

Project/Programme Title	Costa Rica REDD-plus Results-Based Payments for 2014 -15
Country(ies)	Costa Rica
Accredited Entity	United Nations Development Program (UNDP)
DNA	Ministry of Environment and Energy (MINAE)
Executing Agency	National Forest Finance Fund (FONAFIFO)

Please find below initial review findings/assessment of the environmental and social safeguards for the project.

**1. Safeguards Instruments.** The AE has provided an Environmental and Social Assessment (ESA) and an Environmental and Social Management Framework (ESMF) with Indigenous Peoples Planning Framework (IPPF) and the Results of Stakeholder Consultation Process under the REDD+ Program. The ESA is a retroactive assessment of the program's 2014-15 activities. The assessment is part of AE's due diligence to ensure that the environmental and social risks and impacts of the RBP activities have been managed in a manner that is consistent with the GCF ESS standards 1 to 8. The ESMF provides an assessment of the proposed activities and sets out the policies and procedures for managing the risks and impacts of the proposed activities, addressing the GCF Standards. The proposal mentioned of the existence of Strategic Environmental and Social Assessment (SESA), Environmental and Social Management Framework (ESMF) and Indigenous Peoples Plan (IPP) which have been prepared for entire Costa Rica REDD+ Program.

**2. Risk Category.** The Accredited Entity has assessed the project to be of Moderate Risk which is equivalent to **Category B** under GCF ES risk category. The Secretariat agrees with this categorization given that the nature of both the activities which generated the results payments, and the proposed use of the proceeds are essentially voluntary smallholder forest management activities and would not involve any construction or significant water or earthmoving works. The main issues/risks of this project include: (i) risks relating to the ES standards on Indigenous People in areas where they are present; (ii) risk of displacements of informal land occupants; and (iii) the risk of inadvertent adverse impacts on biodiversity.

(i) *Indigenous Peoples.* About 100,000 or 2% of Costa Rica's population are considered Indigenous People belonging to eight (8) ethnic groups. About 7% of country's territory is designated as indigenous people lands and most of these IP lands are within the project areas. There is a risk that the project may fail to respect the collective rights of the indigenous people in the development, utilization and control of their territories. There is also a risk that due to their socio-cultural, legal or economic circumstances, indigenous people may not be able to equitably access the benefits provided by project. An IP Planning Framework has been developed to guide the implementation of REDD+ activities for the IP, including the PES.

(ii) *Displacement and Involuntary Resettlement.* Participation in the PES program is voluntary and a private decision of the landowner hence the risk of involuntary resettlement due to any government land acquisition is ruled out. However, lands enrolled into the PES by their owners or legitimate claimants could be occupied by informal occupants who, having no recourse for formal claim, would be compelled to leave the land. These could happen both in indigenous and non-indigenous lands. In indigenous territories, collective contracts may be voluntary on the part of the ADIs but it is unclear whether individually, an IP member within the contracted area can opt out of the contract and utilize his land for other purposes such as crop production. Also, non-indigenous settlers informally occupying parcels within declared IP reserves may be at risk of being displaced. Finally, as part of the REDD+ program, PES is linked to other programs such as the National Plan for the recovery of indigenous territories (RTI) and the program to purchase lands in protected wilderness areas (PCT-ASP), both of these programs reportedly would involve purchase of or expropriation

of lands from legitimate owners and restrict access of traditional users to forests resources. A Resettlement Policy Framework (RPF) reportedly has been developed to address the involuntary resettlement impacts of these programs. This should be adopted as part of the PES program safeguard instruments and enhanced to also address all the issues raised above. These issues have been partly addressed under the new PES which allow some activities in the contracted lands. In IP territories, up to 2% of the areas under the contract can be used for subsistence agriculture production.

