Environmental and Social Management Plan (ESMP)

PROJECT TITLE:	Expanding blue economy benefits and the conservation of critical biodiversity and ecosystem services by managing surf ecosystems					
GEF PROJECT ID:	10931PROJECT DURATION:_36_ mont					
EXECUTING AGENCY/ENTITY:		Conservation International Foundation				
PROJECT START DATE:	(08/2023)		PROJECT END DATE:	(08/2026)		
ESMP PREPAR						

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ACHR	American Convention on Human Rights
CBD	Convention on Biological Diversity
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
СІ	Conservation International
COVID	Coronavirus Disease
CPSS	Permanent Commission for the South Pacific
DICAPI	General Directorate of Captains and Coast Guard (Peru)
E&S	Environmental and Social
ESMP	Environmental and Social Management Plan
ESSPP	Environmental and Social Safeguards Policies and Procedures
FPIC	Free, Prior and Informed Consent
GBV	Gender-based Violence
GDP	Gross Domestic Product
GEF	Global Environment Facility
ha	Hectares
HQ	Headquarters
IPP	Indigenous Peoples Plan
IUCN	International Union for the Conservation of Nature
M&E	Monitoring and Evaluation
METT	Management Effectiveness Tracking Tool
MIAMBIENTE	Ministry of Environment (Panama)
MINAM	Ministry of Environment (Peru)
MPA	Marine Protected Area
MTR	Mid-Term Review
N/A	Not Applicable
NAP	National Adaptation Plan
NBSAP	National Biodiversity Strategy and Action Plan
NDC	Nationally Determined Contribution
ND-GAIN	University of Notre Dame Global Adaptation Initiative
NGO	Non-governmental Organization
NT	Near-threatened
OFP	Operational Focal Point
OS	Operational Safeguard
PA	Protected Area
PES	Payment for Ecosystem Services
PMU	Project Management Unit
PPG	Project Preparation Grant
RBA	Rights-based Approach
RENARO	National Record of Breakers (Peru)
RNI	Illescas National Reserve
SCI	Surf Conservation Index
SDPA	Sociedad Peruana de Derecho Ambiental
SEIA	National System of Environmental Assessments (Peru)
SERNANP	National Service of Protected Areas

Acronyms and Abbreviations

STW	Save The Waves	
TE	Terminal Evaluation	
UDHT	Universal Declaration of Human Rights	
UNFCCC	United Nations Framework Convention on Climate Change	
UNIDO	United Nations Industrial Development Organization	
VU	Vulnerable	

1. Introduction

1.1 Purpose of the ESMP

The purpose of this ESMP is to ensure that identified social and environmental impacts, risks and liabilities arising from the project entitled *Expanding blue economy benefits and the conservation of critical biodiversity and ecosystem services by managing surf ecosystems* are effectively managed during project execution. This ESMP specifies the necessary mitigation, adaptation and prevention measures and procedures, and shows how the project will mobilize organizational capacity and resources to carry out these tasks. This ESMP will be reviewed and confirmed during the Project Inception meeting, which will take place within the first 60 days of project implementation. This ESMP is a living document that shall be subject to periodic reviews and updated as and when required during the project's duration, according to emerging issues, policy requirements and stakeholder concerns.

1.2 Key Objectives

This ESMP responds to the fact that the project will entail capacity-building for participants in the local blue economy at sites in Peru and Costa Rica, including people active in the fisheries sector as well as the tourism sector, with a focus on surf tourism. Thus, the key objectives for the ESMP are to:

- Anticipate, mitigate and address potential negative social impacts relating to equity and participation, access to benefits, and conflict arising from activities related to livelihoods
- Anticipate, mitigate and address potential negative environmental impacts relating to increased surf-tourism volumes.

1.3 Environmental and Social (E&S) risk screening outcomes

The objective of this project is to *demonstrate the critical role that the effective* management of marine and coastal ecosystems surrounding surf breaks can play in protecting biodiversity and ecosystem function, and in generating blue economy benefits that will motivate further ecosystem conservation. As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP) the Environmental and Social screening template has been completed and this project has been categorized as ''Category C''.

A proposed project is classified as Category C either if it is likely to have minimal or no adverse social and/or environmental impacts (e.g. studies, policy inventory work, and awareness raising activities). Beyond screening, no further specific environmental and/or social assessment is required for a Category C project. However, the project still has environmental and social sustainability considerations, and therefore at the direction of UNIDO this ESMP has been prepared.

UNIDO ESSPP Operational Safeguards Triggered

OS trigger at	Reasoning for triggering the OS at	Reasoning on	Confirmation on
the E&S	the E&S screening template	whether OS remains	the applicability
screening	o r	relevant throughout	of the OS
template		project	(ves/no)
1		implementation	`
OS 2:	The project will support the	OS 2 remains	Yes
Protection of	strengthening of management in	relevant throughout	
Natural	protected areas where surf	project	
Habitats and	ecosystems are located both in	implementation.	
Biodiversity	Costa Rica and Peru. The ESMP	The reason is that	
5	will assess potential adverse	potential increases	
	impacts of surfing activities on	in the volume of	
	natural marine habitats and marine	surf tourism visitors	
	biodiversity and define	to the project areas	
	management measures to avoid,	can increase	
	reduce or compensate those.	pressure on natural	
	The project will help to improve	habitats and	
	linkages between surf tourism and	biodiversity.	
	other related businesses and local		
	fishers that will be encouraged to		
	use sustainable harvest practices		
	and provide fish to tourism		
	businesses that are working to		
	source from local producers that		
	apply sustainable practices.		
OS 4:	The potential presence of	OS 4 will not be	No
Indigenous	indigenous people in project	relevant during	
People	locations will be confirmed and	project	
	assessed in the ESMP. In case	implementation.	
	indigenous people are present in	The reason is that	
	project areas, their Free, Prior and	during the PPG	
	Informed Consent (FPIC) will	phase the project	
	need to be obtained and an	proponents	
	Indigenous Peoples Plan (IPP)	confirmed that	
	would need to be created as a part	Indigenous People	
	of the ESMP, according to the	are not present in	
	UNIDO ESSPP (p. 67).	project locations.	N
OS 6: Cultural	Potential adverse impacts arising	OS 6 will not be	NO
Heritage	from surf tourism on cultural	relevant during	
	will be accessed in the ESMD	project implementation	
	will be assessed ill life ESIVIF.	During the DDC the	
		project propopents	
		confirmed through	
		stakeholder	
		consultations and	
		field observation	
		that surf tourism	
		already is	

		accommodated in	
		the project sites	
		without negative	
		impact on cultural	
		haritage	
05 10.	Potential COVID 10 related	OS 10 will remain	Vac
OS 10.	Fotential COVID-19 Tetated	US 10 will feiliaill	168
Community	community health, safety and	relevant inroughout	
Health, Safety	security risks that may emerge	project	
and Security	from physical activities of this	implementation.	
	project (including meetings and	Although the	
	conferences) will be duly	COVID-19	
	considered in the implementation	pandemic has	
	and execution of the project. All	subsided, the project	
	necessary prevention and	proponents continue	
	mitigation measures will be	to apply protocols to	
	undertaken to minimize the risks,	protect the health,	
	including, amongst others, the use	safety and security	
	of personal protective equipment,	of communities,	
	physical distancing, personal	implementers, and	
	hygiene, cleaning and	other partners and	
	disinfection, ventilation and other	stakeholders.	
	administrative and engineering		
	controls, and will be updated on	OS 10 also is	
	an ongoing basis following the	relevant with	
	national government's guidelines	respect to planned	
	and recommendations	work with	
		fishermen to use	
		improved gear. The	
		project will ensure	
		that technical	
		avpertise involved	
		in these activities	
		will include	
		appropriate safety	
		protocols and	
		training with respect	
		to gear use.	

2. Project Description

2.1 Description of the project

Specific project components, outcomes, outputs and activities include:

Component 1: Peruvian and Costa Rican communities and governments have the tools and capacity to effectively manage surf ecosystems.

Outcome 1.1 Surf ecosystems are identified at the national level and management policies and mechanisms are recommended to improve management.

The project will conduct national-level identification and characterization exercises for surf ecosystems and define appropriate recommendations for key stakeholders to improve management and protection, and to increase benefits for local communities. In Peru and Costa Rica, most baseline assessments to understand priority surf ecosystems have been completed. This includes a Surf Conservation Index (SCI) study for Costa Rica and assessments under the Ley de Rompientes to identify candidate areas for conservation of surf ecosystems. The SCI process identifies and maps the overlap between high quality waves, areas of high biological diversity and important ecosystem services to identify candidates for surf ecosystem management.

As a result of prior application of the SCI, target sites for assessing and improving on management needs have been identified and will be pursued by the project (Huanchaco and Illescas National Reserve in Peru and Playa Hermosa-Punta Mala and Ostional Wildlife Refuges in Costa Rica). In Panama, the project will conduct SCI assessments to identify important regions and potential candidate sites for surf ecosystem management. The project will also develop consolidated surf ecosystems reports for Costa Rica, Peru and Panama summarizing key information from past and new assessments to provide a comprehensive overview of status and potential for surf conservation activities in each country.

