and Standards and Guidelines therein (Section 3), is the project's Environmental and Social Management Plan (ESMP), found in Annex D. This is the umbrella Safeguard Instrument for the project and will contain reference to other relevant Safeguard Instruments and protocols, which can be annexed to the ESMP (see Figure 3 below). Examples of other Safeguard Instruments include:

- Stakeholder Engagement Plan (SEP) – required by all projects (Annex E)
- Grievance Mechanism – required by all projects (Annex F)
- Process Framework –required by projects causing access restrictions with potential for economic displacement (Annex G)
- Free, Prior and Informed Consent Protocol –required in projects working in landscapes with Indigenous Peoples, but often used as good practice community engagement (Annex H)
- Chance Find Procedure – required in projects with earthworks with potential to uncover/disturb physical cultural heritage (Annex I)
- Environmental and Social Code of Practice – required in projects conducting small scale construction, refurbishment, livelihood development activities with construction (Annex J).

Depending on the project context, risks and impacts, it is possible that other safeguard instruments or plans be required, such as an Indigenous Peoples Plan (IPP). An IPP is required when the impacts on indigenous peoples are not related to access restrictions and economic displacement, such as impacts of peoples' right to self-determination, impacts of customary norms and practices and culture. In these cases, where the impacts are potentially substantial, an IPP would be required. As this is not currently foreseeable under Blue Action projects, no template has been developed. More information on is provided in Box 1.







**Figure 3:** Safeguard instrument templates and guidance

**Box 1: Formulation of safeguard instruments**

Blue Action Fund is not prescriptive in how projects design and combine different Safeguard Instruments. In practice, this varies between organisations and countries, often depending on the host country legislation. What is important is that risks and impacts have been identified and are being managed, and that relevant plans and measures are in place. Therefore, when safeguard instruments are mentioned in the Blue Action Fund ESMS, this can refer to the instrument, or an ‘equivalent’ plan. While Blue Action provides templates and guidance for each safeguard instrument, it is the content of these templates/ instruments that is important, not the layout, presentation or arrangement of different plans. Some of these plans, protocols or procedures might be merged into one document. For example, it might be that a Process Framework includes the project’s FPIC procedures and Stakeholder Engagement Plan. However, it is important to note that in projects developing a Process Framework, this document does need to be a standalone document that can be read and understood on its own (see Annex G).

**Environmental and Social Management Plan (ESMP)**

The ESMP is the overall ‘umbrella’ safeguard plan for the project. It contains a project description, an analysis of the E&S risks and impacts that have been identified, and the planned mitigation measures. The ESMP is important as it illustrates the suite of potential E&S risks and impacts in one place, plans the required mitigation, and allows for implementation to be tracked as the project progresses. The ESMP also signposts the other plans and protocols that the project will implement, which can be annexed to the ESMP. The template for the EMSP is found in Annex D.



## **Stakeholder Engagement Plan**

The Stakeholder Engagement Plan is the project's plan for identifying, understanding, and engaging with project stakeholders, particularly project affected people. The engagement plan identifies the mechanisms and methods (e.g. forums, village meetings, social media) through which engagement will occur. This plan is important as it describes the different levels of engagement that will be required for different stakeholders. Some Stakeholder Engagement Plans include specific processes and protocols for community engagement, while others make reference to field protocols developed for this purpose. The template can be found in Annex E, including a stakeholder register. As documentation of all stakeholder engagement is required, some form of stakeholder register is essential to have in place.

## **Grievance Mechanism**

The Grievance Mechanism is the project's plan for receiving and responding to grievances related to the project. The mechanism includes how to ascertain if a grievance is eligible, the procedure to be followed, and the resolution process. This mechanism is important to ensure that the project is responsive to stakeholders, particularly project affected peoples and vulnerable groups, and can quickly and efficiently respond when there are issues that require attention. The template for the Grievance Mechanism can be found in Annex F, along with a grievance register for documenting grievances and project responses.

## **Process Framework**

The Process Framework is the project's process for identifying, assessing, and managing the social and economic impacts of access restrictions. This framework is a planning tool, that includes information on the socioeconomic baseline, the planned process for identifying and assessing impacts, and the agreed measures for avoiding, minimising and compensating for these impacts. The Process Framework is important as it ensures a systematic approach to managing the potential impacts of access restrictions, which in itself can improve Park-Community relationships. The template for the Process Framework is found in Annex G, along with a guidance note.

## **Free, Prior and Informed Consent (FPIC) Protocol**

The Free Prior and Informed Consent protocol describes the purpose and objectives of applying FPIC, identifies the rightsholders, and describes the processes through which FPIC will be sought, and for what. FPIC is required in projects working in lands, waters or territories of Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities and is increasingly being adopted by projects seeking to conduct best practice. It is important as it allows Indigenous People and local communities to understand the interventions under consideration, to input into and agree on these, in a way that respects their rights and creates a strong foundation for conservation actions. The template for the FPIC protocol can be found in Annex H.