UNDP: Many thanks for this comment. UNDP is currently in the process of further assessing - together with an expert on international human rights and environmental law - the status of indigenous territories, informal occupants and planned efforts for resettlement. UNDP's assessment will consider the potential implications of this situation on the GCF Funding Proposal (and vice versa), with a focus on the proposed expansion of the IP PES modality. Included in this assessment will be a review of the applicability of the Resettlement Policy Framework to this FP. The assessment will also consider practical recommendations for ensuring the voluntariness and support for the PES program activities in IP territories (including related to representation, governance structures and PES contracts). This assessment will be completed at the end of August, with the aim of informing a revision of the safeguards documents associated with this FP, including the SESP, ESMF and ESA, as relevant, by mid-September, in time for the ESS disclosure policy of the GCF. The safeguards documents will likely be revised to reflect elaborated management measures to promote and ensure indigenous peoples rights (e.g. to lands, resources, territories, benefits, participation, decision making, etc.), while avoiding activities that may exacerbate the historical conflicts.

(iii) *Inadvertent adverse impacts on biodiversity* - Although part of the main objectives of the program is to enhance the ecological functions of the forests, as is mostly the case with human intervention, there is always the possibility of adverse impacts on the natural environment. The risks would come from the PES modalities that involve reforestation or introduction of new species into the contracted land (i.e. Reforestation and Agroforestry Contracts). Exotic species could turn out to be invasive and displace native species. They could also promote new pests and diseases. This risk has been adequately addressed in the ESMF through approval of PES implementation plan provisions and monitoring and verification protocols.

**3. Status of project's compliance with GCF ESS Standards.** The table below provides a summary of how the RBP Source activities and the proposed Use of Proceeds activities have addressed the risks and impacts relating to GCF ESS 1 to 8 and the requirements of stakeholder engagements, including public disclosures and grievance redress mechanism.

**Table 1. Status of the project compliance with GCF ESS Standards**

GCF ESS Standards	Under the RBP Source Activities (2014-15 PES Activities)	Under the Proposed Use of Proceeds
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	According to the AE, a Strategic Environmental and Social Assessment (SESA) was conducted and based on it an ESMF was developed for Costa Rica's REDD+ Program in which the PES was the key part, under the World Bank's Forest Carbon Partnership Facility (FCPF). However, it is unclear what types of assessment were required for the PES activities and whether they were fulfilled	The AE has submitted an ESMF. However, the ESMF may need to provide a detailed description of the safeguard process for individual subproject activities. The ESMF needs to define which activity of group of activities could constitute as one subproject which will be subjected to certain types of assessment and mitigation planning. A stepwise

GCF ESS Standards	Under the RBP Source Activities (2014-15 PES Activities)	Under the Proposed Use of Proceeds
	<p>during 2014-15. The AE retroactive assessment (ESA) of the activities did not provide sufficient details on the project and the assessment procedures involved but only reviewed the alignment of the project activities with its own Social and Environmental Standards (SES).</p> <p>UNDP: The ESA will be revised to reflect the social and environmental assessments carried out under the ECOMERCADOS 1 and 2 projects funded by the World Bank and GEF in Costa between 2000-2005 and 2008-2013.</p> <p><a href="https://projects.worldbank.org/en/projects-operations/document-detail/P052009">https://projects.worldbank.org/en/projects-operations/document-detail/P052009</a></p>	<p>description of the process of screening, assessment, mitigation planning, review/evaluation and approval, implementation and compliance monitoring may need to be provided. A screening checklist and risk category criteria for individual subproject also needs to be provided.</p> <p>UNDP: The FP has does not envision any subprojects. UNDP has addressed similar comments on the question of subprojects in previous GCF REDD+ RBP FP submissions (Ecuador, Brazil, Indonesia) and it has been accepted by the GCF that similar RBP projects do not have subprojects.</p> <p>That being said, UNDP value and recognized the need for a ‘stepwise description of the process of screening, assessment, mitigation planning, review/evaluation and approval, implementation and compliance monitoring’.</p> <p>The FP has defined its intended outputs and identified a select group of activities which will contribute to achieving those outputs. As the project develops, it is envisioned that the way these activities are applied will require greater development and prioritization per the advice and deliberations of stakeholder working groups, technical committees, and Project Board discussions.</p> <p>Considering the above, with the exception of the forthcoming assessment and management planning related to the complex situation related to indigenous territories, the ESMF has been drafted with the aim of providing a risk assessment and set of mitigation measures that should capture most of the risks that might accompany the known activities and any decisions around making those activities more precise and</p>