<u>Output 1.1.1</u> Surf ecosystem sites and characteristics have been identified across each project country, Costa Rica, Peru and Panama, and presented to the governments with possible management approaches to incorporate surf ecosystems into conservation strategies.

The project will provide communities and governments with resources for improving legal protection of surf ecosystems, protected area management, advancing conservation finance mechanisms and including surf ecosystems in integrated coastal management and conservation strategies. Potential mechanisms can include management plans, MPA categories and others that have proven successful. Specifically, the project will seek to fill gaps to characterize surf ecosystems in Costa Rica, Peru and Panama including: (1) SCI for Panama, (2) "Surfonomics" study for Illescas in Peru (3), Legal Analyses (Panama) and (4) Regional Profiles on enabling conditions for surf ecosystem management (Peru). Results from this set of efforts will be compiled into separate country reports, detailing which management mechanisms and guidelines are most appropriate in each country and how they could be incorporated into existing or future conservation strategies.

<u>Output 1.1.2</u> Gender responsive awareness raising programs are implemented in Costa Rica and Peru to advocate for the effective protection of surf ecosystems.

A common challenge in areas with surf ecosystems is a lack of awareness of the environmental and economic benefits that they provide, and how. To support the focal surf ecosystems in Peru and Costa Rica, the first year of the project will contract communication experts in similar public campaigns to develop focused, genderresponsive communication programs and strategies on the environmental and economic importance of surf ecosystems in both countries. By the end of Year 3, the project will have delivered gender-responsive awareness-raising programs for both countries, with key materials (e.g., social media content, digital fact sheets, presentations) as the principal means by which to reach key stakeholders

<u>Output 1.1.3</u> The government of Peru supported to legally protect surf breaks through Ley de Rompientes in Peru.

In 2014, the government of Peru passed the "Law of the Surf Breaks" (Ley de Rompientes), which gives designated surf break areas a degree of protection from development that could adversely impact the quality of waves and indirectly protect the seafloor which is the habitat of diverse marine species. There are currently 43 legally designated surf break areas along the Peruvian coast, totaling 988.3 hectares, with 101 additional surf breaks that have already been identified though previous analyses that need to be legally protected. Within the project geographies, there is already a legally designated surf break in the focal site of Huanchaco (82.8 ha), a recognized World Surfing Reserve, but the site lacks resources for effective implementation of their management plan.

The project will initiate the process to develop and submit the technical documentation required for the legal designation of an additional seven surf break areas in Peru. If additional parallel financing can be secured, this could increase to include up to 10 breaks. These breaks include three around Illescas National Reserve (Punta Malnombre, Nonura and Punta Tur, totaling 389 ha) and seven around the city of Negritos (Punta Balcones, El Faro, Bomberos, Malecones, Malpaso, Providencia and El Golf, totaling 362 ha). Finally, the project will lead drafting of a legal proposal for submission to the Government of Peru to consider explicit inclusion of protected surf breaks as natural capital assets in the National System of Environmental Assessments (SEIA).

<u>Output 1.1.4</u> Management policy recommendations provided to the government of Costa Rica to protect surf ecosystems in prioritized areas.

Costa Rica currently has a number of very strong protected area management categories that allow for a wide range of uses. However, unlike Peru, and despite its world-class surfing zones, Costa Rica currently does not have specific policies or mechanisms to explicitly protect surf breaks or adjacent ecosystems. To address this gap, the project will undertake a series of measures in the first year of the project, including: 1) identification and analysis of existing legal conservation models, tools and designation categories used in other countries to protect surf ecosystems; 2) identification of where similar models and categories could be applied in Costa Rica's current legal framework, notably that which covers MPAs; 3) recommendations on priority surf ecosystem areas where potential policies, models and tools could be applied in Costa Rica, and; 4) general recommendations for larger-scale policies, models and tools for conservation of surf

ecosystems worldwide, including potential trans-border policy recommendations for adjacent countries with shared surf ecosystems.

<u>Output 1.1.5</u> Financial mechanisms documented and guidelines for how to adapt current mechanisms to incorporate surf ecosystems provided to governments, NGOs or private sector.

Surf ecosystem conservation policies will not fully achieve their goals if sufficient resources are lacking. Fortunately, there are a wide range of options for generating the resources necessary for managing surf ecosystems, including Payments for Ecosystem Service (PES) mechanisms, blue bonds and levies on/contributions from private sector entities operating in coastal areas. To ensure sound implementation of surf ecosystem policies, the project will develop recommendations on what financial mechanisms could be adapted or developed in Peru and Costa Rica from a wide range of sources, including government, NGOs and the private sector.

This process will involve contracting project support for 1) a desktop review of existing financial mechanisms/guidelines currently being successfully implemented globally to support surf ecosystem conservation; 2) an analysis and definition of current and potential opportunities in each country to develop new or expand existing financial mechanisms to protect surf ecosystems, 3) socializing sustainable financing mechanism options with relevant stakeholders, and; 4) the development of a publicly available report with recommendations and/or guidelines for which mechanisms, current or new, could be more effectively adapted or developed to secure financial resources for surf ecosystem conservation in the focal countries.

Outcome 1.2 Coalitions for the conservation of surf ecosystems are created and/or strengthened and actively advance the effective management of surf ecosystems in key local and national level processes in Costa Rica and Peru

The project will engage and build capacity with institutions not traditionally involved in protected area protection and management, including local and national authorities, civil society organizations, private sector and other relevant actors, and bring them together as coalitions that can promote effective management of surf ecosystems in key local and national level processes. Particular focus will be given to engaging women-led or women-focused organizations and institutions. In Peru, building new coalitions of stakeholders will be the priority, whereas in Costa Rica, the focus will be on strengthening existing coalitions.

<u>Output 1.2.1</u> Capacity building on surf ecosystem management provided for entities not traditionally involved in protected area protection and management, with a focus on coalition building and inclusion of women-led and -focused institutions.

Capacity-building in both countries will be undertaken in both Costa Rica and Peru. Specific activities include:

Costa Rica: A capacity building program will be developed through stakeholder mapping and meetings with relevant authorities will be done to identify the most appropriate stakeholders and coalitions to participate in capacity-building. Potential key topics to for the program to cover include: 1) defining MPAs and their purposes; 2) defining surf ecosystems and their environmental and economic importance; 3) defining effective management strategies, including how communities and coalitions can take an active role in protecting key surf ecosystems, and 4) how local groups and coalitions, notably those led by or focused on women, can become active partners in efforts to protect surf ecosystems and maximize blue economy benefits. At least four appropriate tools will be developed and provided to the coalitions that result from these efforts, including training on how best to apply the tools for effective surf conservation. A final assessment of the program's impact and future needs will take place it the end of the project, with results incorporated into the Component 3 (Knowledge Sharing).

Peru: The project will focus on assessing how best to strengthen and expand Peru's existing coalitions of groups engaged in efforts to conserve surf ecosystems. Over the course of the project, at least six non-traditional entities will be identified and incorporated into existing coalitions, with at least 20% being women-led or focused, and at least six capacity- or coalition-building trainings will take place (on average, two per year). As with Costa Rica, at least four tools appropriate for the needs of Peru's coalitions will be developed and provided, along with any necessary training or related support to ensure effective implementation, including management and oversight, funding permitted. A final assessment will also be carried out in the last final half of Year 3 to determine impact and future needs.

Component 2: Blue economy benefits linked to surf ecosystem management in Peru and Costa Rica are identified, assessed, and amplified.

Outcome 2.1 A standard methodology for assessing blue economy benefits has been tested and a mechanism is developed for equitable and inclusive benefit sharing of the blue economy.

The potential for inclusive and equitable blue economy benefits will be explored in the project's pilot sites in Costa Rica and Peru. This component will build on existing blue economy approaches to test a standardized methodology to assess and develop blue economy benefits in surf ecosystems and develop a mechanism for equitable and inclusive benefit sharing. In Peru, the project will assess different methodologies for assessing blue economy benefits (pros and cons, technical capacities needed, etc) and, by consensus, determine which are most appropriate for use in Peru or Costa Rica, or possibly in both countries.

<u>Output 2.1.1</u> A standard methodology for blue economy assessment at pilot sites is tested and applied to evaluate the current state of the blue economy and the benefits of the surf ecosystem, as well as identify potential avenues for growth. A standard methodology for blue economy assessment will be developed and tested at a one pilot site in each country. This methodology will evaluate the benefits of surf ecosystems and identify potential avenues for growth; assessing the current state of local blue economy and providing recommendations to strengthen it. By analyzing blue economy benefits linked to surf ecosystem management, the project team hopes to create sustainable economic opportunities for the local communities.

