

Environmental and Social Analysis and Environmental and Social Management Framework

Improving Climate Resilience by Increasing Water Security in the Amazon Basin

Inter-American Development Bank (IDB)

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1. Executive Summary

The Inter-American Development Bank Group (“IDB” or “Bank”) is in the process of structuring a Fund to improve climate resilience by increasing water security in the Amazon Basin. Specifically in the countries of Bolivia, Brazil, Columbia, Ecuador, Guyana, Peru, and Suriname. In line with IDB and GCF sustainability frameworks, the Bank will manage the environmental and social risks and impacts of the Program in accordance with the Bank’s September 2020 Environmental and Social Policy Framework (“ESPF”). Different typologies of executing entities, including local and national governments, and others according to the sub-projects, will manage the Program in accordance with specific Environmental and Social Management Systems (“ESMS”) to be approved by the Bank. Specific sub-projects to be executed by borrowers will furthermore be subject to environmental and social screening and management consistent with the IDB’s ESPF.

The focus of the program is to contribute increasing the resilience of vulnerable communities and key ecosystems (socio-ecological systems) in the Amazon basin to anticipated impacts of climate change on water availability and quality, its temporal and spatial distribution, and the ecosystems’ capacity to provide key hydro-environmental services. It will deliver three main outcomes: (i) Increased climate resilience in water resources management through enhanced preparedness and response to climate extreme events in the Amazon basin; this will be achieved by improving the provision of hydro-climate information and early warning systems, aimed at fostering adaptive planning at watershed level, enhancing water governance and minimizing potential maladaptation risks; (ii) Improved resilience, ecosystem services and carbon stocks of Amazon socioecological systems and livelihoods, and (iii) Strengthened governance and enabling environment to foster climate resilience and low-carbon development in the Amazon Basin. The Program will be implemented through three components: i) Strengthening knowledge and understanding of climate change impacts to enhance preparedness and respond to climate extreme events and slow-onset events; ii) Catalyze climate investments for climate-resilient and low carbon water supply, sanitation and waste (WSW) technologies and infrastructure; and iii) Promote capacity and develop an enabling environment for climate change planning and investment, regional exchange of data and information and transboundary cooperation mechanisms for water security. The proposed Program will be implemented regionally through the Inter-American Development Bank (IDB) and in close cooperation with the Amazon Cooperation Treaty Organization (ACTO).

This document aims to present the main components of the environmental and social risk and a preliminary impacts analysis (“ESA”), as well as the Environmental and Social Management Framework (“ESMF”) detailing the management approach applied by the Bank in both the preparation and execution of the Program, focusing on the:

- Applicable Requirements: an overview of the applicable environmental and social policy and performance standards of the Programme.
- Potential Environmental and Social (E&S) Risks and Impacts: a summary of the potential identified E&S risks associated with the Program targeted sectors in the region.
- Program E&S Risk Categorization.
- E&S Management System (the “ESMS”): describing the procedures to mitigate the identified E&S risks and impacts including the requirements for the selected implementing partners to rollout the Program. Implementation guidelines, monitoring and supervision processes and organizational capacity are also described.
- Other E&S issues: Stakeholder Engagement Plan and Information disclosure.

Take note that all impacts and risks have been included on a strategic basis and would be confirmed during the due diligence.

Finally, this document has two Appendixes that present the IDB E&S policies and procedures cited as references throughout the ESMF and the List of Exclusion.

2. Objectives of the ESA and ESMF

This ESA and ESMF present the general context of the Program, its expected impacts and risks, the strategy for required mitigation measures as well as the capacity, roles and responsibilities, appraisal, and supervision processes.

The ESA presents a broad description and overview of the environmental and social contexts relevant to the Program and the likely environmental and social risks and impacts as well as E&S national policies and institutional arrangements. It also identifies current national regulations and policies in the Water and Sanitation sector and provides an overview of the environmental and social context for the selected sectors.

The ESMF, on the other hand, describes how the IDB and the executing agencies will manage and supervise the environmental and social impacts and risks of the Program, when funding from GCF is delivered to the Program sub-projects. The ESMF presents the general context of the Program, the process for evaluating Executing Entities (EEs), capacity to manage E&S risks with an appropriately designed ESMS, the minimum requirements for the ESMS, and the monitoring process.

The ESMF follows the requirements and E&S performance standards of IDB's Environmental and Social Policy Framework (ESPF), approved by IDB Board September 2020 and effective November 2021 (Appendix I, List of Referenced IDB Policies). The IDB will maintain supervision responsibilities in accordance with the Accreditation Master Agreement (AMA) and/or such other related arrangements with regard to the Program.

Per the ESPF, EEs will be required to develop and implement an ESMS commensurate with the potential risks and impacts of the activities to be financed. The ESMS will be evaluated, enhanced as necessary with technical cooperation, and implemented prior to first disbursement.

The Program will only permit specific investments classified as Category B or C by the IDB are to be considered eligible.

3. Climate Resilience by Increasing Water Security in the Amazon Basin Fund: Objectives and Sub-project Components

3.1 Objectives

The aim of this Program is to contribute to increasing climate resilience of vulnerable communities and key ecosystems (socio-ecological systems) in the Amazon basin through a multi-faceted approach based in resilience theory. It will deliver three main outcomes: (i) Increased climate resilience in water resources management through enhanced preparedness and response to climate extreme events in the Amazon basin; this will be achieved by improving the provision of hydro-climate information and early warning systems, aimed at fostering adaptive planning at watershed level, enhancing water governance and minimizing potential maladaptation risks; (ii) Improved resilience, ecosystem services and carbon stocks of Amazon socioecological systems and livelihoods; and (iii) Strengthened governance and enabling environment to foster climate resilience and low-carbon development in the Amazon Basin.

Additionally, technical assistance will enhance capacity of governments, communities, private SME, and public and private sector financial institutions to advance financial markets for climate adaptation investments. From a systemic or watershed perspective, ultimately, the programme will improve the enabling conditions for catalyzing climate adaptation within the basin, by supporting the strengthening of transboundary cooperation and coordinated management through the provision of technical assistance for legal and institutional mechanisms and instruments for cross-border and cross-sector water governance and protocols and platforms for shared hydroclimate data monitoring (acquisition, processing, exchange and visualization) and decision-support tools.

The IDB has committed to aligning its financing flows to the mitigation and adaptation objectives of the Paris Agreement, for this reason each project to be approved under the proposed program will have to be consistent with this objective.

3.2. Intervention Scope

The geographical scope of the Program is in the countries of Bolivia, Brazil, Columbia, Ecuador, Guyana, Peru, and Suriname.



3.3. Program Components

Component 1: Strengthening knowledge and understanding of climate change impacts to enhance preparedness and respond to climate extreme and slow-onset events.

