

WWF Environmental and Social Safeguards -
Risk Categorization Memorandum
Version 2.1 November 2020

Project Name: Delivering Target 3 at the regional scale in Peru: Applying the ecosystem approach in the Northern Transversal Economic Corridor of Peru (Northern TEC)	Date: 2/3/2025
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Executing Agency/ies: Profonampe / MINAM

Landscape Categorization on E&S Risks:
High Risk - (A) ___ and/or (Special Consideration) ___ /Medium Risk (B) X / Low Risk (C)___

Substantive Safeguard Standards Triggered:	Yes/ TBC	No
Natural Habitats	X	
Pest Management	X	
Indigenous Peoples	X	
Restriction of Access & Resettlement	X	
Community Health, Safety and Security	X	
Physical and Cultural Resources	X	

In addition to the Substantive Safeguards above, the four Process Standards apply to all projects:

- Environmental and Social Risk Management
- Consultation and Disclosure
- Community Stakeholder Engagement
- Grievance Mechanism

Landscapes categorized as low risk have been screened in accordance to the Standard on E&S Risk Management.

Project Area Context

The project "*Contributing to GBF Goal 3 at a regional scale in Peru: Applying the ecosystem approach in the Northern Transversal Economic Corridor of Peru (CETN)*" aims to consolidate an economic and ecological corridor in the north of the country. The corridor is intended to promote the conservation and connectivity of biodiversity and improve the quality of life of local populations. The initiative responds to challenges such as deforestation, unsustainable agricultural expansion, illegal mining and environmental degradation, which threaten the ecosystems of this diverse region. Following a comprehensive approach, the project promotes nature-based solutions and fosters economic sustainability by supporting a transition towards an environmentally positive productive matrix.

The project is located in northern Peru, covering a corridor that connects the Pacific Ocean with the Amazon, crossing the departments of Piura, Lambayeque, Cajamarca, Amazonas, San Martín and Loreto. The scope of the project has been organized into 5 landscapes that include a diversity of ecosystems from marine-coastal, dry forests, páramos and even Amazonian rainforests. These landscapes are home to rich biodiversity and represent a confluence of unique ecosystems that are essential for ecological connectivity, the conservation of emblematic species and the provision of key ecosystem services for local populations.

The project is structured into four main components:

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Component 1: Improve the conditions conducive to area-based conservation in the CETN. Includes the development of policies, regulations, regional biodiversity strategies and the mobilization of public and private funds for conservation.

Component 2: This component will directly invest to (1) improve the condition of the existing conservation areas and to strengthen ecological connectivity by (a) establishing new conservation areas, strengthening the management of Indigenous Peoples lands, (c) supporting ecological corridors and (d) restoring key sites that contribute to ecosystem connectivity.

Component 3: Develop biobusinesses that support the management of conservation areas. This component promotes sustainable economic initiatives in indigenous and rural communities, with an emphasis on biobusinesses that support the management of conservation areas.

Component 4: Strengthen the participation of the local population in area-based conservation. It seeks to increase social awareness and promote the exchange of knowledge to reduce threats to biodiversity through communication and knowledge management plans.

This comprehensive approach ensures a lasting impact on the conservation of biodiversity and the improvement of the living conditions of local communities in the Northern Ecological Economic Corridor of Peru.

The project is funded by the Global Environment Facility (GEF) for an amount of 11,232,110.00 USD and the execution is led by the Ministry of the Environment (MINAM) and co-executed by Profonampe. This has been classified as medium risk because it has potential adverse social and/or environmental impacts, of limited scope, which must be mitigated.

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Summary of Key Safeguard Issues

Natural Habitats: Overall, the activities of the project will generate significant benefits to further protect biodiversity and natural habitats in the project intervention area. However, while the project will not produce potentially adverse environmental impacts on human populations or environmentally important areas, this rule has been activated as a precautionary measure because some of the project activities, such as improved management of NPAs, establishment of new nationally protected areas (NPAs) and 3 regionally protected areas (RPA)s, as well as other new conservation areas (such as OMECs) and restoration activities are likely to have an impact on the ground.

Access Restriction and Resettlement: Although no negative impacts are expected to limit access to ancestral territories or natural resources, this standard has been activated as a preventive measure because the project includes the creation of NPAs, RPAs, the recognition of OMECs, the formalization of conservation agreements and the development of life plans for communities. In addition, it is important to consider that, in this context, conservation activities are often perceived as a restriction on access to use of natural resources.

Indigenous Peoples: The standard is activated because there are populations belonging to 10 Indigenous Peoples within the project's intervention area. As such, it will be essential to collaboratively identify and develop mitigation measures to ensure that their individual and collective rights are respected at all stages of the project. Thus, the ESMF to be developed will contain an Indigenous Peoples Planning Framework (IPPF).