Once the methodology has been completed, the project will pilot blue economy assessment studies for each of the project sites in Peru (Illescas and Huanchaco) and Costa Rica using the standard methodology. By the end of the project, a guidance document of the standard methodology will be developed and validated with key stakeholders in the pilot sites, with final results included in the Knowledge Sharing mechanisms established in Component 4.

<u>Output 2.1.2</u> A guide for equitable and inclusive sharing of blue economy benefits from surf ecosystems is developed with best practices to maximize ecosystem protection, while ensuring gender equity in benefit sharing for communities in or near surf ecosystems.

Guidance, including recommendations for potential mechanisms that allow for equitable and inclusive benefit sharing, will be developed with best practices to maximize ecosystem protection for blue economy benefits. Emphasis will be placed on how the benefits of blue economy activities can be more equitably shared with women and traditionally disadvantaged groups in communities. A broad baseline study of existing and potential mechanisms that can finance conservation of coastal and ocean ecosystems, especially those associated with surf ecosystems, will be completed.

Combined with data and stakeholder engagement in the selected project sites, a replicable tool for maximizing equitable blue economy benefits will then be developed for use in suitable surf ecosystem locations. A technical guide detailing the best strategies and tools for maximizing and sharing benefits from blue economy activities will then be presented to key local and national stakeholders in both countries, as well as included in the knowledge sharing detailed in Component 3.

Outcome 2.2 Gender-inclusive opportunities for community members to participate in surf ecosystem blue economy are developed.

The project will create gender-inclusive opportunities for community members to participate in the surf ecosystem blue economy, including identifying current gender roles and community participation in key economic activities associated with surf ecosystems (such as fishing and tourism) in the proposed pilot sites. Opportunities in all four sites will be mapped out through gender analyses for reducing gender gaps and identifying opportunities for more vulnerable sectors of the population, with agreements between producers, enterprises and cooperatives being developed with the goal of producing measurable and equitable blue economy benefits for the local communities. Outputs under Outcome 2.2. will advance gender equity through direct actions detailed in the work plan and Gender Action Plan.

<u>Output 2.2</u>.1 Local businesses engaged in blue economy (restaurants, hotels, artisanal fishers, etc.) are utilizing sustainable practices in the pilot sites and are enabled to secure access to local markets related to the surf ecosystem.

The project will support engagement of local businesses with links to the blue economy, in the proposed project sites in both countries. This will include engagement of artisanal fishers, who will be supported to adopt sustainable fishing practices in the pilot sites that will help expand markets for their catch with among local businesses related to the surf economy. The project will then plan and conduct value chain analyses for the pilot sites, as well as identify best fishing management practices, gender roles and community participation in key sectors. Using the value chain analyses as a baseline for the pilot project sites in both countries, the project will implement as appropriate capacity-building measures, as well as promotion of best practices for the artisanal fishery sector.

<u>Output 2.2.2</u> A pilot is conducted with a local surf-tourism venture committing to sustainable practices.

To build on the work with artisanal fishers, the project will undertake at least one pilot project in each country with a local surf-tourism venture to consolidate their commitment to more sustainable practices, including the following activities: 1) identification of one appropriate surf-tourism venture in each country's priority sites willing to adopt sustainable practices and work with local artisanal fishers to do the same; 2) facilitation of a structured relationship between the ventures and local fishing groups, leading to agreements on how both sectors can improve practices for mutual benefits; 3) identification of best practices for both the ventures and fishing groups, with subsequent training, technical assistance, and adaptive management support allowing the ventures to transition to more sustainable practices, 4) monitoring and analyses of results, with a report produced by the end of the project, and 5) support the regulation of surfing and tourism within Illescas. Where appropriate, activities with this output will be coordinated and/or integrated with the linkages to blue economy mechanisms developed under Output 2.1.

Component 3: Global and national-level best-practice guidelines and effective approaches for the protection and management of surf ecosystems and building a blue economy are collected, developed, and shared.

Outcome 3.1 Surf ecosystem stakeholders, including governments of Costa Rica, Peru and Panama, are better equipped to engage in surf ecosystem management through learning exchange and sharing of key documents, best practices, case studies, and lessons learned from the project (in English and Spanish).

<u>Output 3.1.1</u> A global assessment of best practice in the legal protection and effective management and enhancement of blue economy benefits of surf ecosystems and a compilation of best-practices is documented and disseminated.

A global assessment of best practices in the legal protection, blue economy benefits and effective management of surf ecosystems will be conducted early in the project. Communications materials including presentations, fact sheets, and others as appropriate will be developed to share the results of the assessment widely with key stakeholders in Costa Rica and Peru to raise awareness of the benefits of surf ecosystem management and strengthen support for this project and surf ecosystem management as an effective conservation tool. During the course of the project, lessons learned on surf ecosystem management will be collected and assessments updated accordingly.

<u>Output 3.1.2.</u> Key lessons from the project are shared with governments of Peru, Costa Rica and Panama through multiple approaches including learning exchanges and sharing of key materials.

Key lessons learned from the project will be shared with the governments of Peru, Costa Rica and Panama through multiple approaches such as learning exchanges and sharing of key materials with best practice examples on legal options and effective mechanisms for protecting surf ecosystems and implementing mechanisms for conservation finance.

Outcome 3.2 Enhancing institutional capacity through education and lifelong learning to increase participation and ownership of key decision makers in Peru, Costa Rica and Panama, in surf ecosystem management and development of blue economy benefits.

The proposed project will enhance institutional capacity through education and lifelong learning to increase participation and ownership of key decision makers and stakeholders in Peru, Costa Rica and Panama, in surf ecosystem management and development of blue economy benefits. This includes both governments and NGOs within the countries.

Output 3.2.1 Theme-based virtual training sessions have been held.

The project will design training sessions on key topics to advance understanding of and motivation for surf ecosystem conservation and carry out in-person and virtual training sessions with participants from Costa Rica, Peru, Panama and other countries as appropriate. An assessment of impact of training sessions will be conducted and trainings will adapt accordingly.

<u>Output 3.2.2</u> Analyses, reports and best-practice guidelines and knowledge developed throughout the project will be translated into at least English and Spanish and made available on existing knowledge-sharing global and local platforms specific to surf-ecosystems, as well as UN Oceans, IW:Learn and Panorama.

The Project team will translate and edit documents to make them available for key stakeholders, share project outputs on knowledge platforms and disseminate links through social media and other channels. The project team will also present information gathered at relevant international fora.

Component 4: Monitoring and Evaluation

Though well-focused with a clear sequence of steps, this project features some complexity as it involves a significant number of stakeholders in two countries, plus outreach to one other country, with an ambitious objective that will transform management of a hitherto under-recognized ecosystem type. Dedicated management and coordination will be required, as will a consistent effort to sustain forward progress, grounded in effective tracking of delivery and performance. Implementing partners have devoted particular attention to ensuring an effective structure for project management, governance, and coordination, including Monitoring and Evaluation (M&E). Linkages to IW:Learn will be essential in this Component, to align program management and ensure consistency of M&E efforts with evolving global best practice.

Outcome 4.1: Monitoring and evaluation program in place that assesses overall progress and results of the project and facilitates adaptive management.

Timely, high-quality project reporting is critical for adaptive management, and the scope of the proposed project will undoubtedly require adaptive management over the course of execution. The reporting framework will be designed to meet the M&E needs under GEF's International Waters Focal Area Strategy with respect to impact measurement. The reporting system also will reflect the need to facilitate data and information sharing between Costa Rica, Peru and Panama, to promote cross-country exchange and larger regional perspectives.

Output 4.1.1: Monitoring and evaluation program developed and implemented.

The M&E system will be vital for both project governance and for substantive project delivery and reporting. The project will develop and implement an M&E system that incorporates (among other considerations) specific gender-related indicators, as per the project's Gender Mainstreaming Plan, as well as utilizing the GEF tracking tool on PA Management Effectiveness and the GEF Core Indicators tracking sheet. Mid-term and terminal project evaluations will verify the information in these tracking tools.

Output 4.1.2: MTR conducted, and results compiled into a final report.

Per GEF Monitoring and Evaluation Policy, the project will be subject to a Mid-Term Review (MTR), to be commissioned and launched by the Project Manager before the project reaches its midpoint, including all parameters recommended by the GEF Evaluation Office for terminal evaluations and verifying information gathered through the GEF tracking tools, as relevant. The MTR will be carried out using a participatory approach including consultations with parties that may benefit or be affected by the project, identified in the stakeholder analysis. The project's Steering Committee will participate in the MTR and oversee a management response to the evaluation recommendations along with an implementation plan. The MTR's final report will include, but not be limited to: assessment of progress and achievements relative to targets in the Results Framework, description of unanticipated positive and negative project impacts, synthesis of application of safeguards over the course of project implementation, and recommendations for follow-on work for replication and scale up, as well as financial reporting.

Output 4.1.3: Terminal Evaluation of the project completed by the IA.