Output 1.1. Amazon basin-level water resources mapping and knowledge integration with climate modelling improved. Under this Output, GCF funding will support integrated assessment of water and climate change risks and impacts through the mapping of relevant information for water resources management (including innovative techniques as remote sensing and satellite-based imagery) and the use and development of analytical modelling tools, including dynamic decision support tools and visualization interfaces to support decision making and socialization processes.

The specifics activities include:

i) Activity 1.1.1 Regional hot-spot analysis of the western region of the Amazon sedimentary aquifer system, including an aquifer vulnerability assessment to climate change and to contamination from anthropogenic (Mercury) and non-anthropogenic (Arsenic); and surface-groundwater dynamic modelling for a better understanding of aquifer recharge natural patterns and functionality in at least three (3) priority areas (areas would be identified during the project proposal phase).

ii) Activity 1.1.2 Conduct studies to characterize the climate impacts on river dynamics (including surface and groundwater interactions by a combination of hydrological and hydrodynamic modelling) of priority Amazonian rivers (priority rivers would be identified during the project proposal stage).

iii) Activity 1.1.3 Develop a centralized, regional information system linked with hydro-meteorological monitoring stations using real-time water balance models. This system will improve river flow forecasting accuracy and incorporate climate change scenarios, allowing for informed water demand management.

iv) Activity 1.1.4 Strengthen water quality monitoring capabilities by combining global remote sensing datasets (e.g., Sentinel, MODIS, Landsat, RapidEye) with continuous local monitoring networks. This AI-enabled system will provide detailed tracking of water quality changes, enabling swift responses to emerging pollution risks, thus supporting adaptive, climate-resilient water management.

Output 1.2. Climate Information and Early Warning Systems (CIEWS) enhanced. The programme seeks to improve the basin-level hydrometeorological network and make available an Impact Based Multi-Hazard Early Warning System (IB-MHEWS) to facilitate forecast based action and respond on-time to extreme climate events, such as floods and droughts.

Activities under this Output include:

- i) Activity 1.2.1 Advance priority monitoring stations under the Amazon Project for an integrated flood and drought management system to mitigate flood and drought events for vulnerable communities and establish at least 35 additional stations to be prioritized jointly by the countries from a transboundary perspective coordinated by ATCO. GCF funding will advance the Hydrological Monitoring Network and Water Quality Monitoring Network (Activity 1.1c) of the Amazon region to a sufficient density to incorporate climate and hydro-meteorological modelling for flood and drought forecasting at a regional and sub-systems level- thereby improving the reliability of forecasting and enhance EWS for vulnerable communities. This activity will also include the implementation of monitoring protocols to be used in flood and drought risk and impact assessment and incorporate parameters and methodologies validated by the WMO for data exchange between countries under the aforementioned technical products.
- ii) Activity 1.2.2 Development of data processing center for the Amazon basin, integrated to ORA, with cloud-based access, which would include promoting basin level models such as Flash Flood Guidance System (FFGS) or NASA's GEOGLOWS. There will also be the development of national information and visualization centers with linkages to early warning service provision for each of the countries. This includes developing information and visualization control rooms where needed.
- iii) Activity 1.2.3 Dissemination of gender & socially inclusive advisories that contemplate most vulnerable populations, including indigenous peoples, to improve forecasting functionality.

Activity 1.2.4. Implement community-based participatory monitoring programs, enabling trained local groups to collect and report data on water consumption patterns, water quality, and climate impacts.

Component 2: Catalyze climate investments for climate-resilient and low carbon water supply, sanitation and waste (WSW) technologies and infrastructure.

Output 2.1. Sub-projects focused on community and ecosystem-based adaptation for small communities implemented. This output targets the most vulnerable small communities, which often lack adequate technical and financial capacities and have limited WASH (Water, Sanitation, and Hygiene) infrastructure to cope with the intensification of extreme climatic events, including droughts (leading to drinking water shortages) and floods (resulting in expanded flood zones and increased health and safety issues). Priority will be given to projects that promote sustainable sanitation technologies, climate-sensitive waste management for pollution abatement and GHG emission reduction, community-based water retention schemes, managed aquifer recharge (MAR) methods, and solar groundwater extraction, among others. This Output includes the following activities.

This Output includes the following activities:

- i) Activity 2.1.1 Implementation of Sub-Projects in Small Communities. Projects are to be selected based on a participative and inclusive approach.
- ii) Activity 2.1.2: Design and implement community-driven water resilience projects specifically led by women and Indigenous groups.
- iii) Activity 2.1.3 Development of a Customized "Amazonian Best Practices" Training Program.
- iv) Activity 2.1.4 Development of a Strategy for Scaling-Up Investments This strategy will

outline pathways for expanding successful interventions, leveraging additional funding, and ensuring long-term sustainability.

- v) Activity 2.1.5 Dissemination of Lessons Learned and Best Practices.
- vi) Activity 2.1.6 Develop customized gender-sensitive capacity-building programs for women and marginalized communities on climate adaptation, water governance, and leadership.

Output 2.2. Sub-projects focused on community and ecosystem-based adaptation for medium to large communities implemented. This output will primarily address barriers 5 and 6, aiming to catalyze public sector spending in water and sanitation and solid waste services serving larger communities¹. Types of projects that will be financed include those that promote strengthening climate-resilience into current or planned national and municipal water and sanitation infrastructure, with focus in upstream cross-sector planning and pre-investment studies.

- vii) Activity 2.2.1 Implementation of sub-projects in medium to large communities, including project selection using the eligibility criteria, stakeholder consultations on project selection.

Output 2.3. Novel technologies and small-scale adaptation measures on WSW sectors supported, aimed to strengthen resilience of small vulnerable communities.

This Output includes the following activities:

- Activity 2.3.1 Analyze financial mechanisms to generate EbA solutions.
- Activity 2.3.2 Develop a cross-cutting scorecard mechanism to assess, monitor and track the impacts of proposed investments towards achieving climate resilience, GHG reduction, gender and social inclusion and strengthened environmental health. This will include an environmental and social safeguards framework to manage potential environmental and social risks of proposed interventions.
- Activity 2.3.3 Develop and implement promotion and dissemination plans to support national institutions and/or NDBs to coordinate activities with other entities for direct investment in climate adaptation interventions and to educate society on the economic value and importance of such activities.
- Activity 2.3.4 Strengthen stakeholders working in related areas WSW sectors, NBSs, etc. through actions aimed at: (i) optimizing financial resources allocation decisions, (ii) correctly assessing risk and opportunities associated with investments in businesses leveraged by ecosystem services and natural capital, and (iii) measuring and monitoring environmental and social impacts of funded ventures by using the scorecard mechanism.
- Activity 2.3.5: Design a program offering incentives, such as rebates for water-efficient appliances and subsidies for sustainable agricultural practices. These incentives will prioritize economically vulnerable communities, where adoption of water-saving technology is limited, to foster greater accessibility and uptake.