GCF ESS Standards	Under the RBP Source Activities (2014-15 PES Activities)	Under the Proposed Use of Proceeds
		<p>distilling them down to their implementation modalities.</p> <p>However, as new activities are fully specified in the future, the SESP will still need to be applied to these activities. That is, each new activity will need to run through the risk screening process.</p> <p>If indicated by that screening, the project will need to be updated to determine whether additional risks of social and environmental impacts may arise from these new activities and therefore, need additional assessment and treatment in a management plan.</p> <p>New activities will not proceed until such an assessment has been conducted and, if warranted, appropriate management measures are in place.</p> <p>Following the assessment, the project would need to be updated and a revised management plan would be developed.</p> <p>Where the additional SESP screenings are undertaken and they identify potential social and environmental risks that could be categorized as High Risk, these components will be redesigned to eliminate and/or minimize such risks.</p> <p>Project elements that may still present high risks after redesign will be excluded from the project.</p> <p>The SESP, the ESMF, ESMP and other management plans will also be updated if there are any significant changes in the project's design or context that may materially change its social and environmental risk profile and consequently the avoidance and mitigation measures and action plans to address them.</p>

GCF ESS Standards	Under the RBP Source Activities (2014-15 PES Activities)	Under the Proposed Use of Proceeds
		The ESMF will be revised to reflect this approach.
ESS 2: Labor and Working Conditions	The AE has assessed that the project did not pose any risks to worker's health and safety and their rights. However, since the activities were not sufficiently described in detail, it was not clear whether the PES activities had in fact involved hiring of workers on the farm, particular for the reforestation and maintenance modality.	Risk is not significant. But the ESMF needs to confirm that that activities under the PES contract does not involve hiring of workers.  UNDP: Under one modality of the PES, reforestation landowners can/may hire temporary workers for the planting activities. The risk associated with this activity will be assessed further and included in the SESP/ESMF as appropriate.
ESS 3: Resource Efficiency and Pollution Prevention	The AE has assessed that the project activities did not pose any risks related to efficiency in the use and consumption of inputs or risks of pollution.	Risk is considered not significant but has to be confirmed in the ESMF.  UNDP: If a risk is not identified in the Social and Environmental Screening Procedure (SESP), it would normally not be reflected in the proposed management framework (ESMF).
ESS 4: Community Health, Safety and Security	The AE has assessed that project activities did not pose any health and safety risks to communities.	Risk is considered not significant but has to be confirmed in the ESMF.  UNDP: A risk associated with this Standard was identified. UNDP will review this risk and ensure it is properly assessed, categorized and management measures included (if relevant) in SESP and ESMF.
ESS 5: Land Acquisition and Involuntary Resettlement	The EA has assessed that this standard does not apply to the PES as the participation on the program is voluntary. It also maintained that no physical or economic displacement had occurred as a result of the PES since the program started in 1997. However, it was not clear whether screening was actually conducted at the contract levels in terms of presence of informal land occupants. Also, it is unclear whether the voluntariness of participation in the case of indigenous people pertains only to the collective but does not apply to individual IPs.  UNDP: The ESA covered the results period 2014-15, not the PES program since	REDD+ has a Resettlement Policy Framework (RPF) but ESMF ruled that is not relevant. The following issues may need to be addressed: (1) potential displacement of informal occupants in contracted lands in indigenous as well as non-indigenous territories; (2) potential link to the National Recovery of Indigenous Territory Plan which would involve purchase of lands and expropriation; (3) details of Indigenous PES should require individual IP inclusion into the contract is strictly voluntary.  UNDP: See first response above.