Per GEF Monitoring and Evaluation Policy, the project will be subject to a Terminal Evaluation (TE). The TE will provide an independent assessment of project performance (in terms of relevance, effectiveness, and efficiency), and determine the likelihood of impact and sustainability. Project performance will be assessed against standard evaluation criteria using a six-point rating scheme. It will have two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing. The draft TE report will be sent to project stakeholders for comment, with the final version being publicly disclosed.

2.2 Project/site location

The proposed project activities will be implemented in Costa Rica in the Nicoya Peninsula and Central Pacific coast, and in Peru in the Piura region (Illescas National Reserve, Negritos) and the La Libertad region (Huanchaco city).



Costa Rica sites Playa Hermosa-Punta Mala and Ostional MPAs (in red)





Peru site at Humedales de Huanchaco



Peru site at Illescas



Surf Breaks in Proposed Areas in Peru



Environmental Context

Two communities in Costa Rica on the Pacific have been selected for this project as pilot sites. Both border marine protected areas and important surfing ecosystems. The first is Playa Hermosa, in the central Pacific and part of the Gulf of Nicoya. Playa Hermosa - Punta Mala Wildlife Refuge with 2,741 hectares, was established in 1998, and stands out as one of the most important nesting habitats for the olive ridley sea turtle (*Lepidochelys olivacea*). Occasional spawning of three other species has also been reported (*Chelonia mydas, Eretmochelys imbricata and Dermochelys coriacea*). The MPA has high diversity with more than 380 identified species, mainly marine, and has a unique structure in the area of rocky reef formations and long sand beach ecosystem, as well as mangroves, estuaries, flooded forests and ponds.

Nosara, the second community selected in Costa Rica, is located on the Nicoya peninsula to the north of the Pacific coast. Nosara is part of the Ostional Wildlife Refuge (IUCN category IV) created in 1985 with the aim of conserving the nesting of sea turtles; specially the olive ridley sea turtle (*Lepidochelys olivacea*) that in certain months of the year generates aggregations of more than 150,000 individuals nesting in a period of 3-4 days on Ostional beach. Three other species of turtle nest in the refuge (*Chelonia mydas*,

Eretmochelys imbricata and Dermochelys coriacea). With a total area of 8,500 hectares, mainly marine, the area also contains mangroves, rocky and coral reefs, and sand and stone beaches.

Huanchaco is a fishing town in the region of La Libertad, close to the city of Trujillo in northern Peru. The Peruvian coast, because of the Humboldt Current Ecosystem, supports 66 species of shark and 38% of the world's species of cetaceans. Other marine mammals include the endangered marine otter (*Lontra felina*) and two species of sea lion (*Actocephalus australis, Otaria flavescens*). Unique, massive conglomerations of guano bird species include the Peruvian Booby (*Sulu variegata*), the Peruvian pelican (*Pelecanus thagus*) and the Guanay cormorant (*Leucocarbo bougainvilliorum*) – the latter two are considered near-threatened by the IUCN. Also present is the Humboldt Penguin (*Spheniscus humboldti*), considered vulnerable by the IUCN. Marshes in the area provide important habitat for migratory birds and the source of reeds (totorales) from which the fishers construct fishing vessels.

The Illescas National Reserve (RNI) was declared by Decree Supreme N° 038-2021-MINAM on December 24, 2021. It has an area of 36, 550.70 ha and it is located in Peru's Sechura district, Sechura province, Piura department. The RNI comprises the biome of the Desert and Xeric Shrubs and the Sechura Desert Ecoregion, whose climatic and geomorphological conditions have allowed the formation of a varied plant community and a diversity of species of very particular wildlife, so that the Illescas Peninsula is recognized as one of the most important wildlife refuges in the entire Sechura Desert Ecoregion. It is home to important populations of endemic species such as the mouse Phyllotis amicus and the desert mouse Phyllotis gerbillus. The Illescas peninsula is the only place where the reproduction of the Andean condor (Vultur gryphus)—categorized as vulnerable (VU) by IUCN's Red List – has been evidenced on the north coast of Peru. It also has the largest population of Andean condors on the Pacific coast. Other endangered species inhabit the area, such as the Peruvian plantcutter (Phytotoma raimondii (VU)), the Humboldt penguin (Spheniscus humboldti (VU)), as well as other charismatic species such as the Peruvian pelican (Pelecanus thagus (near-threatened -NT)), the Red-legged cormorant (*Poikilocarbo gaimardi* (NT)), the Inca Tern (Larosterna inca (NT)) and the Sechuran Fox (Lycalopex sechurae (NT)). The 'algarrobal' (carob trees) and rocky vegetation of the peninsula are home to five reptile species, including *Microlophus thoracicus talarae*, a subspecies endemic to Peru; and the endemic desert fauna provides habitat for lizards such as *Microlophus Peruvianus*, *M*. theresiae, M. thracicus, Ctenoblepharis adspersus. The Illescas Peninsula is considered the only place in the Americas where four sympatric species of geckos occur: Phyllodactylus climatus (endemic to the Illescas Peninsula), P. Kofordi, P. reiss and P. microphyllus.

Social Context

Playa Hermosa is a small town in Puntarenas Province, on the Pacific coast of Costa Rica. The population relies mainly on surf tourism, and the area became a World Surfing Reserve in 2022. A study conducted by Save The Waves estimated that surf tourism contributes approximately US\$14.3 million per year to the local economy of Playa Hermosa.

Nosara is a community mainly dedicated to tourism that receives thousands of tourists seeking surfing and white sand beaches. Ostional is an exceptional and successful case of co-management, where environmental authorities and community regulate the extraction of eggs (that would have been lost due to the massive nesting), and the tourism that the natural phenomenon generates. The MPA regulates the extraction of fisheries through a management plan, an activity on which a number of families from nearby communities such as Guiones, Garza, San Juanillo and Lagarto depend.

The population of Huanchaco is about 68,409 people, of which 52.7% (36,059) are men and 47.3% (32,350) are women. The fishers of Huanchaco have used *caballitos de totoras* as fishing vessels and they have been surfing waves with them for centuries. The fishery catches just over twenty fish species (mullet, banded croaker, Lorna drum, weakfish, grunt, and morwong are the most caught species) and a few invertebrate species (with the purple crab as the most caught species). Meanwhile, fishing is an important form of livelihood on which many sub-sectors depend. Importantly, although fishing itself is a mainly male activity, women's employment in restaurants and supermarkets that sell fish comprises around 57% of the total employment – more than men. Huanchaco is a hub for international and national tourism, located near the mouth of the Moche River and one of the most important pre-Inca ruins of Chan. The interrelationships of the fishers with the surf breaks, the coastal marshes and the rich culture and history of the site make it ideal to explore blue economy opportunities for surf within a broader integrated coastal development approach.

Illescas and Negritos are in the Piura region of northwest Peru, encompassing desert landscapes, tropical dry forests and Pacific coastline. In 2021, fisheries and aquaculture in Piura contributed 2.5% of the total GDP in the region. In 2020, total employment (direct and indirect) in the tourism sector in the Piura region corresponded to 6.4% of the population.

2.3 Benefits of the project and targeted beneficiaries

The Project will improve management and protection of surf ecosystems in Costa Rica and Peru, further protecting globally threatened species, including sea turtles, marine mammals and birds. Anticipated benefits include 37,453 ha of protected areas under improved management in Peru (Illescas National Reserve), and 10,347 ha of marine protected areas under improved management in Costa Rica (Ostional and Playa Hermosa-Punta Mala). Although the Illescas National Reserve is designated as a terrestrial protected area, it features approximately 51km of coastline, ecologically linked to the larger Illescas peninsula that includes 3 surf breaks targeted by the Project. Project activities in the field are limited to Costa Rica and Peru, but project activities include investment in enabling conditions for future replication of on-the-ground work in Panama. Thus, the Project will facilitate improved cooperative management in two shared large marine ecosystems (LMEs): the Humboldt Current LME (Peru) and the Pacific Central-American Coastal LME (Costa Rica and Panama).

Direct beneficiaries will include government protected area personnel and agency staff, community members and community organizations in the project sites, fishers' associations, non-governmental organizations, local tourism companies including hotels, surf schools, tour operators, guides, restaurants, and surf media. The Project will directly benefit 220 women and 282 men (502) in Costa Rica, and 91 women and 211 men (302 people) in Peru from training and capacity-building activities, and technical support for transitions to sustainable practices and improved livelihoods linked to the blue economy. The Project will seek to engage at least 100 individuals in virtual trainings and exchanges under project activities in Component 3. Participation in comparable activities under other related initiatives has been split male/female by 70/30; the Project will undertake actions to increase female participation (per the Gender Mainstreaming Plan). Safeguards will be put in place to protect access to natural resources, including best practices such as informed consent, consultations, participation and transparency.