Output 2.4. Support provided for the origination, design, and deployment of adaptation measures in the WSW public sector, emphasizing EbA. This Output emphasizes allocating funds for the origination, design, and implementation of climate-resilient water projects. By increasing the concessional level of the finance required through a weighted average interest

¹ The provisional definition of medium to large communities is those with a population greater than 10,000 people.

rate, it will facilitate the deployment of investments, making them financially viable for the public sector. The infrastructure projects, when possible, will consider universal design for persons with disabilities and ethno-engineering (culture adaptation) for indigenous and afro descendant people. The activities under this Output include:

- Activity 2.4.1 Carrying out an assessment of WSW infrastructure projects in the region to develop and implement a strategic investment plan aiming to i) upgrade existing water and sanitation and solid waste infrastructure, ii) prioritize activities that enhance climate resilience in ongoing infrastructure projects, and iii) identify opportunities and develop a strategic financing plan for future climate-sensitive drinking water and sanitation investments in the Amazon Basin.
- Activity 2.4.2 Establish 'Train-the-Trainer' program for local water utilities to operate and maintain these systems, ensuring a sustainable foundation for long-term maintenance of new systems. This activity will be financed by GCF loan.
- Activity 2.4.3 Climate resilient upgrades to infrastructure projects and projects involving incremental financing of climate resilient infrastructure in planned projects in the WSW public sector.
- Activity 2.4.4 Identify projects which incorporate large scale investments on natural-based solutions (including for example the ecosystem-based approach to adaptation), in the priority areas for drought management, flood control and aquifer recharge, and secure funding for their implementation through a strategic financial plan for public- investment.
- Activity 2.4.5 Conducting training and capacity building of sectorial and finance public institutions of the riparian countries on climate finance mechanisms for climate adaptation projects, including training on innovative project finance, project structuring and public participation.

Component 3: Promote capacity and develop an enabling environment for climate change planning and investment, regional exchange of data and information and transboundary cooperation mechanisms for water security. This component will provide technical assistance directed to guide the development and adequate implementation of adaptation activities for WSW sectors, addressing Barriers 3 and 4. This component deploys technical cooperation aiming to assist in the improvement of the enabling environment for coordination among Amazon countries, including transboundary cooperation for water security, as follows:

Output 3.1. National and regional policies and institutional frameworks to foster an integrated approach to adaptation looking at the basin as a transboundary system enhanced. Under this output, technical assistance will be provided to enhance national and regional policies and institutional frameworks to promote the development of investments in climate adaptation in WSW sector at regional, sub-regional and local levels, The activities under this Output include:

Activity 3.1.1. Conduct a gap analysis of financial, institutional, and regulatory frameworks in each of the countries benefiting from the Programme to assess ways for more effective leveraging of green local and international financing for EbA projects in the water, sanitation, and waste management sector. The analysis will produce policy reform recommendations to enhance investments in climate adaptation interventions and strengthening water resilience and the adaptive capacities of communities in the face of droughts and floods with a high level of risk in the region including a gender approach.

Activity 3.1.2. Implement a capacity building program at regional, national, and sub-national levels to optimize access to green and climate financing. The program will incorporate a gender-sensitive approach both nationally and internationally to enhance the ability of local and national stakeholders to plan and mobilize financial resources for climate action.

Additionally, the program will establish a regional platform or panel to track progress and share best practices on climate-resilient and low-emissions investments in the WASH sector.

Activity 3.1.4: This activity will assess existing mechanisms for transboundary cooperation to improve resilient water management and reduce community vulnerability to climate change within the context of current institutional frameworks (such as the ACTO) and other bilateral/multilateral agreements). The goal is to identify, design, and propose new mechanisms and best practices for strengthening technical and institutional transboundary cooperation and coordination in the basin.

4. Environmental and Social Risk Category

Sub-projects eligible for financing under the direct investment part of the Program may be categorized as Category B or C by the IDB ESPF. The Program will exclude activities that (i) could have significant adverse environmental and/or social impacts (Category A); (ii) significant physical displacement of people (iii) have a potentially adverse impact on communities and/or indigenous populations; (iv) involve significant conversion or degradation of natural habitats or have measurable adverse impacts on critical habitats (v) have significant impacts on cultural heritage; and/or (vi) have potentially adverse transboundary impacts.

The Program will also not invest in sub-projects involving activities included in the IDB Environmental and Social Exclusion List (Appendix II, IDB Exclusion List).

5. Policy and Legal Framework

5.1. National Applicable E&S laws and regulations

The seven countries in the Program have comprehensive legal and policies framework in place. Nevertheless, via the implementation of the Environmental and Social Management System (ESMS), the sustainability of the sub-project will be assured.

The applicable E&S national laws and regulations in each of the 7 countries as regards the FP (e.g. EIA Laws and Regulations, Health and Safety, Biodiversity, Water, Indigenous Peoples and Stakeholder and consultation processes) will be performed during the due diligence process of the sub-projects.

Bolivia: The National Mechanism for Adaptation for Climate Change (2007) has specific programs for the water resources, sanitation, and ecosystems (including buffering zones); and includes: i) Call for early warning systems and a programme for risk management; ii) Programme for resilience and adaptation of natural systems to climate change; iii) Programme for the conservation and sustainable management of wetlands (*humedales*) and marshes (*bofedales*); iv) Programme for the prevention and reduction of risk due to Climate Change impacts in disaster and high vulnerability zones; v) Programmes for integrated watershed management.

The adaptation plan complements the Law No. 300 of Mother Earth and Integral Development for Living Well that promotes articulation of rights, establishes sectoral bases, technical instruments and guarantees for the rights of Mother Earth. It also establishes the Plurinational Authority of Mother Earth, mitigation and adaptation mechanisms and a financial mechanism for the implementation of the climate and environmental agenda in Bolivia. Further regulatory mechanisms to improve the

living and health conditions of the population through increasing access to and quality of drinking water and basic sanitation services (PDES 2021-2025 Law No 1407(9/11/2021)). This has Safe Water Target for 2025 of urban 95.5% and rural 76.7%; and Improved Sanitation Target 2025 of urban 89.4% and rural 52.2%. The law follows from the Sectoral Plan for Development for Basic Sanitation 2016-2020. With regard to water and development, the Water Law has several topic related revisions including environmental aspects of water (Law No. 333) and Regulations on Water Pollution (Law No. 1.333). In addition, there is a Watersheds National Plan, which provides a framework for planning and development at the basin level, although no plan has been developed specifically for the Amazon.