GCF ESS Standards	Under the RBP Source Activities (2014-15 PES Activities)	Under the Proposed Use of Proceeds
	<p>1997. This will be clarified. The ESA will also be revised to reflect that the interventions attributed during the results period did not include PES in IP territories.</p>	
<p>ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>The AE has assessed that Costa Rica's policies, laws and regulations (PLR) are consistent with this standard and that the PES program was designed with the main objective of fulfilling the standard. It asserts that the implementation of the PES program did not result in any adverse impacts to natural forests, critical habitats, endangered species. However, the assessment did not discuss any specific measures being required to minimize impact on biodiversity, particularly in relation to the introduction of non-native species in case of forest restoration/reforestation. This may need to be discussed clearly in the ESA.</p> <p>UNDP: The ESA will be revised to include specific provisions applicable to the PES program aiming to minimize the impact on biodiversity, particularly in relation to the introduction of non-native species in case of forest restoration/reforestation.</p>	<p>The risk on biodiversity from the potential introduction of non-native species is being addressed through the approval of PES implementation plan and the adoption of monitoring and verification protocols.</p>
<p>ESS 7: Indigenous People</p>	<p>The AE has assessed that the 2014-15 PES activities fell short in "covering key objectives of UNDP SES" although the overall results were satisfactory. Identified gaps were reportedly "covered by the indigenous peoples' action plan". The ESA indicates that in 2014-15, the PES has signed collective contracts for IPs with their respective Indigenous Development Associations (ADIs). Since these are collective contracts involving IP territories which as indicated in the ESMF have problems about non-indigenous migration, the assessment needs to look at possible displacement impacts of these contracts among non-indigenous land occupants. This is in addition to the possibility of non-voluntary participation by individual IP in the collective (see also ESS5 comments).</p> <p>UNDP: The ESA will also be revised to reflect that the interventions attributed during the results period did not include</p>	<p>The AE has submitted the Indigenous People Planning Framework (IPPF) for the REDD+ Program. The IPPF provides for the preparation of IP Plan however it is not clear for which activity or group of activities the IP Plan would be prepared, that is whether it would be prepared for each contract, for each IP group or for each IP territory. This may need to be clarified in the ESMF.</p> <p>UNDP: In conjunction with the assessment and management planning mentioned in the first response above, UNDP will provide greater clarity on how the IPPF applies to the FP and how the project will address any gaps or make amendments/adaptions to the plan to ensure the IP Standard and associated Standards are addressed.</p>

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	<p>PES in IP territories. Moving forward, the assessment mentioned in the first response will ensure any future issues associated with this Standard and others are fully addressed in the context of the expansion of the IP PES modality.</p>	
<p>ESS 8: Cultural Heritage</p>	<p>The AE has assessed that the PES activities do not pose any risk to cultural heritage. In the case of archaeological sites, Costa Rica has adequate PLR that ensures their protection. With respect to non-tangible cultural heritage such as traditional knowledge or practices, IPs cultural heritage and traditions related to sacred and secular/economic significance of forest, water and other natural resources, these were addressed in the Special PES program for Indigenous Peoples designed in 2015.</p>	<p>Risk is considered not significant but has to be confirmed in the ESMF.</p> <p>UNDP: this was identified as low risk in the SESP, meaning it would not necessarily be reflected in the ESMF. UNDP will confirm this categorization and reflect the management measures, as appropriate if needed, in the ESMF.</p>

**4. Compliance/Consistency of the RBP Source Activity to the Interim GCF ESS Standards.** All GCF Standards are covered by the AE's own Social and Environmental Standards (SES) and the AE through the ESA has determined that during the years 2014 and 2015 for which results-based payments is sought, the PES Program was implemented in such a manner that there was a good level of alignment with their SES. Overall, its activities and framework were consistent with key objectives of UNDP SES, without significant shortcomings. The Secretariat however, while generally agreeing with the AE, would like these findings to be further substantiated with additional information and evidences. The ESA could be improved by providing the following:

- (i) *The ESA could provide a concise description of the actual PES program design, the formal assessment conducted, the risks and impacts, and corresponding management measures adopted during the period.* At present it is not very clear if: (a) what were the prevailing design specifications for the PES during the period; (b) whether the project as designed underwent a formal assessment (EIA or other assessment); and, if so, (c) what were the risks and issues and the corresponding management measures. Finally, the prevailing environmental and social issues in the project area during the period would need to be discussed, at least in a summary form in the report. These will allow a more substantive and meaningful due diligence on the RBP claim.
- (ii) *Further discussion on the physical and economic displacement and related risks and impacts.* The claim that no physical or economic displacement has occurred as a result of the PES may need to be substantiated. Although the participation in the PES program is voluntary, there is a possibility that some lands enrolled into the program have informal occupants (squatters) or tenants who might have been displaced. This may even more likely to occur in collective contracts where a contiguous, unmapped/unregistered land in IP territories are enrolled in the PES program. There is therefore a need to provide evidence or evidences in terms of either baseline data indicating that informal occupants are very rare indeed and/or the project had a system (i.e. screening, documentation requirements, inspection, etc.) in place that filters out/exclude lands which have informal occupants from the PES contracts.