The first level of indirect beneficiaries includes the broader populations in and around the surf ecosystems targeted by the Project, who benefit from enhanced/sustained ecosystem services (esp. those linked to biodiversity, coastal protection, and water quality/quantity) and improved economic development planning. A second level of indirect beneficiaries is the populations in and around other surf ecosystems in Peru, Costa Rica and Panama, who will benefit from later replication of planning, management and investment tools and processes demonstrated by the Project. More widely, mainstreaming of surf ecosystem protection and associated blue economy development into government planning, sector strategies and practices will enhance the security of natural assets that are vital for key economic sectors (i.e., fisheries and tourism), benefiting these countries as a whole (estimated combined population 62.2 million).

2.4 Potential adverse effects of the project (in accordance with the Operational Safeguards and risks triggered in the screening)

As noted above, Environmental and Social screening found this project to fall under "Category C" with respect to Operational Safeguards, indicating no anticipated adverse impact on human populations or environmentally important areas. Subsequent assessment concluded that OS 2 and OS 10 remain relevant.

With respect to OS 2: Protection of Natural Habitats and Biodiversity, the project will seek to strengthen management of protected areas and thus enhance protection of natural habitats and biodiversity. However, the project also intends to promote surf-related tourism, albeit through operations and practices that pursue sustainability and avoid negative impacts. Nevertheless, the potential growth in surf tourism may result in additional pressure on ecosystems as a consequence of increase in the physical number of people visiting the project sites. With more people, there will be greater volumes of waste, more demands on local infrastructure and services, and higher likelihood of bad practices such as use of inappropriate sunscreen, littering, encroachment on sensitive areas, etc. Managing this risk will be an important part of wider protected area management, as well as an area of focus for work with sustainable businesses in the overall blue economy framework.

Substantial parts of the project will involve stakeholder engagement, consultations, training and awareness-building activities. Thus, OS 10: Community Health, Safety and Security is triggered given the anticipated interaction with various stakeholders, and the potential of such interactions to cause COVID-19 transmission. The project execution partners are committed to minimizing this risk by applying all necessary prevention and mitigation measures, per their own institutional policies and following national government guidelines and recommendations. Generally, during the PPG-phase of the project the risks relating to COVID-19 have subsided in the project areas, but the project partners will continue to track trends and adjust project implementation plans accordingly if circumstances change. OS 10 also is relevant with respect to planned work with fishermen to use improved gear. The project will ensure that technical expertise involved in these activities will include appropriate safety protocols and training with respect to gear use.

2.5 Climate change

The project's objectives will support adaptation to climate risks and reduce vulnerability to climate risks by strengthening the management of coastal and marine ecosystems and enhancing equitable blue economy benefits to local communities. The project will contribute to the reduction in cumulative threats and impacts to coastal and marine ecosystems thus helping to reduce long-term vulnerability to climate impacts. By helping local communities to more fully and equitably participate in blue economy activities, the project will support diversification of livelihoods in an environmentally sustainable way, which in turn will reduce social vulnerability to climate impacts. The project will include consideration of climate risks and adaptation in project plans with government and key stakeholder groups and in capacity building initiatives including mentoring, training and sharing of knowledge products.

Given the project's coastal locations, climate change could have an impact on work with the coastal communities, which already are vulnerable to sea level rise storm surges and flooding. Warmer ocean temperatures, sea level rise, increased sedimentation, and stronger storm surges can all contribute to altering surf breaks, thus reducing "surfable" areas and the economic benefits associated with the breaks. Climate change impacts will be considered when working towards strengthening the management of the surf ecosystems and also in determining a methodology for developing a blue economy. Any work involving coastal communities as well as documentation of lessons learned from this project will consider future climate change impacts.

Specific anticipated climate risks and current measures being taken in each country include:

Costa Rica

Costa Rica's geographic location, topography and economy make the country highly vulnerable to climate change and its related impacts. The ND-GAIN Index (used by the World Bank and other development agencies) ranks Costa Rica 60th out of 182 countries for vulnerability to climate change. Contributing factors to the country's high climate vulnerability are the location of its population (currently 80% in urban areas, projected to rise to over 90% by 2050) and the extent of its coastal areas relative to its size. Many coastal areas, notably Puerto Limón, Jaco and Puntarenas are categorized as at severe risk from sea level rise, which is projected to be around .3 meters above current sea level by 2050, potentially increasing to more than .5 meters by 2100. As such, the project's focal surf ecosystems are at elevated risk from climate-related impacts from sea level increases and extreme weather-related events exacerbated by the impacts from climate change, such as storm surges and sedimentation from heavy precipitation.

Costa Rica has recognized its vulnerability to climate risks and has prioritized decarbonization by 2050, as indicated in its Nationally Determined Contribution (NDCs updated in 2020) and the country's decarbonization plan of 2019. The government currently is focusing on building capacity and strengthening coordination with various agencies and civil society to assess and adapt to projected impacts from climate change. For example, Costa Rica has incorporated a number of climate change adaptation components into its National Disaster Risk Management Policy and has focused on building national resilience through capacity building and adopting more climate resistant technologies.

Peru

As in the case of Costa Rica, Peru's geographic location (notably its proximity to the Humboldt Current) and extremes in topography give the country a wide variety of climatic zones, making the country highly vulnerable to natural disasters and the impacts from climate change. Indeed, the country has seven of the nine characteristics that define a country's vulnerability to natural disasters, including earthquakes, flooding, landslides and volcanic activity. Exacerbating this vulnerability is the fact that over half (55%) of Peru's population lives along the country's coastal region, making sea level rise an additional risk. Unlike Costa Rica, Peru also has glacier zones throughout its share of the Andes Mountain range, the loss of which from climate change could exacerbate flooding and sedimentation in lower areas, including coastal zones.

The ND-GAIN Index has ranked Peru 91st out of 182 countries for climate vulnerability. Sea level rise is projected to be roughly .2 meters above current levels by 2050, and potentially .46 meters or more by 2100. As with the project's focal areas in Costa Rica, increased coastal erosion and severity of storm surges and run-off and sedimentation could potentially alter or remove entirely the Peru's focal surf ecosystem areas, thereby compromising local communities' ability to enjoy blue economy benefits. Compared to Costa Rica, Peru is relatively unprepared to address impacts from climate change, ranking low in planning and implementing adaptation actions to improve readiness and

resilience. Exacerbating this relative unreadiness is the percentage of Peru's population that lives in poverty (over 32% compared to Costa Rica's 16% in 2020), as impoverished populations have less ability to mitigate and adapt to impacts from climate change.

Panama

Though none of the project's pilot sites are located in Panama, any policy-making recommendations and capacity building to improve planning and management of surf ecosystems has to take into account the current and future projected impacts from climate change. Panama shares many of the same characteristics as Costa Rica in terms of geographic location, topography and economy (for example, approximately 12% of the population lives in poverty), thus making the country similarly vulnerable to climate change-related impacts. The ND-GAIN Index ranks Panama 81st out of 182 countries for vulnerability to climate change, the fourth highest in Latin America. The Index noted that overall, Panama has a relatively low vulnerability score and high readiness score, placing the country in the upper middle of the Index's rankings. The Index noted that while Panama has many adaptation challenges in the face of climate change, the country is well positioned in terms of its capacity to adapt.

3. Policy, legal, and administrative framework

3.1 Institutional context

The project will be implemented with the appropriate governmental bodies for each of the focal countries. Specific entities and roles for each country include:

Peru

At the national level, the Line Ministry for the project's activities in Peru will be the Ministry of the Environment of Peru (MINAM). Under MINAM's oversight is the National Service of Protected Areas (SERNANP), which is in charge of the Illescas National Reserve, where project activities will take place, thereby requiring coordination of relevant activities. As the Ministry of Production has all fishing-related activities as part of its portfolio, coordination will take place as necessary with the project's objectives. Review, approval and enforcement of Peru's Ley de Rompientes are all overseen by Peru's Navy, through which coordination will take place for the project's proposed protected wave breaks. At the sub-national level, the project will coordinate relevant activities with both departmental and municipal level authorities. This includes coordination with both Regional Directors of Natural Resources for the regional governments of La Libertad and Piura, as well as with the District Municipality of Huanchaco.

Costa Rica

At the national level, Costa Rica's Line Ministry for the project will be the Ministry of Environment and Energy, which is in charge of administering all natural-resource-related activities in the country. Coordination of the project's local-level activities will take place with the Municipalities of Garabito and Nicoya.

Panama

Though none of the project's pilot sites are located in Panama, project activities include investment in enabling conditions for future replication of on-the-ground work in Panama in Component 1, and representatives from these countries also will be invited to participate in Component 3 activities. At the national level, the project will coordinate with Panama's Ministry of Environment (MiAMBIENTE).