Bolivia submitted its [second NDC update](#) in April 2022 for the 2021-2030 period basing the contribution in 4 axes: water, forests, energy and agriculture and livestock. For water sector, the updated NDC sets four areas of work: (i) Promoting increased coverage of drinking water, drinking water safety and basic sanitation (targeting 100% of basic sanitation by 2030) ; (ii) Increasing environmental functions through conservation of wetlands; (iii) Promoting integrated water resource management in watersheds through social water management, ecosystem restoration, planning and improvement of integrated water resource management; and (iv) Improving adaptation through increased area under irrigation and more efficient use of water for agricultural production. As part of its goals, planning instruments and resilient infrastructure are proposed.

Brazil: Brazil recently submitted its [updated NDC](#) in March 2022 in which it commits to reduce GHG emissions by up to 37% in 2025, 50% by 2030, compared to 2005 emissions, and target climate neutrality by 2050. In November 2021, Brazil submitted an addendum letter to the UNFCCC in which it officially committed to reducing net greenhouse gas emissions to zero by 2050 and included reaching the goal of zero illegal deforestation by 2028. Brazil's GCF Country Programme (2017) is in the process of being updated and sets out the strategic areas and funding priorities for the GCF. This programme includes resilient cities, communities and territories portfolio focusing on urban planning; ecosystem-based adaptation; resilience and sustainability of indigenous peoples and traditional communities. There are 7 objectives under water, sanitation and waste, including i) water, sewerage; solid waste and drainage; ii) promote the improvement of urban solid waste management; iii) promote improved domestic effluent management; iv) promote improved industrial effluent management; v) promote improved drainage infrastructure works; vi) develop and implement business models for the circular economy, including energy use of municipal solid waste and domestic effluents; vii) promote water security; and viii) promote the sustainable management of water resources.

Brazil also has a [National Plan for Adaptation](#) (2015), which outlines actions to improve hydrological models and simulations, and management for the Amazon, improve frameworks for sanitation management. Key guidelines include developing early warning systems for natural disasters and improve communication on climate impacts, integrating planning for climate change and promoting increased infiltration in aquifer recharge, recovery of natural areas to avoid siltation, adopt efficient technologies, improving water supply and sanitation, and increase resilience of vulnerable communities. The Plan is in the process of being updated (2021 – 2024) based on the Evaluation and Monitoring Report of 2016-2020 ([Ministério do Meio Ambiente, 2021](#)). National legislation supports the goals of this plan through National Water Council resolutions on monitoring (107/2010); integrated water resources management (202/2018); integration of groundwater resources into water planning (15/2001 and 22/2002); grants for development (16/2001); and others.

Colombia: Colombia submitted its updated NDC in December 2020, with targets to achieve its objective of carbon neutrality by 2050 and includes commitments to address water protection and

conservation in 24 key watersheds, reducing climate risk vulnerability for water and sanitation in 30% of the priority municipalities, and address up to 68% of domestic waste. The National Climate Change Policy incorporates climate change management into public and private decisions in order to move towards a climate-resilient and low-carbon development pathway that reduces the risks of climate change and allows taking advantage of the opportunities it generates. The National Climate Change Adaptation Plan (PNACC, as per its acronym in Spanish) aims to reduce the country's vulnerability and increase its capacity to respond to the threats and impacts of climate change. It includes building awareness, improving land-use planning, restoring the capacity of ecosystems to provide ecosystem services, establish technologies adoption that reduce the vulnerability of the population and infrastructure, and strengthen early warning systems. Colombia's Law No 1,931 (2018) Establishing Guidelines for the Management of Climate Change aims to reduce the vulnerability of the population and ecosystems against the effects of climate change and promote the transition to a competitive, sustainable economy and a low-carbon development. It emphasizes the need to develop adaptation to climate change and disaster risk management based on knowledge and risk reduction associated with hydro-meteorological and hydro-climatic phenomena and develop climate planning at the basin level. More recently, Law No 2,169 (2021) aims at Promoting the low-carbon development of Colombia by establishing minimum targets and measures for carbon neutrality and climate resilience and other provisions. This law supports adaptation measures that "promote the conservation of biodiversity and water resources, based on the recognition of their intrinsic value and the ecosystem services they provide" (Art. 10). It also supports Ecosystem-based Adaptation measures, capture of methane in waste, structural and non-structural risk management actions for climate change adaptation in thirty percent (30%) of municipalities prioritized for susceptibility to dry season and rainy season water problems.

Decree 1729 of 2002 is aimed at establishing the management of water resources at river basin level, and Colombia has developed a Strategic Plan for the Amazon Macro-basin. The Amazon Basin plan integrates multi-sectoral approaches to address the water-energy-food nexus, it acknowledges ecosystem services particularly for water connectivity and regulation of floods and emphasizes the use of new technologies for monitoring and developing knowledge, amongst others.

Additionally, Colombia has developed Integrated Territorial Climate Change Management plans (PGICC-T) (Amazonas, Vaupés, Guaviare, Guainía, Putumayo and Caquetá basins) to provide a road map for the territories to address climate change and driven at the territorial level for low-carbon rural and urban development. This GCF proposed programme is also aligned with national regulations including Law 09 (1979) National Sanitation Code – establishing general standards and procedures for water quality control aimed at protecting human health. Its Article 10 establishes the basic framework for the discharge of water according to standards and procedures promulgated by the Ministry of Health. Moreover, the Colombian Constitution (1991) defines the mandate of the national government in environmental matters, including water resources management.

Ecuador: Ecuador submitted its [first NDC](#) reporting in March 2019, which lists national priorities including developing risk and vulnerability mapping along with early warning systems, improving monitoring and information for decision making, and incorporating climate change criteria in planning and strategies. The [National Adaptation Plan \(NAP\)](#) was developed in 2018 and outlines different activities and projects, including the Amazon Integrated Program for Conservation of Forests and Sustainable Production and builds upon the National Strategy for Climate Change (2012). In the NAP, Security for water supply and water resources is highlighted. The NAP is supported through the Constitution (2008) which promotes adaptation to respond to climate change to protect vulnerable populations.

Other regulatory instruments are: Executive Decree 1815 (2009) that establishes adaptation and mitigation as a state policy; Decree 495 (2010) establishes an Inter-institutional Committee; the Organic Code for the Environment and its subsequent regulations (notably articles 672, 673, 678 and 684); Ministerial Agreement # 089 (2013) which establishes the National Authority for Implementation of [Nationally Appropriate Mitigation Actions \(NAMA\)](#). In addition, Ecuador's National Plan for Integrated and Comprehensive Integrated Water Resources Management of Watersheds and Micro-watersheds (2016) outlines short-term (2015-2025); medium-term (2016-2030); and long-term (2031-2035) actions for flood control, disaster relief, water supply and use, protection and conservation of water and soil, and water resource management. This Plan is supported by regulations including the National Constitution (2008), which recognizes the rights of nature and water as a basic human right, as well as water as a "national heritage"; and the Environmental Code (2018) which replaces all other environmental laws by incorporating most environmental issues and consolidating them into one law. It also aims to establish effective, efficient, and cross-cutting measures to address the effects of climate change through mitigation and adaptation actions in order to enhance resilience and reduce environmental, social and economic vulnerability to climate variability and the impacts of climate change (Art 5.12). It further establishes a National Fund for Environmental Management to help support addressing environmental concerns – including mitigation and adaptation activities.

