



MICRONESIA CONSERVATION TRUST (MCT)
ENVIRONMENTAL AND SOCIAL SAFEGUARDS
POLICY

Draft E&S v.3

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Introduction

The Micronesia Conservation Trust's (MCT) Environmental and Social (E&S) Safeguards Policy is adopted to ensure that adverse environmental and social impacts are avoided or, when unavoidable, minimized and appropriately mitigated and/or compensated.¹

A key principle of MCT's E&S Safeguards Policy is to prevent, minimize and mitigate any harm to the environment and to people by incorporating environmental and social concerns as an intrinsic part throughout MCT's project cycle. The E&S Safeguards Policy applies to all stages of the project cycle from design and implementation to monitoring and evaluation. All MCT projects will comply with applicable national and international laws.

Environmental and Social Policy Statement

Social and environmental sustainability are fundamental to the achievement of MCT's mission "To provide sustainable financing and support for biodiversity conservation, related sustainable development and environmental education." and shall be mainstreamed into MCT's project management cycle. Opportunities to strengthen environmental and social sustainability shall be identified at the earliest stage of project design, realised through implementation, and tracked through monitoring and evaluation.

MCT projects adhere to the objectives and requirements of its Environmental and Social Principles. In so doing, they will seek to i) strengthen the social and environmental outcomes of projects; ii) avoid adverse impacts where possible, and where unavoidable, apply the mitigation hierarchy of minimisation, mitigation and compensation / offset; and iii) strengthen MCT and its executing entities, grantees, sub-grantees and partners' capacity for managing social and environmental risks and impacts.

MCT will only support projects which comply with national law and obligations under international law, and will apply the more stringent standard. MCT will work in a collaborative manner with regional, national, and local partners.

MCT will ensure that grievance mechanisms are in place so that individuals and communities potentially affected by MCT supported programmes have access to effective mechanisms and procedures for raising concerns about the social and environmental performance of a project.

Environmental and Social Safeguard Principles

MCT's social and environmental safeguard principles have been developed to meet the intent of the 2012 International Finance Corporation's (IFC) Performance Standards. While the Principles adopted align with IFC's performance standards they have been modified to suit the needs and scale of MCT's projects, programs, and activities. A supporting table (Appendix A - Social and Environmental Standards Comparison Table) has also been developed to illustrate where specific requirements of the Adaptation Fund and Green Climate Fund (GCF) can be found within MCT's standards.

¹ The E&S Policy has been developed to meet the requirements of the Adaptation Fund (AF) and the Green Climate Fund (GCF).

1. Principle 1 - Human Rights

MCT recognizes the centrality of human rights to sustainable development and ensuring fair distribution of development opportunities and benefits. MCT shall both refrain from providing support for activities that may contribute to violations of a State's human rights obligations and the core international human rights treaties, and seek to support the protection and fulfilment of human rights. Projects will not exacerbate existing inequalities, particularly with reference to marginalized or vulnerable groups. MCT will uphold the principles of accountability and the rule of law, participation and inclusion, and equality and non-discrimination. MCT will also ensure the meaningful, effective and informed participation of stakeholders in the formulation, implementation, monitoring and evaluation of its activities.

2. Principle 2 -Gender

MCT supported projects and activities will be gender-responsive in their design and implementation. The different needs, constraints, contributions and priorities of women, men, girls and boys will be identified and built into MCT's programming.

MCT supported projects will ensure that both women and men are able to participate meaningfully and equitably, have equitable access to project resources, and receive comparable social and economic benefits.

3. Principle 3 – Child Protection

MCT is committed to protecting children from exploitation and abuse of all kinds in all of its programme and project activities as outlined in MCT's *Child Protection Policy* (June 2014). MCT applies a zero tolerance approach to child exploitation and abuse and will not knowingly engage – directly or indirectly – anyone who poses an unacceptable risk to children. A risk-based approach will be used to assess all activities which have contact with children. If high-risk activities are undertaken, steps will be undertaken and documented to reduce or remove these risks.

4. Principle 4 – Climate Change

MCT will not support any projects which result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.

5. Principle 5: Labor Rights and Working Conditions

MCT will identify and manage any risks to the core labor standards of the International Labor Organisation (ILO).

6. Principle 6: Resource Efficiency and Pollution Prevention

MCT will design and implement projects in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.

7. Principle 7: Community Health, Safety, and Security

MCT will not design and implement projects that exacerbate a sensitive local situation or stress local resources. Risks of community health, safety and security arising from

land, water, air and noise pollution will be minimized and mitigated to acceptable levels, otherwise MCT will not undertake the project.

8. Principle 8: Land Acquisition and Involuntary Resettlement

MCT will design and implement projects in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation, otherwise MCT will not undertake the project.

MCT in project design, implementation and execution is committed to involve affected individuals and communities in planning processes aimed at avoiding and limiting the use of involuntary resettlement and access restriction, and at identifying and designing mitigation plans and measures that are socially and economically beneficial to affected communities and that are culturally appropriate.

9. Principle 9: Biodiversity Conservation and Sustainable Management of Living Natural Resources

MCT will design and implement projects in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species. MCT will not support any projects that involve unjustified conversion or degradation of critical natural habitats, including those that are:

- Legally protected;
- Officially proposed for protection;
- Recognized by authoritative sources for their high conservation value, including as critical habitat; or
- Recognized as protected by local communities.

