

Profonanpe's Environmental and Social Management System (ESMS)

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1. Introduction

Profonanpe is a private non-profit entity of public and social interest whose work has been promoting a sustainable development of protected natural areas¹ and, after being appointed as the only environmental fund in the country in 2020, it is positioned at a strategic place for the implementation of the national environmental agenda. However, at the same time, it requires the design of institutional instruments that guide the implementation processes of programs/projects on environmental matters in a more comprehensive way.

Similarly, since 2015, Profonanpe is a National Implementation Entity before the Green Climate Fund (hereinafter the Fund), which allows it to manage and implement programs and projects on climate change with adequate environmental and social standards.

In 2014², the Fund decides to start the development of an Environmental and Social Management System that allows it to systematically and consistently manage the environmental and social risks and impacts caused by the activities it finances. By 2018, the Fund already had a structure and guidelines for said System, which stipulates that accredited entities must implement their own environmental and social management system.

Within this framework, this document defines and structures Profonanpe's Environmental and Social Management System that will allow it to assess the environmental and social risks and impacts of the programs and projects that it manages and/or implements in a comprehensive, consistent and systematic way, aligned to the environmental and social standards and policies of the Fund, as well as its own Environmental and Social Management System.

2. Concept of the Environmental and Social Management System

The Environmental and Social Management System (hereinafter System) is Profonanpe's general operational framework to achieve better environmental, social and gender results, while addressing the risks and unwanted adverse impacts of the activities financed by the Fund.

It consists of a set of policies, standards, procedures and management processes that allow the identification, analysis, control and reduction of environmental, social and gender risks and impacts of

¹Art. 181.1 of the Regulation on Protected Natural Areas. Supreme Decree No. 038-2001-AG

²Decision GCF / B.07 / 02

the activities managed and implemented by Profonanpe in a comprehensive and consistent, coherent, and transparent manner.

The structure of the Profonanpe's System, following the Fund definition, takes into account the relationship between the set of policies and procedures, and the different internal and external stakeholders associated with said policies and procedures. It allows a systematic and consistent management of environmental and social risks and impacts, while maximizing opportunities, and applying knowledge management that provides feedback to the System.

3. Policies and Strategies comprising the Environmental and Social Management System

The policies and strategies that make up the System, defined in the following sections, are listed below:

1. Environmental and Social Policies
2. Environmental and Social Safeguards Manual
3. Equity, Diversity and Inclusion Policy
4. Institutional Policy on Gender Equality
5. Institutional Action Plan on Gender Equality
6. Indigenous or Native Peoples Policy
7. Action Plan on Indigenous or Native Peoples Policy
8. Complaint and Grievance Procedure Manual
9. Consultation and Suggestion Procedure Manual
10. Guidelines on the Disclosure of Information

4. Key elements of the Environmental and Social Management System

The System elements are described below:

1. The document on Profonanpe's Environmental and Social Policies (ESP), which defines and describes the operational guidelines that allow avoiding, minimizing and correcting possible adverse environmental, social and gender risks and impacts that may arise during the implementation of the interventions where Profonanpe participates directly or indirectly, as

well as improving the environmental and social benefits and opportunities for the local populations involved.

2. The Environmental and Social Safeguards Manual, which details the tools and instruments for an adequate implementation of the Environmental and Social Policies (including gender topics) in the interventions where Profonanpe participates directly or indirectly.

5. Related elements of the Environmental and Social Management System

1. The Equity, Diversity and Inclusion Policy defines the guidelines that promote a culture of non-discrimination within the institution and in the interventions in which Profonanpe participates.
2. The Institutional Policy on Gender Equality considers Profonanpe's commitments regarding equal rights, duties, opportunities and benefits between men and women within the institution.
3. The Action Plan of the Institutional Policy on Gender Equality includes the actions necessary for the implementation of the Institutional Policy on Gender Equality
4. The Indigenous or Native Peoples Policy defines the guidelines, principles and definitions that allow the timely participation and involvement of indigenous or native peoples, as well as controlling, eliminating and/or reducing the adverse impacts of activities on the indigenous population during the interventions in which Profonanpe participates.
5. The Action Plan on the Indigenous or Native Peoples Policy provides the instruments for the proper implementation of the Indigenous or Native Peoples Policy during the interventions in which Profonanpe participates.
6. The Complaint and Grievance Procedure Manual establishes the procedures from the reception to the resolution of a complaint or report that is elaborated on the actions and/or implementation processes of Profonanpe. It will allow them to be addressed in a pertinent and timely manner, thus avoiding the creation of possible socio-environmental conflicts related to institutional actions.
7. The Consultation and Suggestion Procedure Manual establishes the procedures from the reception to the resolution of an inquiry or suggestion issued about the processes, programs and/or projects developed by Profonanpe. It will allow giving pertinent, timely and coherent

answers to institutional environmental, social and gender policies.

8. The guideline on the disclosure of information, detailed in the Profonanpe's Manual of Environmental and Social Safeguards, sets out that all projects to be financed by the GCF must publish the Environmental and Social Assessment, as well as the Environmental and Social Management Plan or the Environmental and Social Management Framework of the program or project with risk category B, 40 calendar days in advance to the project document submission to the GCF Board, in order to receive comments based on the possible effects on the ecosystems and target populations of the interventions. This is in line with the provisions of the Fund's Information Disclosure Policy (GCF Decision B.12/35).

6. Institutional capacity for the implementation and continuous improvement of the ESMS

To ensure that the System is implemented effectively as a general operational framework of Profonanpe, the following elements are required:

1. Human resources with experience to carry out the implementation of the System effectively and with a focus on continuous improvement. This requires knowledge of environmental and social policies and safeguards, and the ability to articulate and coordinate with internal and external organization stakeholders.
2. Organization structure on which the roles and responsibilities of the staff linked to the System are founded, developed and improved.
3. Economic resources that allow having adequate human and physical resources for the commissioning and continuous improvement of the System.

7. Relationship between the Profonanpe's ESMS and the Green Climate Fund's ESMS

The GCF's Environmental and Social Management System requires not only the interaction of three stakeholders so that the objective of adequate management of risks and impacts is met but also the environmental and social results of the activities it finances, which are described below:

- a) The Fund implements its environmental and social policy and is in charge of achieving its objectives.
- b) Accredited entities, such as Profonanpe, apply their environmental and social management systems that must be consistent, at least, with the requirements of the Fund. This document satisfies this requirement.

- c) Stakeholders and designated national authorities and focal points provide input and feedback on the GCF System and help shape the results and political discourse.

8. Monitoring, follow-up and update

The office in charge of ensuring proper operation of the System is the Research and Development Office (RDO) in coordination, mainly, with the Strategic Innovation Bureau (SIB) for the processes of the intervention proposal formulation and the Department of Monitoring and Evaluation (DME) to ensure compliance during the intervention implementation.

9. Structure of the Environmental and Social Management System