Guyana: Guyana submitted its [first](#) revised [NDC](#) in 2016 and in terms of unconditional contributions to adaptation, it is indicated that the country will support an integrated water management focus, considering climate change impacts in all sectors of national development. In addition, it is set that Guyana will undertake actions in the following areas that are fully aligned with the proposed programme: Development and implementation of Early Warning Systems; Enhanced weather forecasting including microclimate studies and localized forecasting; Develop environmental and climate change awareness programmes at all levels and developing innovative financial risk management and insurances measures. This proposed GCF programme is aligned and coherent with the Environmental Protection Act of 1996 (updated in 2011) "provides for the management, conservation, protection and improvement of the environment, the prevention, control of pollution, the assessment of the impact of economic development on the environment and the sustainable use of natural resources". The Draft National Climate Change Policy and Action Plan 2020-2030 (2019) promotes adaptation and resilience building across all sectors and has a key objective responsible management of watersheds and freshwater resources for human and ecological benefits.

Moreover, the [Climate Resilience Strategy and Action Plan](#) for Guyana (2015) is under consultation and is expected to provide a comprehensive framework for adaptation and resilience building in Guyana. So far, the draft sets, for example, the following as resilience objectives: improve knowledge of social vulnerability to climate-induced changes in water resources; build and research technical capacity and improve water management during climate-related disasters, to avoid contamination and associated health issues. Intended outcomes of the Plan are to build Guyana's capacity to access and plan effective and efficient uses of GCF financing. The recent "[Green State Development Strategy: Vision 2040 of Guyana](#)" (2019) also promotes low carbon and resiliency to climate change and includes improving early warning systems. The strategy notes that most climate funding is dedicated to mitigation efforts, and there is a need to increase adaptation financing, including forestry, water, sanitation, flood protection and renewable energy. While 90% of climate financing in the country comes from Norway's International Climate and Forest Initiative, there is an acknowledged need to develop capacity to access a wider range of financing opportunities noting that "The Green Climate Fund (GCF) represents the best opportunity for accessing climate finance for the Green State Development Strategy: Vision 2040".

Additionally, the proposed programme is consistent with the Strategic Plan for Hydrometeorological Services which was developed under the Climate Resilience and Early Warning Systems Project from the World Meteorological Organization (WMO).

Peru: This proposal is well aligned with [Peru's National Adaptation Plan](#) (2021) which outlines mitigation and adaptation policies and establishes a national committee on climate change with watershed-based mitigation and adaptation as key focal areas through land management for protection of water resources. The plan aims to have monitoring and early warning networks in place in watersheds vulnerable to the effects of climate change and drinking water services infrastructure protection and disaster risk reduction structures in light of climate change impacts. It notes the roles and importance of forests in regulating water and controlling flooding. Specific actions include conservation and recovery of natural infrastructure for the provision of water ecosystem services in basins vulnerable to climate change; implementation of early warning systems for floods, droughts, landslides and glacial hazards; implementation of monitoring and surveillance of the quality of water resources.

The programme is furthermore coherent with Peru's legal framework which is governed by the National Constitution that defines that "the State promotes the sustainable development of the Amazon with adequate legislation". It supports Peru's Framework on Climate Change and regulations (2019 Law N° 30754DS N° 013-2019-MINAM); and Mechanism for Retribution of Ecosystem Services (2017 Law N° 30,215). Also, the Organic Law for the Sustainable Use of Natural Resources (Law No. 26,821) develops a series of general norms for the sustainable use of natural resources, complemented by the General Environmental Law, No. 28,611. Finally, there is recent information generated in the process of preparing the Water Resources Management Plans in the Basins: Mantaro, Pampas, Vilcanota-Urubamba and for the Mayo Sub Basin; that would be beneficial to the proposal.

Suriname: Suriname has the political will to pursue a green transition as it is committed to a range of international agreements (Paris agreement, Agenda 2030 and SDGs), regional (Letitia pact and Amazonia Cooperation Treaty – ACTO; Minamata Convention on the use of Mercury and Extractive Industries Transparency Initiative – EITI) and global initiatives (REDD+6 and HFLD). Its National Policy Development Plan (NDPD) 2017-2021 aims for a low carbon economy. This proposal continues the direction of the [National Climate Change Policy, Strategy and Action Plan \(NCCPSAP\)](#) (2015) which emphasizes water supply resilience for populations vulnerable to climate change; calls for robust land management and waste management systems; promotes the development of climate change resilient infrastructure; and encourages building awareness of climate risks that includes early warning & response systems, systematic monitoring and remote sensing. The Action Plan also promotes an Ecosystem-based Adaptation (EbA) approach to environmental management, to maintain and increase the resilience and reduce the vulnerability of ecosystems and people in the face of the adverse effects of climate change, and notes enabling environments are one of the greatest challenges.

Moreover, the proposed programme is aligned with the [2017 – 2021 Policy Development Plan](#), particularly the 4th Pillar, which focusses on long term investments to address and to minimize the consequences of natural disasters and threats as a result of human acts or disasters caused by nature are prevented as far as possible (CO2-emission, Mercury and cyanide pollution, pesticides, herbicides and other agriculture- and stock breeding-related environmental threats) and the economic value of the forest is used in a sustainable manner based on the Environmental Act. It is also compatible with the Multi-Year Development Plan 2022-2026 which identifies several policy areas as well as long- and short-term goals integrated with the 2030 Sustainable Development Goals.

Suriname submitted the [NDC second update](#) in 2019. It was emphasized that the country is highly vulnerable to climate change impacts, especially due to the uneven spatially distribution of its population, having suffered damages from heavy rainfall and floodings. It is also indicated that 5% of its population are represented by four indigenous peoples and six tribal communities. As policy approaches related to the programme, building climate resilience and science and research-based decision making are remarked as principles. The 2019 National Adaptation Plan includes the following strategic adaptation priorities at national level which support the proposal:

- Data and information collection systems to fully support national and sub-national climate change impacts, vulnerability and adaptation decision-making.
- National technical capacity that is fully trained and skilled at leading and implementing Suriname's.
- Climate change adaptation actions.
- Climate change adaptation that respects Surinamese society and culture and reduces gender and social inequalities; and,
- Identifying and accessing financing and investment especially for innovation driven climate change adaptation technologies.

