



Profonanpe

Environmental and Social Policy

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Profonanpe's Environmental and Social Policies

1. Introduction

Environmental and social safeguard are based on the Equator Principles¹ (EPs), which are a number of guidelines voluntarily adopted by a large number of financial organizations to ensure that projects are implemented in a socially responsible manner and reflect rigorous environmental management practices.

Its implementation allows identifying, evaluating and managing the environmental and social risks of projects. In addition, it contributes to reduce conflicts, optimize benefits and ensure that project activities do not result in harm populations or ecosystems.

Profonanpe, as an entity oriented towards fundraising and managing financial resources for the execution of interventions² that contribute to biodiversity conservation, the mitigation and adaptation to climate change, has adopted a set of environmental and social policies - ESP (safeguards). Their goal is to avoid, mitigate and manage potential negative environmental and social impacts and risks that may arise during the implementation of interventions; and to improve the environmental and social benefits and opportunities for the local populations involved. The following safeguards constitute a management tool that allows men and women to exercise their rights during the design and implementation of the interventions, thereby contributing to improve their quality of life.

The Profonanpe's ESP, which are presented below, are the result of the institution's 29 years of experience working with different international cooperation agencies that have financed the implementation of interventions.

Profonanpe has the following ESP:

1. Assessment and management of environmental and social impacts and risks
2. Compliance with regulations
3. Biodiversity conservation
4. Climate change
5. Pollution prevention
6. Stakeholder's involvement and participation
7. Gender approach
8. Indigenous or Native Peoples

¹ <http://www.equator-principles.com/>

² Includes the various actions in which Profonanpe participates, such as programs, projects, subprojects, training, events, campaigns and activities within the framework of its assigned competencies and responsibilities.

9. Cultural Heritage
10. Involuntary resettlement and/or restriction to the use of renewable natural resources
11. Occupational safety

The evaluation of the applicability of the ESP is mandatory for all interventions in which Profonanpe participates.

2. Environmental and Social Policies (ESP)

ESP 1. Assessment and management of environmental and social impacts and risks

1. The interventions managed by Profonanpe are essentially, and by design, environmentally and socially sustainable. Consequently, Profonanpe only manages those interventions whose risk assessment results are Low and Moderate Risk:
 - A Low Risk is understood as those interventions whose implementation does not cause negative environmental and social impacts and risks, or, if they do, they are mild.
 - A Moderate Risk is understood as those interventions whose implementation causes moderate environmental and social impacts and risks, and whose negative effects are eliminated or minimized through the adoption of easily applicable measures.

Profonanpe does not promote or carry out interventions whose characteristics, size and/or location produce significant negative environmental and social impacts and risks (High Risk).

2. To ensure such sustainability approach, during the design and implementation of the interventions that Profonanpe manages, the potential impacts (positive and negative) and risks to the environment, cultural heritage, people's health, lifestyles and livelihoods, and the rights of Indigenous or Native Peoples and local populations are identified and adequately assessed, in accordance with the environmental protection criteria established in the National Environmental Impact Assessment System Law (Law N° 27446), and the regulations thereunder (Supreme Decree N° 019-2009-MINAM), as well as the ESPs. Likewise, the stakeholders potentially affected by the implementation of the interventions are also identified. .

3. The interventions, depending on the type and scope, have an Environmental and Social Management Plan (ESMP), which defines specific measures to prevent and mitigate potential negative impacts and risks, as well as to leverage positive impacts during the implementation, in order to ensure the maximum possible benefits for involved stakeholders.
4. If any impacts and risks unforeseen during the implementation of interventions, specific measures to mitigate or repair them are established, which must be included in the update of the ESMP that is in charge of the intervention teams.
5. Interventions involving activities that require environmental certification under the National Environmental Impact Assessment System Law (SEIA) must comply with this legislation and that of the competent sector. The impacts and risks, and the specific measures resulting from the environmental management instruments approved by the competent authority, will be incorporated into the ESMP of the intervention for its implementation, monitoring and evaluation.

ESP 1's objectives are:

- (1) To identify environmental and social impacts and risks from the intervention's life cycle.
- (2) To establish an efficient and effective plan to manage the environmental and social impacts and risks to prevent and/or mitigate them.
- (3) To establish responsibilities to manage, monitor and assess the environmental and social impacts and risks deriving from the interventions.
- (4) To ensure that the populations affected by the intervention have adequate access to information throughout the all phases of the intervention cycle.
- (5) To ensure that complaints and suggestions made by the intervention's affected populations are addressed.
- (6) To ensure a gender approach taken into account during the phases of the intervention cycle.

Scope:

ESP 1 applies to all interventions managed by Profonanpe without exception.