## **Chance Finds Procedure**

This procedure explains the process which will be followed if a project encounters cultural resources during project implementation, for example when undertaking construction work. This is important as chance finds are accidental and unplanned, and this allows for the project to respond immediately. The procedure includes information on the roles and responsibilities, the identification of any required expertise to assess the find, and any relevant local consultation that would be required. The chance find procedure template can be found in Annex I.



## Environmental and Social Code of Practice

The Environmental and Social Code of Practice (ESCOP) is for minor impact and small-scale civil works (construction) interventions, such as the construction of ecotourism infrastructure and facilities, or aquaculture or agricultural processing facilities. The ESCOP aims to minimise the potential negative impacts resulting from these activities, including any issues relate to noise, soil erosion, air and water quality, hazardous wastes, but also occupational and community health and safety issues. The ESCOP should be used by the project proponent or included/referred to in any contractor contracts. The ESCOP template can be found in Annex J.

### Step 3: Development of final Safeguard Instruments

During the project inception phase, the provisional, framework-level<sup>23</sup> Safeguard Instruments are developed into concrete plans. Timeframes for this will depend on the type of instrument or plan, and timings are indicated in Table 4 of the Safeguarding Principles and Requirements (Annex B).

During the first three months of the inception phase, the Grievance Mechanism will have been established (as per Annex B description), and during the inception phase the ESMP will have been further elaborated and finalised into a plan that has benefited from further baseline work, consultations and assessments. It is also possible that the Stakeholder Engagement Plan will be further updated, and additional disclosure activities completed.

In projects implementing FPIC, the outline protocol would have been finalised, and integrated into any relevant field protocols for working with communities and other stakeholders. Finally, for projects developing a Process Framework, the project inception phase would allow for the collection of relevant socioeconomic baseline data, and for any further assessments of impacts. As the Process Framework is an iterative process, and is contingent on details from the marine management planning process (e.g. spatial and temporal restrictions), it is not expected that a final Process Framework will always be completed during the project inception phase.

Organisations will have different approaches to developing the provisional safeguards instruments into final plans. There are often multiple considerations when conducting fieldwork, and one approach is to formulate procedures that operate at an appropriate scale, either the village or community level, or the site level, and allow for a stepwise and systematic approach to working with communities and other local stakeholders. These procedures would ensure that the initial activities related to grievance, FPIC, community engagement, socioeconomic baselines, are conducted in a way that further develops the safeguard plans, and results in a village or site level action plan of sorts. In organisations and projects that already have procedures, then E&S considerations can be integrated accordingly. Blue Action is not prescriptive about how the safeguard instruments are further developed, and implemented. However, Blue Action does require that the project has identified an E&S coordinator, that the project team has relevant expertise for E&S risk management, and has planned adequate resources to implement identified mitigation measures (Annex B, Criterion 1.4).

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<sup>23</sup> Provisional 'Framework-level' safeguard instruments include the broad structure and approach, and to some degree remain conceptual. Proposed mitigation measures are included, but often the feasibility of these measures remains to be assessed during project inception. "Plan-level" has had substantial input from Project Affected Peoples and other stakeholders and is what will actually be implemented in practice.

<sup>23</sup> PAP refers to Project Affected Peoples, those people, whether individuals, groups or entire communities ('Affected Communities') who could be affected (positively and negatively) by the project. See the Blue Action Fund ESMS Glossary of Terms for further detail.



#### **Step 4 - On-going E&S implementation, monitoring and reporting**

Once safeguard instruments have been developed from provisional framework-level plans into actual plans during the project inception phase, implementation commences, including monitoring and reporting.

Implementation can mean various things depending on the project and plan. It can include implementing a field protocol to ensure a systematic approach to community engagement, FPIC and assessment of impacts of access restrictions, through to conducting trainings identified in the ESMP, and implementing identified livelihood interventions.

Blue Action maintains a two-tier system for monitoring and documentation of the ESMS implementation:

- Primary monitoring and reporting is 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 ESMS reporting annex to the Annual Report;
- Secondary monitoring is the responsibility of Blue Action and will be done through the review of the grantee's reporting, the assessment of ESMS implementation during the technical reviews and, if deemed necessary, through on-site visits.

Further information on ESMS monitoring and reporting can be found in Annex B of the Annual Report and in the "Guidance on ESMS M&E."



## 5 ANNEXES

[Annex A: Overview of applicable international E&S Standards](#)

[Annex B: Blue Action E&S Safeguarding Principles and Requirements](#)

[Annex C: E&S Development Tool](#)

[Annex D: Environmental and Social Management Plan \(ESMP\) Template](#)

**Annex E: Stakeholder Engagement Plan (SEP)**

[E.1 Stakeholder Engagement Plan Template](#)

[E.2 Stakeholder Register](#)

**Annex F: Grievance Mechanism (GM)**

[F.1 Grievance Mechanism Template](#)

[F. 2 Grievance Register](#)

**Annex G: Process Framework (PF) Template and Guidance Note**

[G.1 Process Framework Template](#)

[G.2 Process Framework Guidance Note](#)

[Annex H: Free Prior and Informed Consent \(FPIC\) Protocol Template](#)

[Annex I: Chance Find Procedure Template](#)

[Annex J: Environmental and Social Code of Practice \(ESCOP\) Template](#)