5.2 The IDB E&S Policy Framework

All supported sub-projects will be assessed against the requirements established under the applicable E&S laws and regulations. In accordance with the environmental and social due diligence process described in the IDB's ESPF, applicable laws, their requirements and authorities with competent jurisdiction for each component (mainly at provincial level), shall be identified and specified by the EE at the screening and scoping stage and further detailed during the assessment.

Following the IDB's ESPF, all projects that will be categorized as B will include an Environmental and Social Management System (ESMS), an Environmental and Social Assessment (ESA) and an Environmental and Social Management Plan (ESMP).

In addition to the impact classification (Category B and C are only applicable for this fund)², the IDB will assign a risk classification, using an Environmental and Social Risk Rating (ESRR) that is based on a four-level risk rating: low, moderate, substantial, or high. This risk classification will be reassessed throughout the sub-project cycle and adjusted in accordance with the developments and circumstances of implementation and findings of the IDB's monitoring and supervision. Key factors considered in the ESRR are cause (direct environmental and social impacts), contribution (indirect and/or cumulative environmental and social impacts), context (political, social, cultural conflicts, economic vulnerabilities) and performance (Institutional capacity, political will) that may be relevant to the delivery of environmental and social mitigation measures and outcomes. These could include legal and institutional considerations; the nature of the mitigation measures and technology being proposed; governance structures and legislation; and contextual factors relating to stability, conflict, or security, among others.

The IDB requires Borrowers to conduct environmental and social assessments of operations proposed for IDB support and carry out consultation processes with operation's stakeholders, in

² According to IDB's ESG classification, Category "A" investments are excluded from eligibility for financial support under this Programme.

accordance with Environmental and Social Performance Standard (ESPS) 1 and 10 of the ESPF.

In turn, the IDB will carry out its own environment and social due diligence of operations in accordance with the requirements and standards of the ESPF. The extent of the IDB's due diligence is determined by the nature and scope of the proposed sub-project and will be proportional to risks and impacts that might be associated with it and the prevailing country context for its implementation. The IDB will also consider the commitment, capacity, and track record of the Borrower and other entities involved in developing and implementing the operation, as well as specific actions to be put in place or taken by the Borrower to address such risks and impacts.

The IDB's due diligence on environmental and social risk and impact management is integrated into its overall operation's due diligence, including the review of material risks that may affect the environmental and social sustainability of the operation, such as contextual and third-party risks. The IDB will consider adopting additional measures in its due diligence process, as needed, to achieve the necessary level of information required to support the requirements of its decision-making processes. Through its due diligence, the IDB will confirm that (i) the Borrower has identified key potential social and environmental sub-project risks and impacts, including those related to natural hazards and climate change; (ii) effective measures to be undertaken by the Borrower to avoid, minimize, mitigate, or compensate for the adverse impacts are feasible; (iii) the Borrower understands the requirements of the ESPSs and has the necessary commitment, capacity, and track record to manage environmental and social risks and impacts adequately; (iv) the role of third parties is appropriately defined; and (v) consultations with sub-project-affected people and other stakeholders are conducted in accordance with the relevant IDB standards. Particularly, in circumstances requiring free, prior, and informed consent (FPIC) of Indigenous Peoples under ESPS 7, the IDB will ascertain the outcomes of the meaningful consultations and will not proceed further with any activity for which FPIC from the affected Indigenous Peoples could not be verified.

The results of the IDB's due diligence process will be summarized if applicable (Category B projects) in an Environmental and Social Review Summary Report (ESRS) that will include the Environmental and Social Action Plan (ESAP), where required. An ESRS is mandatory for all Category A, B, and FI sub-projects. The ESRS is disclosed to the public in accordance with IDB's Access to Information Policy. Monitoring and supervision: The IDB will monitor the environmental and social performance of sub-projects on an ongoing basis to assess the level of compliance with the standards set forth in the ESPF, and with any other actions agreed at the time of sub-project approval or during previous supervision activities. Those actions include the ones established in the ESAP and in changes resulting from modifications in the design of a sub-project or sub-project circumstances.

As part of the sub-project, IDB may develop sectorial and country guidance and tools for the implementing partners to screen and monitor sub-projects practices against the applicable laws.

5.2 IDB Applicable policies

The Program will apply the Bank's ESPF approved by the Board of directors in September 2020 and effective by October 2021, including its ten ESPS which are aligned to the International Financial Corporation (IFC) Performance Standards but also include additional standards on gender equality and on stakeholder engagement and information disclosure (Appendix I, List of Referenced IDB Policies). The ESPF specifically requires borrower to apply the mitigation hierarchy in sub-project design and development of the mitigation measures. The Operational Policy on Gender Equality in Development will apply to mainstream gender equality and women's economic empowerment

proactively throughout the program. The IDB will maintain supervision responsibilities in accordance with the Accreditation Master Agreement (AMA) and/or such other related arrangements with regard to the Program.

The IDB's ten ESPSs are as follow:

ESPS 1: Assessment and Management of Environmental and Social Risks and Impacts

ESPS 2: Labor and Working Conditions

ESPS 3: Resource Efficiency and Pollution Prevention

ESPS 4: Community Health, Safety, and Security

ESPS 5: Land Acquisition and Involuntary Resettlement

ESPS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESPS 7: Indigenous Peoples

ESPS 8: Cultural Heritage

ESPS 9: Gender Equality

ESPS 10: Stakeholder Engagement and Information Disclosure

Where gaps with the requirements of the ESPF are identified through due diligence, the IDB will agree with the Borrower on an ESAP, which sets out the actions required for the sub-project to meet the ESPSs over a specific timeframe. The ESAP, if applicable, will form part of the legal agreement.

Action plans may include an overall ESAP necessary for carrying out a suite of mitigation measures or thematic action plans, such as Resettlement Action Plans, Disaster Risk Action Plans, or Biodiversity Action Plans. Action plans may be plans designed to fill in the gaps of existing management programs to ensure consistency with the Environmental and Social Performance Standards, or they may be standalone plans that specify the sub-project's mitigation strategy. The "Action Plan" terminology is understood by some communities of practice to mean management plans, or development plans. In this case, examples are numerous and include various types of environmental and social management plans.

5. Strategic Environmental and Social Assessment- SESA

A SESA has been developed as part of the fund preparation. It identifies and evaluates at the program level particular environmental and social contextual risks faced by the Amazon region, including deforestation resulting in the loss of biodiversity that also impacts climate change, as trees act as carbon sinks, absorbing large amounts of carbon dioxide from the atmosphere. It also describes and georeferenced economic activities that may pose additional environmental and social risks in certain specific areas: illegal mining, extractive industries, agricultural and livestock activities, organized crime and illegal deforestation. The SESA also describes and identifies protected areas and key biodiversity areas. For each of them, the program has pre-identified potential risk areas, which are georeferenced.