10. Principle 10: Physical and Cultural Heritage

MCT will design and implement projects in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Projects should also not permanently interfere with existing access and use of such physical and cultural resources.

11. Principle 11: Indigenous Peoples, Marginalized and Vulnerable Groups

MCT will not design or implement projects that are inconsistent with the rights and responsibilities of Indigenous Peoples. and other applicable international instruments relating to indigenous peoples. There is no universally accepted definition of “Indigenous Peoples”, however under this principle, it is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;

- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- Customary cultural, economic, social, or political institutions that are separate from those of mainstream society or culture; or
- A distinct language or dialect, often different from the official language of languages of the country or region in which they reside

MCT will assess and consider particular impacts on marginalized and vulnerable groups and shall avoid imposing any disproportionate adverse impacts on these groups.

E&S Safeguards Policy Implementation

MCT adopts the following principles to implement this policy:

- Mainstream E&S Safeguards Principles in MCT’s activities and operations;
- Develop E&S risk procedures and new tools;
- Delineate internal responsibility in implementation;
- Improve public consultation and information disclosure mechanisms;
- Build partnerships to address E&S risks and opportunities; and
- Adopt inclusive and transparent reporting.

An overview of the implementation approach is described below.

E&S Screening

All MCT projects are screened for E&S risks using the procedures, documents, tools and templates that embedded in MCT’s Policy and Operations Manual. MCT has also developed a ‘Project Risk Assessment and Management Tool’ which has been expanded to include the identification, assessment, and management of E&S risks. Project E&S risks will be categorized as follows:

Category A – Projects with the potential to cause significant adverse social and/or environmental impacts that are diverse, irreversible or unprecedented.

Category B – Projects with the potential to cause limited adverse social and/or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Category C – Projects that include activities with minimal or no risks of adverse social and environmental consequences.

Appropriate consultations with internal and external stakeholders will be carried out to ensure risks are adequately identified, assessed and categorized.

Category A projects should not currently be considered for MCT support (as an implementing or executing agency). As such, if a project is categorized as a Category A project during concept development, work should be discontinued at that point.

Roles and Responsibilities

Overall responsibility for implementing this E&S Safeguards Policy lies with MCT. MCT will agree upon specific responsibilities for E&S risk management with partners

engaged in delivering projects. MCT will undertake E&S due diligence to assess the capacity of partners, commensurate with the E&S risk category assigned to a particular project.

Monitoring, Evaluation, and Reporting

E&S issues will be incorporated into the monitoring, evaluation and reporting of projects and activities, as specified in the MCT's Monitoring, Evaluation, Reporting & Improvement (MERI) Framework. Periodic and annual performance reports and end of project closure reports will include information on E&S risk mitigation measures, and this information will be reported to senior management.

Grievance Mechanism

MCT's Whistle Blowing Policy provides people affected by any projects with an accessible, transparent, fair and effective process for raising complaints about environmental or social harms caused by any such project.

Stakeholders can lodge a complaint via MCT's website (www.ourmicronesia.org). Formal complaints can also be forwarded to the Executive Director (director@ourmicronesia.org) who shall handle as appropriate.

Appropriate authority levels as specified in MCT's governance structure will handle all complaints, in a professional and timely way.

Changes to this E&S Safeguards Policy

It is expected that MCT will review this E&S Safeguards Policy periodically to ensure compliance with relevant national and international laws and alignment with requirements of the AF and GCF. The review will also ensure that the overall approach to assessing and managing E&S risk remains relevant and aligns with global best practices and standards.

Appendix A - Social and Environmental Standards Comparison Table

External Standard	Relevant MCT Standard
Adaptation Fund (AF) Principle 1: Compliance with the Law	MCT Social and Environmental Policy (Para 3)
AF Principle 2: Access and Equity	MCT Principle 1: Human Rights
AF Principle 3: Marginalised and Vulnerable Groups	MCT Principle 1: Human Rights; and Principle 11: Indigenous Peoples, Marginalized and Vulnerable Groups
AF Principle 4: Human Rights	MCT Principle 1: Human Rights
AF Principle 5: Gender Equality and Women's Empowerment	MCT Principle 2: Gender Equality
AF Principle 6: Core Labour Rights	MCT Principle 5: Labor and Working Conditions
AF Principle 7: Indigenous Peoples	MCT Principle 11: Indigenous Peoples, Marginalized and Vulnerable Groups
AF Principle 8: Involuntary Resettlement	MCT Principle 8: Land Acquisition and Involuntary Resettlement
AF Principle 9: Protection of Natural Habitats	MCT Principle 9: Biodiversity Conservation and Sustainable Management of Living Natural Resources
AF Principle 10: Conservation of Biological Diversity	MCT Principle 9: Biodiversity Conservation and Sustainable Management of Living Natural Resources
AF Principle 11: Climate Change	MCT Principle 4: Climate Change
AF Principle 12: Pollution Prevention and Resource Efficiency	MCT Principle 6: Resource Efficiency and Pollution Prevention
AF Principle 13: Public Health	MCT Principle 7: Community Health, Safety and Security
AF Principle 14: Physical and Cultural Heritage	MCT Principle 10: Physical and Cultural Heritage
AF Principle 15: Lands and Soil Conservation	MCT Principle 9 Biodiversity Conservation and Sustainable Management of Living Natural Resources
Green Climate Fund (GCF) Performance Standards 1-8	Largely equivalent to MCT Principles 1-11