3.2 Policies and legislation

The project will be implemented in compliance with all national laws and relevant international environmental and social impact management and standard laws. All three focal countries are party to key international agreements that are relevant to the project's implementation, including:

Convention on Biological Diversity (CBD):

- Costa Rica has been part of the CBD since 1994, its latest report (2014-2018) mentions the need to improve marine planning and management processes. Costa Rica has a National Biodiversity Strategy, which responds to planning to achieve the national and global goals established in the framework of the CBD. It has been defined a priority to specify actions to improve the knowledge, analysis, and attention of marine ecosystems, especially in protected areas.
- Peru ratified the CBD in 1993. The National Strategy of Biological Diversity and its Action Plan by 2021, approved by Decree Supreme No. 004-2021-MINAM, is the main planning instrument for the conservation and sustainable use of the country's biological diversity. For marine ecosystems It proposes that by 2021, 10% of marine ecosystems will be under different modalities of in situ conservation and management. Panama ratified the CBD in 1992 and completed its first National Biodiversity Strategy and Action Plan (NBSAP) in 2000.
- Panama ratified the CBD in 2012. While Panama has made good progress on commitments to Aichi Target 11 (protected areas) and 16 (Nagoya Protocol), more work is needed for Target 1 (awareness increased), 4 (sustainable consumption and production), and 6 (sustainable management of marine living resources).

UNFCCC National Determined Contribution:

- The last update of Costa Rica's NDCs (2020) identifies "Oceans, water resources and blue biodiversity" as one of its actions. The government is committed to seeking healthy, adapted and resilient, marine and coastal ecosystems, that allow a sustainable use of natural resources and whose management is focused on the well-being of people and nature.
- Peru, in its NDCs, has established as an adaptation measure for the fishing and aquaculture sector, that artisanal fisheries actors apply good fishing practices in a climate change context. Component 2 of the project will involve the artisanal fisheries from Huanchaco that use caballitos de totoras as ancestral fishing vessels. This fishery has been declared as a national heritage.
- Panama submitted their updated NDC in 2022. The update recognizes the need to make marine and coastal regulations and strategies gender responsive and aimed at improving the quality of life for both genders who live and depend on marine-coastal ecosystems.

National Adaptation Programme of Action:

- Costa Rica has developed and is executing a national climate change adaptation policy. In one work axis the policy further aims to "Promote conditions for the resilience of human and natural systems through territorial, marine and coastal planning."
- In June 2021, Peru's Ministry of the Environment (MINAM) launched Peru's National Adaptation Plan. Peru's NAP promotes the involvement of private sector and gender equity.

The Wetlands Convention (Ramsar):

- Costa Rica has been part of the convention since 1992 and increasing the conservation of wetlands is one of the country's priorities. It is proposed to increase the coverage of Ramsar sites within the framework of biodiversity strategies and policies. Currently, under the Ramsar convention, sites linked to recognized surfing ecosystems are protected, such as the mangroves of the Las Baulas National Park.
- Peru entered the convention in 1992 and currently has 14 sites designated as Wetlands of International Importance, of which Paracas National Reserve is a proposed site.

• Panama entered into the convention in 1990 and has 5 sites.

All three countries have ratified the following:

- Universal Declaration of Human Rights (UDHR)
- American Convention on Human Rights (ACHR)
- Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)

In addition, each focal country of the project has national environmental and social laws that may impact implementation of the project and ESMP:

Peru

Applicable legal clauses that allow for Peru to work with United Nations and Specialized Agencies include:

"The Government of the Republic of Peru agrees to apply to the present project, mutatis mutandis, the provisions of the Revised Standard Technical Assistance Agreement concluded between the United Nations and the Specialized Agencies and the Government on 30 March 1956."

Relevant national-level policies and laws in Peru that could impact the project's implementation include:

Peruvian National Environmental Policy by 2030, approved by Decree Supreme N° 023-2019-MINAM. The policy has 3 priority objectives with which the project is aligned:

- Reduce levels of deforestation and degradation of ecosystems (OP2).
- Strengthen environmental governance with a territorial approach in public and private entities (OP6).
- Improving the environmental performance of citizens (OP9).

Peruvian National Maritime Policy, approved by Decree Supreme N° 012-2019-2030. This policy seeks to strengthen the governance of the maritime environment, the development of science, technology and innovation, and increase maritime awareness in the national population.

Peruvian National Tourism Strategic Plan 2025 (PENTUR). The objective of this strategy is to promote Peru as a competitive, sustainable, quality and safe tourist destination, to contribute to the economic and social development of the country. This plan recognizes surfing as a specialized niche.

Peruvian Law of Natural Protected Areas (Law N° 26834) and its regulation (Supreme Decree No. 038-2001- AG). The project will contribute to the strengthened management of marine and coastal protected areas by developing regulations for surfing within these areas.

Peruvian Law of Preservation of Suitable Breakers for Sports Practice (Law No. 27280). This law aims to ensure that the waves do not suffer human alterations. Protected waves are registered in the National Record of Breakers (RENARO), in charge of the General Directorate of Captains and Coast Guard (DICAPI, its acronym in Spanish). The project seeks to give legal protection to surf breaks in Peru.

Permanent Commission for the South Pacific (CPSS). The regional protocols and agreements adopted by the parties of CPSS, of which Peru is a member (as well as Chile, Colombia and Ecuador), include, among others, protocols on pollution from land-based sources in marine protected areas. In addition, CPPS administers the Regional Seas Action Plan for the South-east Pacific (approved in 1981), which includes six lines of work: (a) marine mammals, (b) marine turtles, (c) marine protected areas, (d) marine pollution, (e) marine debris, and (f) mangroves.

Peru has a **Gender National Policy** (approved by DS N° 008-2019-MIMP) that targets the three levels of government (national, regional and local). The Ministry of Women and Vulnerable Populations is responsible for its implementation in coordination with all the sectors. They carried out trainings for authorities and have developed guidelines for public officials to comply with the gender policy.

Costa Rica

Applicable legal clauses that allow for Costa Rica to work with United Nations and Specialized Agencies include:

"The Government of the Republic of Costa Rica agrees to apply to the present project, mutatis mutandis, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed on 7 August 1973 and entered into force on 6 February 1976.

Costa Rica also has a number of additional policies and laws that could impact the project's implementation, including:

Costa Rican National Ocean Policy (2013-2028). Addresses marine and coastal resources conservation and risk reduction based on ecosystems. It defines as an overall objective that the Costa Rican State protects ecosystems, their functionality, and productivity by preventing the anthropogenic and natural impacts over marine and coastal areas, as well as integrated risk management and climate change adaptation.

Costa Rican National Biodiversity Policy (2015-2030). The result of a participatory process, in which different sectors, institutional representatives, civil society and the private sector contributed their knowledge and experiences of what should be the conservation and sustainable use of biodiversity, as well as the fair and equitable distribution of the benefits derived from its use. As part of the policy, it is proposed to improve the resilience capacity of vulnerable sectors through actions at the ecosystem-level and productive landscapes in biological corridors, and marine-coastal areas.

Costa Rican National Climate Change Adaptation Policy (2018-2030). This policy has been proposed as a guiding framework that will inform the country's actions in terms of adaptation. It seeks to strengthen capacities and resilience conditions, reduce vulnerability, damages and losses, and take advantage of opportunities generated by adaptation measures. One of six work axis refers to, "Promote conditions for the resilience of human and natural systems through territorial, marine and coastal planning."

Costa Rican National Biodiversity Strategy (2016-2025). Based on the paradigms of sustainable human development and human rights under the principles of coresponsibility, decentralization, and shared management. Seven strategic themes are directly related to the marine-coastal management and conservation. It also notes that there is "evidence of the deterioration and loss of biodiversity in its different manifestations, in particular for some key ecosystems that include wetlands, coral reefs, and marine-coastal ecosystems in general" that needs to be addressed.

Costa Rica Economy of the Oceans and Trade (*fishing sector). Aims to promote the competitiveness and sustainability of the fishing sector. A series of strategic actions are proposed to develop fairer and more sustainable value chains, an important element in fisheries associated with coastal communities.

Costa Rica has the **National Policy for Effective Equity for Women and Men (PIEG 2018-20304)**, that highlights four main objectives are detailed: equity in rights, in time distribution, in wealth and empowerment. In recent years, awareness of gender issues has increased considerably in Costa Rica, and organizations have made improvements regarding equal gender representation. Organizations have emerged to respond to local gender issues, such as gender violence and protection of women's rights. An example is the feminist group Colectiva Feminista de Nosara.

Panama

Applicable legal clauses that allow for Panama to work with United Nations and Specialized Agencies include:

"The Government of the Republic of Panama agrees to apply to the present project, mutatis mutandis, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Programme and the Government, signed on 23 August 1973 and entered into force on 19 April 1974."

Additional national-level policies and laws in Panama that could impact the project's implementation include:

Panama's Master Plan for Sustainable Tourism 2020-2025. This was recently announced by the Panama Tourism Authority. Outlines heritage routes for tourism that includes Blue Heritage. One particular route encompasses Bocas del Toro, which was

recognized as a Hope Spot by Mission Blue, the initiative led by National Geographic Explorer Dr. Sylvia Earle and is also a highly prized surf site.