Furthermore, in the socioeconomic sphere, the Amazon region is characterized by a high and diverse ethnic population. Indigenous Peoples very often face serious social problems due to government

and illegal authorizations for the implementation of infrastructure projects in their territories, for which land tenure is identified as a risk. Likewise, people of African descent face cumulative disadvantages, unequal opportunities, and lack of respect and recognition, resulting in differential social and economic outcomes.

The SESA also pre-identifies existing Water and Sanitation projects under construction with an environmental license or under feasibility studies, by country and at the regional level. This will allow for a preliminary identification of potential cumulative impacts when potential sub-projects under this programme are in the same area or scope of existing intervention. In addition, SESA also identifies areas with social conflict, as well as examples of projects in the E&S sector that have left environmental and social liabilities, which might provoke social opposition when designing new interventions in the area.

The program considers that the environmental and social risks of operating in the Amazon region should not be underestimated, for this reason the SESA provides a georeferenced identification of these risks and anticipates that this preliminary analysis will feed the first evaluation of the environmental and social risks for the subprojects, under this program. However, the program is framed as a positive intervention that includes activities specifically designed to address some of the problems described, or with actions aimed particularly at social groups identified as vulnerable. For the full Strategic Environmental and Social Assessment, please visit [Appendix 7](#) (Attached).

6. Environmental and Social Analysis (ESA)

The Amazon region is highly vulnerable to climate change because of its direct exposure to climate risks, its high sensitivity to such risks, and its low adaptive capacity. Global warming may induce a higher frequency of extreme climate events and fires, directly impacting forests and agricultural productivity. In parallel, changes in land-use linked to unsustainable practices in agriculture and other land-use are a primary cause of forest loss, exacerbating the degradation of Amazon ecosystems and global climate. Temperatures have increased by 0.5°C on average since 1980 in the region, and some 23% of its GHG emissions were driven by the Agriculture, Forestry and Other Land-use (AFOLU) sector between 2007 and 2016. Deforestation and forest degradation, land-use, anthropogenic fires, biodiversity loss, and ecosystem fragmentation, among other factors, create adverse climate feedback loops. Without intervention, growth in demand for unsustainable use of agricultural land and forests will continue to raise deforestation and degradation in the Amazon, critically affecting ecosystems over the long-term. Altogether, impacts on natural capital stocks and future health of ecosystems could be severe.

Covering over 6,000,000 km² and portions of 9 countries in Latin America and the Caribbean (LAC), the Amazon is the world's largest river system, containing a tenth of the world's known species. The Amazon biome hosts over 40% of the existing dense moist tropical forest globally and about 10 to 15% of terrestrial biodiversity, being fundamental for carbon sequestration (stores approximately 150-200 billion tons of carbon) and resilience to global climate change. While it contains many different ecosystems, the Amazon forms a single bio-geophysical entity, and its many parts depend on the integrity of the whole. It is home to 34 million people, including more than 350 indigenous groups.

6.1. Description of Potential Environmental and Social Impacts

The main expected environmental and social impacts originate mainly from the proposal of activities

involving the construction of the proposed infrastructure.

The main potential impacts during the construction phase would be the generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians, affectation of properties due to acquisition and / or easements, blocking of access to housing and / or businesses. These impacts are expected to be local and of short duration, and there are effective mitigation measures for them. During the operation stage, the potential impacts would be soil contamination due to inadequate waste management, and possible contamination of water sources due to poor management of treated water. During the operation, it is important to have the proper management disposal of the sludges following proper mitigation methods. Therefore, all Good International Industry Practice (GIIP) should be followed through these processes.

The construction of the proposed infrastructure might require land acquisition or restrictions on land use and access to assets and natural resources that result in involuntary resettlement of population: physical displacement (relocation, loss of land or shelter), and/or economic displacement (loss of land, assets, or restrictions on land use, assets, and natural resources leading to loss of income sources or other means of livelihood). Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for the sub-project-affected people, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. For these reasons, involuntary resettlement should be avoided. When avoidance is not possible, Borrowers should develop and implement a Resettlement Action Plan or Livelihood Restoration Plan according with the requirements of ESPS 5. For this program, sub-projects that cause large-scale physical and/or economic displacement of vulnerable population or Indigenous Peoples, involve significant conversion or degradation of natural habitats or have measurable adverse impacts on critical habitats, have significant impacts on cultural heritage; and/or have potentially adverse transboundary impacts will not be allowed.

Interventions in areas where Indigenous Peoples, as defined in NDAS 7, are present shall anticipate and avoid adverse impacts on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the affected Indigenous Peoples. Additionally, sub-projects shall (i) foster and ensure full respect for the human rights, collective rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples; (ii) promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner; and (iii) respect and preserve the culture, knowledge, traditional knowledge, and practices of Indigenous Peoples. For this programme, interventions with significant adverse impacts on Indigenous Peoples will not be allowed, including significant adverse impacts on and restriction on access to land and natural resources subject to traditional ownership or customary use; relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use; significant impacts on natural heritage that is essential identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives; and any impact on Indigenous Peoples in isolation or initial contact.

The risk of affecting cultural heritage will be assessed as part of the sub-project environmental and social assessment. Removal, significant alteration or damage to critical cultural heritage, as defined in ESPS 8, will not be allowed. When the proposed location of a sub-project is in areas where cultural heritage is expected to be found during construction or operations, the Borrower should develop provisions for managing chance finds.

All sub-projects will develop and put in practice measure to prevent, mitigate and address the risk of

project-related gender-based violence, including Sexual Exploitation, Abuse and Harassment (SEAH) by project workers against women and children in the community, as well as against women and LGBTQI+ project workers.

The risks of affecting biodiversity values, including terrestrial and aquatic natural or critical habits (such as legally protected areas, key biodiversity areas, Ramsar sites, threatened ecosystems, or habitats of importance for threatened, migratory or endemic species), will be evaluated on a case-to-case basis, during due diligence of the sub-projects applying to use the Program. Sub-projects likely to result in significant conversion or degradation of natural habitats, net losses to biodiversity in natural habitats, conversion of natural habitats in legally protected areas, measurable adverse impacts to biodiversity values for which critical habitats are identified or the ecological processes which support them, the introduction or spread of exotic invasive species, or significant impacts to ecosystem services will not be eligible for financing.

6.1.1. Expected Positive Impacts

The program will contribute to the GCF adaptation objective of achieving greater climate-resilient sustainable development by facilitating large-scale investments in EbA and incorporating water-efficient technologies throughout the Amazon Basin. It is expected to have 1.531 direct beneficiaries, and 52.601 indirect beneficiaries. The adaptation results of the proposed program will contribute to two of the GCF result areas: ARA2 Health, well-being, food and water security and ARA3 Infrastructure and built environment and ARA4 Ecosystems and ecosystem services.