- (iii) *Further discussion on rights of indigenous people and related risks and impacts.* The AE has assessed that the 2014-15 PES activities fell short in "covering key objectives of UNDP SES" although the overall results were satisfactory. Identified gaps were reportedly "covered by the indigenous peoples' action plan". However, there is no such indigenous peoples' action plan document. What is being submitted is the IP Planning Framework for the REDD+ Program. It would be helpful to at least enumerate these gaps in the ESA.
- (iv) *Free and Prior Informed Consent/Consultation Requirement.* FPIC was not required since participation by the community represented by ADI was voluntary. However, it is unclear whether participation in the collective contracts was also voluntary for individual IP members. There is a need to confirm whether the project requires this to be so and whether there is a way to validate this through documentary requirements. If not, each IP community contract might have needed to undergo FPIC process within the IP community or other requirements.

**UNDP: The above 4 points are addressed in the responses above.**

**5. Compliance of the Use of Proceeds to the Interim GCF ESS Standards.** The ESMF provides substantive discussions of the current socio-economic conditions in the project areas and has addressed most of the issues. However, it may need to be further enhanced to be able to effectively guide the assessment and management of impacts and risks of the project activities.

- (i) *ES Management Process for Individual Project Activities.* The ESMF to provide a detailed, stepwise procedure for screening, assessing, preparing individual management plans for project activities during implementation. Although the ESMF mentioned that "further impact assessment and management measures will be needed in order to manage risks effectively throughout project implementation", it does not provide the process, procedures of how it is going to be done and which activity or activities will be assessed as one "subproject", i.e. whether the detailed assessment will be undertaken for every contract, by geographic location, by region, etc. There is therefore a need to add a section on the ESMF defining the subproject and describing the ES risks and impact assessments management process. Typically, the process for undertaking a more focused and detailed ES assessment and ES management planning on a subproject would involve: (i) ES screening to determine eligibility for support and the type of assessment to be undertaken (ii) ES assessment proper based on the category of the subproject, (iii) review of the ES report; (iv) implementation of the ES management plans/IP plans, etc; (v) compliance monitoring and audit.
- (ii) *Activities for further Assessment.* The ESMF to define what would constitute as one "subproject" taking into consideration the five activities (1.1., 1.2, 2.1, 2.2, and 2.3) under the PES program. The subproject will be component activities of the project which will be subjected to screening, further assessment, mitigation planning, etc. For example, the ESMF may consider each contract as a subproject, or group of contracts in one geographic area.
- (iii) *Screening Checklist for Subprojects.* A simple screening checklist should be developed for use in screening of the activities (or subprojects as may be defined in the ESMF) subjected to further assessment and mitigation planning. The Screening Checklist could be used to screen out early ineligible subprojects and to determine the type of assessment and other requirements such as IP Plan, Resettlement Plan, etc.
- (iv) *IP Planning and Monitoring Process.* The IPPF likewise should describe the process of preparing, reviewing, approving and implementing the IP Plan and monitoring the implementation of the IP



Plan. It will also need to identify what type of project activity will be subject to IP Plan. The consultation process within IP communities are not clear and may need to be further discussed.

- (v) *Adoption and enhancement of the present REDD+ Resettlement Policy Framework (RPF) as part of the safeguard instruments of the project.* As discussed above, displacement and involuntary resettlement cannot be ruled out under the project. Therefore, there is a need to adopt the existing RPF as part of the project's safeguard instruments. The RPF needs to be enhanced further to address the issues such as informal land occupants in private lands, and to address potential displacement of non-indigenous people inside the IP territories.