The project is also consistent with the following national policies and plans for Panama: Panama's National Biodiversity Strategy (2018-2030) Panama's Policy of No Waste (Política No Basura) Panama's Strategic Plan (2020-2024)

4. Environmental and social risks and mitigation measures

This section describes relevant environmental and social risks identified in the design phase of the project. Since the ESMP should serve as an active tool, additional risks that are identified during the project implementation will be included as they are identified.

E&S risks (E&S risks only, not operational risks)	Mitigating measure	Technical details of the mitigation technology, process, equipment, design and operating procedures	Location	Timeline, including frequency, start and end date	Responsibility (One or max. two entities should be responsible for each risk)	Cost of mitigation (Non-substantial costs: the cost is included in the technical budget allocated for the delivery of the related technical activity)
Covid-19 infections or related global pandemic The pandemic continues (or a new pandemic occurs) that will require self- isolation, which could result in hospitalization, or even become fatal to technicians and beneficiaries (and families, friends, acquaintances) of	 All Cl offices have an emergency response plan that addresses COVID- 19 risks, and provides guidance on: Social distancing, PPE, safety and security measures, and partner engagement procedures. Biosecurity protocols for small producers; coordination with national and regional health and security officials. Apply Cl COVID-19 Project risk guidance to re-assess risks on a regular basis; Permanent two-way communication on the health condition between Cl and the technical team and beneficiaries 	Best practices as informed by the US Centers for Disease Control, and the Ministries of Health in Costa Rica, Peru and Panama.	CI Country Offices, with support from CI HQ.	Ongoing throughout life of the project.	СІ	Embedded in Cl organizational budget.

the project.	[CI seeks to influence partners to use our covid-19 risk reduction methods; note that Responsible Parties also have their own protocols in place that are consistent with those of CI]					
Security risks. Potential incidence of political turmoil, protests (e.g. roadblocks) and other conflict increases risks of social instability and economic disruption (e.g. tourism in Peru), and in turn delays progress on the established activities of the project, which limits its reach and effectiveness	 Coordinate with the authorities in the relevant project areas, keeping in mind the pre-existing conflicts and being sensitive in future activities and consultations Keep in constant contact with police and government Ensure effective communication about project objectives and plans to relevant authorities Create, communicate and train stakeholders to use protocols that protect personnel safety and care, including planning for evacuation contingencies Balance in-person with virtual activities and engagements to continue work with stakeholders and partners Prepare contingency plans to ensure the feasible execution of the Project 	Cl's Security Director has prepared and continually updates country-specific security and safety plans, in coordination with Cl Country Operations Directors. Include a security lens in ongoing communications and engagement efforts with authorities, partners and key stakeholders.	Country offices of CI, STW, and SPDA.	Ongoing throughout life of the project.	CI, STW, SPDA	Embedded in communications and stakeholder engagement activities.
Occupation and degradation of forest areas/coastal areas, as well as unsustainable property development, are	 Complete a territorial analysis of strategic social actors and define stakeholder engagement approach Create and sign at-will agreements for conservation purposes with the beneficiaries Train the community in activities that incentivize conservation and 	Best practices for multi-stakeholder conservation strategies to address anthropogenic pressure on ecosystems.	All protected areas included in the project.	Ongoing throughout life of the project.	CI, STW, SPDA	Embedded in project activities.

exacerbated by blue economy development catalyzed by the project, which would affect natural habitats and alter the corridor's ecosystem	 conflict risk management Explicitly address this risk in project work on strengthening management plans and frameworks for protected areas Design inclusive and participatory methods of prevention and control of degradation, with conflict analysis to inform project design 					
Decision-making processes do not ensure equal terms for the population or are discriminatory or exclusive	 Socialize and request feedback on an Environmental and Social Management Plan (ESMP) covering each component of the project. The ESMP integrates CI's RBA and safeguards and will be designed with input from community members (men and women) and other stakeholders to ensure their participation in project implementation. Gender plan to mainstream throughout project activities (also see below). Define the beneficiary selection process to be respectful of differences without discrimination regarding race, religion, gender or other type. Increase women's meaningful and equal participation and benefits in the project and value chain. Define and implement project activities that reflect and meet the RBA and ESM 	Best practices for participatory conservation, using a Rights-based Approach. Explicit attention to benefit distribution mechanisms in project design.	Communities impacted by work in the MPAs included in the project geography.	Ongoing throughout life of the project.	CI (Gender and Safeguards Specialist responsible in general); STW, SPDA to ensure application in the field	Embedded in project activities.

	 Design an equitable beneficiary selection strategy that guarantees the empowerment of women and youth 					
Women may face barriers to engage in project training, participation and decision-making processes, and therefore may not be able to engage in, influence, and benefit from the project as planned. Gender inequality within the household or producer organizations can increase risks of sex and gender- based violence.	 Implement training processes with a gender focus (proactively encourage women's participation through understanding the barriers they face and implementing mitigation measures) Promote the participation and enrollment of women as project beneficiaries, working both with women themselves and their spouses in support of this Create inclusive spaces for women in the process of establishing committees and other decisionmaking instances of the project, Develop and monitor indicators to measure progress on women's increasing leadership and voice in the project design and implementation 	Best practices for gender equity and mainstreaming in project design and delivery.	Communities impacted by work in the MPAs included in the project geography.	Ongoing throughout life of the project.	CI, STW, SPDA	Embedded in project activities.
Disadvantaged groups (youth, elderly, disabled people, ethnic minorities) may face barriers to engage in project training, participation and	 Promote the participation and enrollment of members of disadvantaged groups as project beneficiaries Create inclusive spaces for members of disadvantaged groups in the process of establishing committees and other decision-making instances of the project, 	Best practices for inclusive participation with deliberate attention to disadvantaged groups in project design and delivery.	Communities impacted by work in the MPAs included in the project geography.	Ongoing throughout life of the project.	CI, STW, SPDA	Embedded in project activities.

decision-making processes, and therefore may not be able to engage in, influence, and benefit from the project as planned.	 Develop and monitor indicators to measure progress on increasing leadership and voice of members of disadvantaged groups in the project design and implementation 					
The chance of gender-based violence (GBV) can be increased when raising incomes and creating jobs, particularly work that focuses on increasing representation from women in traditionally male- dominated and where there is gender inequality within the household.	 Provide basic training to the project teams on GBV and how to respond if incidents are reported/disclosed The program team will assess the implications (for everyone involved) of talking to a survivor or reporter: CI recognizes that our involvement may make the situation worse. Guidance will be given to follow the lead of the survivor/reporter in determining what is best. Establish a referral list of groups who are trained to support this in case it is needed Ensure that the project's GRM is designed to respond to project related GBV incidents Research and become familiar with national laws and regulations related to GBV including victim's rights 	Best practices as informed by gender expertise housed in CI.	Communities impacted by work in the MPAs included in the project geography.	Ongoing throughout life of the project.	CI, STW, SPDA	Embedded in project activities (e.g., gender analyses).
Growth in surf tourism increases pressure on ecosystems (e.g., congestion, use of unsafe	Focus tourism marketing & messaging on lower volume/higher paying segment of surf visitors MPA management planning to	Best practices for responsible surf management, as informed by STW expertise and project activities to compile	Surf sites targeted by the project.	Ongoing throughout the life of the project.	STW, CI	Embedded in project activities.

sunscreens,	include:	global best practices.				
increased solid						
waste volumes, and direct disturbance to wildlife, etc.)	 Incorporation of tourism management guidelines Zoning access to surfing sites (e.g., restricted areas for vehicles and boating routes) Educate/enforce responsible boating through management measures (e.g. safe speeds, shore distance, anchoring practices) Control of surf volumes during 					
	turtle posting periods					
	turtie nesting periods					
	Engage surf operators to adopt best					
	practices, including:					
	 Selling only and requiring safe 					
	sunscreens					
	 Litter/waste management by 					
	providing receptacles for easy					
	disposal/transport to appropriate					
	sites					
	 Avoidance of wildlife in 					
	coordination with MPA authorities					
Potential	• Provide basic training to the project	Best practices as	Areas in the	Ongoing	CI, STW, SPDA	Embedded in
increases in GBV	teams on GBV and how to respond if	informed by gender	project	throughout		project activities
incidents within	incidents are reported/disclosed	expertise housed in Cl.	geography	life of the		(e.g., gender
the tourist	 The program team will assess the 		frequented	project.		analyses).
population	implications (for everyone involved)		by tourists.			
	of talking to a survivor or reporter.					
	 Establish a referral list of groups 					
	who are trained to provide support					

	if needed; dissemination of information on available resources through surf operators, hotels, etc.					
Displacement of local communities by increasing land values, crowding out by need for visitor accommodation	 Focus tourism marketing & messaging on lower volume/higher paying segment of surf visitors Encourage stakeholders to demand and participate in appropriate coastal zone planning processes. 	Cultivate awareness among local stakeholders of available planning and redress mechanisms.	Areas in the project geography subject to coastal development	Ongoing throughout the life of the project.	CI, STW, SPDA	Embedded in stakeholder engagement activities.
Social disruption caused by increased visitor numbers that leads to growing demand for drugs, prostitution, etc.	 Focus tourism marketing & messaging on lower volume/higher paying segment of surf visitors MPA management coordination with other law enforcement agencies 	Best practices informed by growing global experience (e.g., comparable work by CI in Indonesia)	Communities impacted by work in the MPAs included in the project geography.	Ongoing throughout the life of the project.	CI, STW, SPDA	Embedded in project activities.
Changing livelihoods from resource-based to tourism-based leads to increased vulnerability to downturns	 Pursue further diversification within overall blue economy framework Reinforce traditional fishing sector Strengthen market linkages for sustainable fishing 	Apply learnings from review of global best practices in catalyzing blue economy development.	Communities impacted in the project geography.	Ongoing throughout the life of the project.	CI	Embedded in project activities, as well as stakeholder engagement and communications activities.