ESP 2. Compliance with regulations

6. Profonanpe ensures that its partners and beneficiaries comply with the social and environmental standards required by national and international regulations, and the operational policies and guidelines of global financial institutions.
7. In this respect, Profonanpe's interventions require the unrestricted respect of the environmental, social and labor regulations in and labor regulations existing in the country, as well as the specific regulations related to the activities of the interventions in which it participates.
8. Likewise, Profonanpe demands respect for human rights, with special attention to the rights of children and adolescents. None of the interventions managed by Profonanpe violate the human rights and fundamental freedoms of human beings, nor do they promote any form of discrimination³.
9. During the design of the interventions, as applicable, environmental permits, licenses, authorizations and/or certifications required by the competent authorities for the execution of the activities, should be identified and planned as required.

ESP 2's objectives are as follows:

- (1) To establish the responsibility to comply with national legislation and international commitments derived from all agreements, conventions, etc.
- (2) To establish the necessary procedures to ensure that the intervention, depending on its scope, complies with legislation during its execution.

Scope:

³ These include race, ethnicity, gender, age, age, language, disability, sexual orientation, religion, political or other opinion, national, social or geographic origin, economic, birth or other status, including that of being a person of indigenous origin or belonging to a minority (United Nations Development Program).

ESP 2 applies to interventions managed directly by Profonanpe, without exception.

ESP 3. Biodiversity conservation

10. Profonanpe manages interventions for the conservation of biodiversity and sustainable use of natural resources to contribute to the nation's sustainable development.
11. Profonanpe does not carry out interventions that significant conversion of natural ecosystems, generate biodiversity loss, or promote the introduction of invasive exotic species.
12. This policy applies to interventions involving all types of natural ecosystems (terrestrial and aquatic).

ESP 3's objectives are as follows:

- (1) To conserve ecosystems, biological communities, species and genes.
- (2) To maintain and improve ecosystem services.
- (3) To Promote sustainable management of natural resources through practices that align with the Sustainable Development Goals⁴.

Scope:

The ESP 3 applies to interventions involving fragile ecosystems (as defined in the General Environmental Law and Law No. 29895), protected natural areas or other forms of conservation.

ESP 4. Climate change

13. Profonanpe articulates the objectives of biodiversity conservation with those of climate change mitigation and adaptation. Therefore, it promotes the implementation of interventions aligned with national objectives and priorities on climate change, that contribute to the reduction of Greenhouse Gases (GHGs), and the reduction of vulnerability, increasing of the adaptative capacity and

⁴ http://www.undp.org/content/undp/es/4_home/sustainable-development-goals.html

resilience of ecosystems and populations.

ESP 4's objectives are as follows:

- (1) To ensure low-carbon development in activities linked to biodiversity conservation.
- (2) To contribute to reducing vulnerability and increasing the adaptative capacity and resilience of ecosystems and populations in the face of climate change.

Scope:

ESP 4 applies to those interventions that may contribute to increase GHG and/or vulnerability of ecosystems and populations dependent on them in the face of climate change, affecting their adaptative capacity.

ESP 5. Pollution prevention

14. The interventions managed by Profonanpe consider specific measures to prevent pollution that may be generated as a result of the execution of its activities. This involves the use of clean technologies and the development of good practices for the management of solid, liquid, and gaseous waste.

ESP 5's objective is as follows:

- (1) To avoid or minimize the possible pollution of air, water and soil in the areas of influence of the interventions.

Scope:

ESP 5 applies to those interventions whose activities generate and/or store solid, liquid and/or gaseous wastes that are harmful to the health of populations and ecosystems.

ESP 6. Stakeholders' involvement and participation

15. Profonanpe promotes and applies participatory management in its interventions, through the involvement of local populations or their representatives, as appropriate, in decision making during the

design, planning, execution, monitoring and evaluation of the intervention, as applicable.

16. From the design stage of the intervention managed by Profonanpe, an informative and participatory process is developed that promotes dialogue with local populations on the activities of the intervention to be developed. In this way, their involvement is sought and ownership, empowerment and capacity building are encouraged, generating the sustainability of the interventions.

ESP 6's objectives are as follows:

- (1) To ensure the full and effective participation of the population involved in the interventions.
- (2) To establish effective and inclusive means for involving stakeholders in the interventions.

Scope:

ESP 6 applies to all interventions managed by Profonanpe, without exception, and in accordance with ESPs 1, 7 and 8.

ESP 7. Gender approach

17. Profonanpe respects the rights of women and men and implements a gender approach in all the interventions it manages. Consequently, the differentiated needs of men and women are identified so as to design activities addressing them specifically. Likewise, interventions foster women's involvement in all aspects regarding their implementation, generating equal opportunities and equitable power relationships that narrow the social gender gap.
18. Profonanpe does not manage interventions that result in discriminatory practices or perpetuate the asymmetries and unequal power relationships between men and women.