**UNDP: The above 5 points are addressed in the responses above.**

## **6. Additional Comments on IPs.**

- i) In Section 4.4 the ESMF provides that “Through the GCF Accreditation Process, the SES are acknowledged to be consistent with the GCF’s Environment and Social Standards”. The Secretariat suggests it would be helpful to mention that GCF standards apply to this project as well and would suggest adding to the end of this sentence “which apply to this project”.

**UNDP: In line with previous agreements and discussions with GCF, documentation refers to the fact that the AE applies their own policies and procedures to respective projects.**

- ii) It should be noted in the GRM procedures for this proposal that the GCF independent Redress Mechanism and the Secretariat’s indigenous peoples’ focal point will be available for assistance at any stage, including before a claim has been made, as required by paragraph 70 of the GCF Indigenous Peoples Policy. This may need to be added.

**UNDP: UNDP can include a reference.**

- iii) Please explain how the accredited and executing entities will ensure that users, particularly IPs, are provided with the necessary financial and technical support to access such mechanisms as required by Paragraph 69 of the GCF Indigenous Peoples Policy.

**UNDP: This will be included in the revised ESMF.**

## **7. Stakeholder Engagement and GRM**

- i) A stated goal of the RBP programme is to increase participation of all stakeholders in the PES programme, both public and private, including indigenous peoples. As the RBP programme seeks to generate ‘new alternatives’ to enable enhanced participation of indigenous peoples, it would be helpful to describe in general terms what such alternatives would entail, (and alternatives to what?), to provide examples or guidance for final implementation of the ESMF.

**UNDP: The FP proposes to expand the IP PES modality, thus enhancing their participation and increasing their access to benefits associated with the PES program.**

- ii) The AE’s analysis identified a risk of ‘low capacities of stakeholders and knowledge’ regarding the understanding of some on human-rights related matters. Further elaboration on this issue would be helpful. For example, is the risk that some communities are unaware of what their rights are, generally, or do risks relate specifically to fire suppression in protected areas?

UNDP: This is a non-specific risk identified in almost all of our projects, as it applies (while at varying degrees) fairly universally to national and local stakeholders alike. This risk derives from UNDP's human-rights based approach, which considers during the screening process whether there a) Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project; and/or b) Is there a risk that rights-holders do not have the capacity to claim their rights. In the case of this proposal the risk could be relevant across a number of activities or issues, including some of the ones raised and discussed above. The measures to manage this risk is reflected in the ESMF, e.g. stakeholder engagement plan, capacity building activities, additional procedures to ensure IP rights are respected, etc.

iii) The ESMF recommends a Capacity Building Plan be implemented for the national REDD+ Strategy, with special focus on actions that will be supported by the project. While a bullet list of the main identified capacity building areas is suggested in terms of risk management measures, including a range of stakeholders to be capacitated, it is unclear who would provide training activities or their specific expertise. It may be helpful to develop an indicative Capacity Building Plan, or framework, as guidance for this effort – similar to guidance provided for stakeholder engagement and grievance handling.

UNDP: UNDP will review the proposed Capacity Building Plan, especially in light of the additional assessment related to IP rights underway. It will either be revised to provide more detail as requested or mainstreamed into other project components and management measures.

iv) The ESMF notes that FONAFIFO's existing grievance mechanism ("MIRI") addresses and responds to grievances related to implementation of the PES program. MIRI will support early identification of systemic risks to the project, and address grievances and resolve conflicts related to its implementation. The AE commits that MIRI will be reviewed and adjusted to ensure it serves as the project's GRM, and that it meets all UNDP Standards. It will be important to elaborate the general steps necessary – or an indicative plan – for how the national agency would develop a project-level GRM. For example, will a separate unit be established within MIRI, or dedicated staff, especially for the PES program?