5. Environmental and social sustainability monitoring

E&S risks	Parameter s to be measured	Monitoring methods and procedures used (e.g. sampling)	Timing/Frequ ency of measurement	Detection limit	Definition of thresholds	Sampling/m onitoring location	Responsibility
Covid-19 infections or related global pandemic The pandemic continues (or a new pandemic occurs) that will require self-isolation, which could result in hospitalization, or even become fatal to technicians and beneficiaries (and families, friends, acquaintances) of the project.	# of hospitalizati ons # of deaths	Self-reporting by technicians Inquiries submitted to local health authorities	Ongoing Quarterly	N/A	N/A	Project sites	PMU and beneficiaries
Security risks. Potential incidence of political turmoil, protests (e.g. roadblocks) and other conflict increases risks of social instability and economic disruption (e.g. tourism in Peru), and in turn delays progress on the established activities of the project, which limits its reach and effectiveness	# of instances where project activities were obstructed by security incidents	Review of project reporting on implementati on	Quarterly	N/A	N/A	Project geography	PMU
Occupation and degradation of forest areas/coastal areas, as well as unsustainable property development, are exacerbated by blue economy development	# of observed instances of negative impact on	Field observation Media tracking	Ongoing Ongoing	N/A	N/A	Project geography	PMU

catalyzed by the project, which would affect natural habitats and alter the corridor's ecosystem Decision-making processes do not ensure equal terms for the population or are	habitats # of complaints submitted	Inquiries submitted to MPA authorities Cross- checking grievance	Quarterly Quarterly	N/A	N/A	Project sites	PMU and beneficiaries
discriminatory or exclusive	to grievance redress mechanism	redress mechanism reporting					
Women may face barriers to engage in project training, participation and decision- making processes, and therefore may not be able to engage in, influence, and benefit from the project as planned	% of women participants in project activities	Gender- disaggregated tracking of project activity participation	Ongoing	N/A	N/A	Project geographies	PMU
Gender inequality within the household or producer organizations can increase risks of sex and gender-based violence.	# of incidents	Inquiries submitted to local support providers	Quarterly				
Disadvantaged groups (youth, elderly, disabled people, ethnic minorities) may face barriers to engage in project training, participation and decision- making processes, and therefore may not be able to engage in, influence, and benefit from the project as	% of participants in project activities from disadvantag ed groups (youth, elderly,	Tracking of project activity participation disaggregated by membership of disadvantaged	Ongoing	N/A	N/A	Project geographies	PMU

planned.	disabled people, ethnic minorities)	groups					
The chance of gender-based violence (GBV) can be increased when raising incomes and creating jobs, particularly work that focuses on increasing representation from women in traditionally male-dominated and where there is gender inequality within the household.	# of incidents	Inquiries submitted to local support providers	Quarterly	N/A	N/A	Project geographies	PMU
Growth in surf tourism increases pressure on ecosystems (e.g., congestion, use of unsafe sunscreens, increased solid waste volumes, and direct disturbance to wildlife, etc.)	# of observed instances of negative impact from SURF tourism	Field observation Inquiries submitted to MPA authorities	Ongoing Quarterly	N/A	N/A	Project sites	PMU
		Inquiries submitted to surf operator partners	Quarterly				
Potential increases in GBV incidents within the tourist population	# of incidents reported	Inquiries submitted to local support providers Media	Quarterly	N/A	N/A	Project geographies	PMU
Displacement of local	# of	tracking	Annually	N/A	N/A	Project	PMU and
				,	,		

communities by increasing	households	household				geographies	beneficiaries
land values, crowding out by	that feel	survey of					
need for visitor	compelled	random					
accommodation	to relocate	sample					
Social disruption caused by increased visitor numbers that leads to growing demand for drugs, prostitution, etc.	# of reported incidents indicative of social	Inquiries submitted to local support providers	Quarterly	N/A	N/A	Project geographies	PMU
	disruption	Media tracking	Ongoing				
Change from resource-based to tourism-based livelihoods leads to increased vulnerability to downturns	# of households relying on tourism as a single source of income	Rapid household survey of random sample	Annually	N/A	N/A	Project geographies	PMU and beneficiaries

6. Capacity development

6.1 Management structure



The Project Steering Committee (PSC) will be established and chaired by the Line Ministries of the target countries: Ministry of Environment and Energy of Costa Rica (MINAE) and Ministry of the Environment of Peru (MINAM). The PSC will meet regularly, twice a year, with the overall objective of assessing the progress of the project towards its planned objectives. The PSC will serve as the project's main decision-making body and will provide high-level strategic guidance to ensure project alignment with national policies and laws, best practices, and initiatives.

The PMU will be tasked with operational planning and day-to-day implementation of all project activities under the project components, as well as with monitoring and reporting on project outputs and outcomes. The PMU staff will work under the oversight of the Project Steering Committee and in close coordination with technical, administrative, and institutional support from technical advisers at the SINAC and SERNANP, as well as other governmental agencies as needed.

Both project countries with on the ground implementation activities (Costa Rica and Peru) will have a Country Coordination Unit (CCU) to ensure alignment and coordinated implementation of the workplan in each country.

Finally, contributing to the project at all levels will the be the Technical Working Group, The Technical Working Group (TWG) will provide technical guidance for implementation of the relevant workstreams, facilitate mainstreaming of project objectives into sector programs and inter-sectoral coordination, and the sharing of knowledge and project results among sectoral agencies and related projects. The TWG will be convened and co-chaired by SINAC and SERNANP and supported by CI through the P. The TWG will be comprised of key stakeholder bodies from national and local levels, including representatives from local agencies and academia, as well as municipal representatives from Playa Hermosa, Nosara, Huanchaco and Illescas.

6.2 ESMP roles and responsibilities

The Gender and Safeguards Specialist will provide oversight to stakeholder engagement and development, integration and implementation of the gender mainstreaming action plan, the stakeholder engagement plan and all other safeguards on all project components. She formally will report to the Project Manager (PM). The specialist will support preparation of quarterly/annual reports on project progress and monitor the project activities on related to Gender and Safeguards.

6.3 Institutional strengthening

The project proponents have sufficient capacity to implement the ESMP. CI has extensive experience implementing projects funded by GEF and other sources that require rigorous application of environmental and social safeguards and risk mitigation plans, and will bring that experience as well as dedicated staff with targeted expertise to bear in this project. Moreover, in addition to including dedicated safeguards and monitoring capacity in the PMU as described above, the project's ESMP activities will benefit from the ESS unit housed at CI HQ as a valuable resource as needed.

7. Communication and stakeholder development

UNIDO will annually communicate implementation progress on issues that involve ongoing risk to or impacts on the project stakeholders, and on issues that the consultation process or grievance mechanism has identified as of concern to those stakeholders. The ESMP will be disclosed on the UNIDO public website, under the following link: https://open.unido.org/index.html.

The project implementers will maintain regular contact with the GEF Operational Focal Points in Costa Rica, Panama and Peru, in coordination with UNIDO counterparts. In Costa Rica and Peru, this contact will be maintained through the country offices of Conservation International, as a responsibility of the in-country project leads. In Panama, this contact will be maintained through Conservation International's Americas regional hub. Through these channels, the PMU will coordinate at minimum annual updates to the OFPs, and also signal the team's availability to provide additional updates to OFPs upon request.

Consultation	Purpose	Participants	Lead/Chair	Reporting	Schedule
Initial	Review: • PMU Organization • Project plan • ESMP, including roles and responsibilities • Safeguard plans	 CI, STW, SPDA UNIDO Environment ministries Protected Area agencies 	CI	CI	Y1, Q1
Public consultation and site visit	 Provide updates to local stakeholders on project, impacts, risks, ESMP reporting Adjust mitigation measures as needed Adjust monitoring plan as needed Invite further comments and suggestions 	 CI, STW, SPDA Protected Area agencies Local community reps Local business reps 	CI/STW/SP DA	CI	Y1, Q1 Y2, Q1 Y3, Q1
Expert workshops	N/A				
Community concerns	To be addressed on ongoing basis through GRM, in addition to annual public consultation meetings				

Stakeholder Engagement Table