Community Health, Safety and Security: This standard has been activated as a precautionary measure because there are tropical diseases in the intervention area that manifest themselves in a cyclical and permanent manner and, although they are not directly related to the project activities since they are pre-existing conditions in these areas, personnel could be exposed to vectors of these diseases. The security of the personnel could also be endangered in some of the project's areas that present conflicts and instability derived from illicit activities that occur there.

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Physical and Cultural Resources: In general, the activities proposed for the project do not represent a risk to cultural resources; on the contrary, the strengthening of conservation activities will contribute to their protection. However, given that the project will seek to support the preservation of certain ancestral practices (such as artisanal fishing by the balsilleros) as well as manage indigenous knowledge and include some cultural resources in a biobusiness (tourism, crafts, etc.), this standard is raised as a precautionary measure.

Pest Management: This standard has been raised because, although the project activities will not promote the use of pesticides, it is planned to encourage the development of biobusinesses, which will have a requirement to be environmentally friendly. In addition, the project plans to hire the services of third parties that could carry out inappropriate practices, including the use of agrochemicals, which could have a negative impact.

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Summary of Cross Cutting Issues; (Human Rights, Gender Equality and Women's Rights, Children's Rights, Conflict Sensitivity and Climate Change).

Human rights: The project area includes Indigenous Peoples, women and youth who have historically often faced exclusion from decision-making processes, and there are challenges related to land rights and access to natural resources. These problems could affect the project by making it difficult to obtain community support or by exacerbating existing inequalities if they are not addressed or if project activities are carried without taking into account intercultural relevance, gender and interculturality in order to ensure their participation in the different decision-making spaces. Additionally, the project area includes the Amazonas, San Martín and Loreto landscape, which are the most exposed to retaliation for environmental defenders, several of whom are indigenous leaders. Since this project contributes to conservation, connectivity and the sustainable management of natural resources, it is important to consider this contextual threat to environmental defenders during implementation and develop preventive security measures to generate safe spaces for indigenous leaders.

Gender Equality and Women's Rights: There are challenges related to gender equality, women's rights and gender-based violence in the project area. The project could exacerbate existing inequalities if the specific needs and roles of women and girls in the intervention area are not considered. For example, if project activities increase men's control over resources without providing equal opportunities for women, this could further marginalize them. In addition, prevailing cultural norms in the region could limit women's access to land and other resources, leading to unequal benefits. There is also a potential risk of increased gender-based violence if project staff or implementing authorities are not adequately trained in gender-sensitive approaches. Changes in family dynamics, such as control of resources or economic benefits derived from the project, could increase the risk of domestic violence or harassment.

Children's rights: There are issues related to child labor in the project area, especially in agricultural activities such as coffee and cocoa farming, where child labor is common. This could affect the project as there may be pressure on families to have children work instead of attending school, especially in vulnerable rural areas. The project should address these issues by ensuring that activities that perpetuate child labor are not promoted.

Conflict sensitivity: According to the May 2024 report from the Ombudsman's Office, there are underlying tensions and open conflicts near or in the area of interest of the project. These involve private entities, such as companies, the government and various communities and tend to focus on resource use/abuse by certain parties. For example, various fishers' associations in one of the project's landscapes has asked the government to sanction Chinese vessels who are depleting resources. There is a similar tension between rural communities and a mining company in two other landscapes as there is resistance to exploration, as well as another one between indigenous communities and an oil company who they accuse of having contaminated their ancestral lands. If project activities do not adequately address the rights of rural and native communities, particularly Indigenous Peoples, there is a risk of exacerbating socio-environmental conflicts over the use of land and natural resources.

Additionally, the project activities could promote a greater number of participatory spaces and contribute to consolidate actions of connectivity, restoration, biobusinesses and indigenous governance, as well as strengthen the management of these priority spaces for conservation, all of which could be perceived as a threat by people who engage in illegal activities such as illegal mining, illegal logging, land trafficking or others, which could generate a greater danger to the exposure of indigenous and non-indigenous leaders expressing their opinions and participating in public spaces.

Climate Change: These regions are severely affected by extreme climate events such as droughts, floods and temperature increases, leading to decreased agricultural productivity, water scarcity, and loss of biodiversity and species. These impacts could affect ecological restoration activities, the implementation of biobusinesses and the management of protected areas. In addition, climate variability and changes in ecosystems could complicate the success of activities and generate tensions with local communities or unsustainable economic sectors if they are not taken into account.

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Required Actions for Impact Assessment (ESIA) and Mitigation Framework (ESMF):

An Environmental and Social Management Framework will be required for this project, created by consultants prior to project implementation. The ESMF will include an Indigenous Peoples Planning Framework, a Process Framework, and guidance on labor and working conditions, which will include information on preventing child labor.

Furthermore, a Gender Assessment and Gender Action Plan will be drafted and submitted with the CEO Endorsement Request and a Grievance Redress Mechanism will be drafted prior to final agency approval.

Signed by:

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Date: 2/3/2025

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Signed by:

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