UNDP: The steps UNDP takes to assess and strengthen a national GRM, in support of a specific project are outlined in [UNDP's Guidance on GRMs](#). MIRI will be assessed in line with this Guidance and a proposal will be made for how to strengthen or adapt MIRI to enable it to be applicable to this project, in line with the key design principles outlined in the Guidance. If it is found that the timeline to strengthen MIRI may leave the project without a GRM in the short-term, a project-level GRM could be proposed, in line with the same Guidance (see Annex 3).

v) UNDP as AE for the project commits to having in place its Stakeholder Response Mechanism (SRM) and Social and Environmental Compliance Unit (SECU), also serving as a GRM for project related grievances. What will be the reporting lines between and among MIRI and UNDP's SRM and SECU? How will potential complainants know which GRM to access and when? There is some inconsistency in the ESMF regarding which entity will serve as the project-level mechanism. For example, Section 7.3 states UNDP will serve as project-level GRM. Elsewhere, the Office of the Comptroller is described as project-level GRM.

UNDP: UNDP's Stakeholder Response Mechanism will be available to Project stakeholders as a supplemental means of redress for concerns that have not been resolved through standard Project management procedures. The SRM should be used in the context of UNDP projects when: the Implementing Partner's actions or activities are the focus of the grievance or dispute; neither the Implementing Partner's own processes and mechanisms or the project's standard practices for

responding to issues arising in the course of project design and implementation have succeeded in resolving the issue(s) of concern. For more information on the relationship between the project level GRM and UNDP's corporate SRM, please see the [SRM Guidance](#). For more information on the relationship between UNDP's SRM and SECU, please see our Accountability Mechanism's [website](#).

The ESMF will clarify any confusion on this topic and will provide additional information regarding how stakeholders will be notified about the various entry points for the AM and how to access them.

- vi) Section 9 of the ESMF – indicative budget for implementation of the ESMF – lists \$40,000 for “strengthening the grievance mechanism”. It will be important to list some specific line-items involved in this activity; specifically, what are the items that require funding for the mechanism to be strengthened (similar to the descriptions listed for budget items related to stakeholder engagement)?

UNDP: The proposed budget (including the item on strengthening the GRM) of the ESMF will be revised following inputs from the assessment mentioned in the first response.

- vii) The AE has provided elements of both a simplified and a comprehensive SE plan and general conditions under which each would be most appropriate. It is unclear whether the AE is leaving a final decision until implementation of the ESMF to determine which type of plan will be required for the RBP project. Based on the anticipated project and goals, it would seem a comprehensive plan would be necessary?

UNDP: Further clarification on the SE Plan will be provided following inputs from the assessment mentioned in the first response.

- viii) In addition to the clear guidance summarized for a comprehensive SE plan, especially the steps to implementing the Stakeholder Engagement Program (Item 5 of the comprehensive plan), it would also be important to indicate that stakeholders themselves should provide feedback on any developed or proposed plans, to ensure broad buy-in and for revision in the event presented plans may not be accepted.

UNDP: Agreed, see above.

- ix) Similarly, with regard to the ToR for developing a GRM – given that a GRM already has been created, which the AE commits to strengthening with proceeds – it would be useful to integrate the current GRMs' procedures into the provided ToR / guidance. As is, the current ToR is generic and assumes a GRM would be created anew.

UNDP: See above related response.

- x) The ToR states the Project Board will identify a specific team of individuals drawn from the PB and/or their respective institutions to develop a response to a complaint. It is noted that the AE already flagged that a specific procedure needs to be developed for doing this.

UNDP: See above related response.

- xi) The AE provides the steps required for filing a grievance or request for stakeholder engagement via UNDPs SRM and SECU. As noted above, it would be helpful to include in the annexure a description of how SRM and SECU work in tandem with the FONAFIFO's existing mechanism.

For example, when would a claimant decide to file with SECU or SRM in their efforts to seek recourse on a specific project?

UNDP: See above related response.

xii) The contact details for filing a complaint through SECU or SRM should be included in the ESMF description, along with the contact details of the FONAFIFO mechanism.

UNDP: See above related response.

xiii) Please also discuss on how the GCF Independent Redress Mechanism as well as the AE's GRM (e.g. contact details, accessibility and basic procedures of such mechanisms) is brought to the attention of executing entities, people and beneficiaries in the project target area and the public.

UNDP: See above related response.

xiv) Editorial - Please include page numbers in ESMF. Footnote 1 is missing a link (ESMF for the National REDD+ Strategy<sup>1</sup> Available at: XXXX INSERT LINK

UNDP: ESMF will reflect these recommendations.