ESP 7's objectives are as follows:

- (1) To ensure gender mainstreaming at the institutional and

intervention levels. .

- (2) To establish effective and inclusive means for the full and effective participation of women involved in the interventions.

Scope:

ESP 7 applies to all interventions managed by Profonanpe, without exception, and in line with ESPs 1, 6, 8 and 10.

ESP 8. Indigenous or Native Peoples

19. Profonanpe is committed to democratic and peaceful cohabitation, supporting policies of recognition and positive valuation of cultural diversity; thus, it promotes in its interventions the intercultural approach through the incorporation of the different cultural and development visions of the Indigenous or Original Peoples, through the recognition of their right to self-determination, their lands, resources and territories, traditional livelihoods and culture.
20. Interventions carried out in an indigenous territory go through an adequate identification of the potentially affected populations. Likewise, all the stages of the cycle of the same go through an informative process that counts with the participation of the Indigenous or Native Peoples, allowing them to be designed and implemented in dialogue with the populations, in such a way that their contributions make it possible to avoid or mitigate possible impacts and risks that may affect their rights.
21. Profonanpe respects the collective rights of Indigenous and Native Peoples, and supports prior consultation processes which are the State's responsibility⁵.

ESP 8's objectives are as follows:

- (1) To prevent any interventions damage or negative impact on Indigenous or Native Peoples.
- (2) To promote sustainable development benefits and opportunities for Indigenous or Native Peoples.

⁵ Prior Consultation Right Law for Indigenous or Native Peoples, recognized by International Labour Organization (ILO)'s Convention 169, Law N° 29785 and regulations thereunder.

(3) To ensure the full and effective involvement of Indigenous or Native Peoples through culturally appropriate practices.

Scope:

ESP 8 applies to all interventions managed by Profonanpe in intervention areas inhabited by Indigenous or Native Peoples and in line with ESPs 1, 6, 7 and 10.

ESP 9. Cultural Heritage

22. Profonanpe recognizes and respects the Nation's Cultural Heritage⁶. Should an intervention find evidence of material or immaterial goods belonging to the Nation's Cultural Heritage, it acts appropriately for their preservation.

ESP 9's objectives are as follows:

- (1) To prevent any damage or negative effect on the country's cultural heritage resulting from the interventions' management.
- (2) To encourage equitable sharing of the benefits derived from using the cultural heritage.

Scope

ESP 9 applies to all interventions managed by Profonanpe, which intervention area includes cultural heritage officially recognized by the nation, and/or those interventions that use material or immaterial heritage goods for business purposes.

ESP 9 is activated alongside with ESPs 1 and 8.

ESP 10. Involuntary resettlement and/or restriction to the use of renewable natural resources

⁶ Law N° 28296, National Cultural Heritage General Law, defines cultural heritage as follows: "goods belonging to the Nation's Cultural Heritage are all human activity endeavors –whether material or immaterial– which because of their importance, value and paleontological, archaeological, architectural, historical, artistic, military, social, anthropological or intellectual meaning shall be expressively declared as such or which may be legally presumed to be so. Such goods may be owned by government or private parties subject to restrictions determined herein".

23. Profonanpe manages interventions that promote the sustainable use of natural resources by local populations.
24. Profonanpe does not manage interventions that result in involuntary physical resettlement of local populations from one location to another.
25. If the interventions restrict the access of local populations to protected zones or areas and/or use of natural resources, it includes measures to assist those populations to improve or reestablish their livelihoods, while preserving the protected zone or area's sustainability. Such measures are designed with full participation of the local populations involved.

ESP 10's objectives are as follows:

- (1) To foresee and prevent involuntary physical resettlement or restricted use of natural resources as a consequence of the intervention's implementation.
- (2) To mitigate any negative social and environmental impact resulting from the restriction to the use of resources which may have been identified as inevitable when implementing the interventions.
- (3) To improve the livelihoods and living standards of the population whose access to natural resources was restricted as a consequence of the intervention's initiatives.

Scope:

ESP 10 applies to all interventions that may restrict the use of natural resources and result in the loss of income.

ESP 11. Occupational safety

26. Profonanpe ensures its personnel put in place all the appropriate occupational safety measures to prevent accidents, injuries and diseases.

ESP 11's objective is as follows:

- (1) To foresee and prevent any risks derived from executing the

interventions that may negatively impact on its personnel.

Scope:

ESP 11 applies to all interventions managed by Profonanpe, without exception.