There will also be a direct mitigation impact during the implementation of this program, which is intended to be 4,508,297 tCO_{2e} (end of lifespan). Component 2 activities support GHG decrease by reducing emissions derived from WSW projects, which improve carbon fixation capacity and preserve/restore forest cover. In addition, the programme will opt for technologies with lower emissions in water treatment and purification systems. The inclusion of the private sector will be fostered with the aim of achieving a greater impact.

The programme will have economic benefits associated with construction and implementation of novel technologies and EbA interventions developed for the community level as well as co-benefits associated with improved water, sanitation and waste management for local communities over the long term, as well as benefits for the private sector that were involved in the implementation of climate interventions through gained experience. These long-term benefits include improved water use and reduce costs of water supply, cost savings associated with economic losses of risk reduction to natural disasters and climate change, improved health and livelihoods with increased climate resilience, and improved access to credit and lending institutions.

In addition, there will be as well positive impacts by building resilience into the water supply, sanitation and waste management of vulnerable communities, including indigenous and afro descendent communities, and thereby improving health and social well-being in a meaningful way, which could include the creation of new livelihoods.

Other environmental positive impacts will establish cost-effective areas of natural infrastructure (or conservation/restoration) for water recharge, flood and erosion control, and drought mitigation the programme will have environmental such as Ecosystem based adaptation- EBA co-benefits for water and soil quality as well as biodiversity.

There will be as well Gender empowerment co-benefits: Health issues (including water borne diseases), sanitation, water supply and waste management at the domestic level are predominantly

addressed by women in the Amazon region, given that water-related tasks at the household level relies primarily on women.

6.1.2. Potential Negative Risks and Impacts

Criteria for the identification of eligible investments would be determined by screening against the ESPF's Exclusion List, exclusion of activities likely to result in Category A impact classifications, and on a country-by-country basis and informed by country-specific circumstances – including criteria associated with gender and indigenous people.

Please see the following table indicative examples of exclusion criteria of Category A projects:

Activities that correspond to a Category A classification according to the ESPF.	<ul style="list-style-type: none"> Projects that result in significant adverse impacts on lands and natural resources traditionally owned or under customary use by indigenous peoples.
	<ul style="list-style-type: none"> Projects that require the relocation of indigenous peoples away from their lands and natural resources subject to the traditional property regime or under customary use.
	<ul style="list-style-type: none"> Projects that have a substantial impact on a cultural heritage that is essential to the identity or cultural, ceremonial or spiritual aspects of the life of indigenous peoples.
	<ul style="list-style-type: none"> Projects with the potential of directly, indirectly, and/or cumulatively impacting communities of Indigenous Peoples in isolation or initial contact.
	<ul style="list-style-type: none"> Projects that result in damage, displacement or substantial alteration of critical cultural heritage (i.e. physical damage, visual impact, access restriction).
	<ul style="list-style-type: none"> Projects that result in significant adverse impacts to ecosystem services.
	<ul style="list-style-type: none"> Projects that result in significant adverse impacts to non-critical natural habitats.³.
	<ul style="list-style-type: none"> Projects in protected areas that result in conversion of their natural habitat.
	<ul style="list-style-type: none"> Projects that cause significant impacts on the quality and use of surface, groundwater or marine water in the project area, may generate impacts on the subsistence of the communities that use the water or have a high potential to generate conflicts over the use of water.
	<ul style="list-style-type: none"> Projects that generate large-scale physical displacement and/or vulnerable families.
	<ul style="list-style-type: none"> Projects that generate permanent economic displacement of vulnerable people
	<ul style="list-style-type: none"> Projects that allow the use of the cultural heritage including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes.

The following negative impacts and risks are indicative. Proper identification of the risks per subproject will be identified within the project preparation process that the IDB will follow according to the implementation of its Environmental and Social Policy Framework.

The following table includes the types of interventions grouped by five typologies:

Typologies	Example of interventions
Water Supply	Community reservoirs for improving water availability

³ Natural habitats are areas composed of a viable set of plant or animal species, mostly native, or where human activity has not produced any substantial modification of the primary ecological functions or the mix of species in the area..

	Individual reservoirs for domestic regulation
	Reforestation to conserve/improve vegetation cover
	Major water treatment and purification systems
	Minor water treatment and purification systems
	Water reuse
	Improve the aquifer level measurement network
	New groundwater collections
Sanitation	Natural water purification through ecosystem services
	Major wastewater sewer and treatment systems
	Minor excreta treatment systems
	Selective decontamination processes
Solid Waste Management	Stabilization of waste dumps and historical environmental liabilities
	Storage and collection of solid waste
	Composting
Drainage	Strengthening margins, adaptation of neighborhoods at risk
	Platforms on slopes to reduce the speed of water
Early Warning Systems	Improvement of the hydrometeorological monitoring network (P, Q) and numerical models of simulation. (EWS)
	Implementation of EWS and improvement of forecasting systems

Examples of eligible investment criteria and its most common impacts and risks is included. Please note that a more detail assessment of potential environmental and social impacts and risks per intervention are included in **Appendix 8** (Table attached):

- **Water Supply**

During the construction stage generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to preparation work and placement of concrete and equipment, and risk of occupational accidents. There may also be possible impacts on the water source due to contamination due to preparation work. During the operation stage: possible soil contamination due to inadequate management of solid and liquid waste, possible contamination of water sources due to poor management of organic waste.

In terms of negative social impacts, the main ones are associated with the construction phase and are temporary, such as the interruption of vehicle and pedestrian traffic, an increase in the probability of accidents and possible conflicts between construction personnel and the population. As well possible conflict on the right to water sources.

- **Sanitation**

For all projects during the construction stage generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to preparation work and placement of concrete and equipment, and risk of occupational accidents. There may also be possible impacts on the water receiving body due to contamination due to preparation work of the water sanitation works. During the operation stage, potential impacts could

occur, such as soil contamination due to improper management of solid and liquid waste, and contamination of water sources due to mismanagement of special waste, and sludge. There could also be possible accidents due to the operation of the machinery.

In terms of negative social impacts, the main ones are associated with the construction phase and are temporary, such as the interruption of vehicle and pedestrian traffic, an increase in the probability of accidents and possible conflicts between construction personnel and the population. As well possible conflict with communities for nuisances from smells. There is a risk of conflict as well with local populations that use waste treatments for agricultural purposes as well as.

- **Solid Waste Management**

The main potential impacts during the construction phase are the generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of soil quality due to preparation and placement of the works, risk of erosion, and occupational and community health and safety. Also, possible impacts to water sources due to contamination of preparation work. The risk of not utilizing proper native species and non-invasive in the Nature Based-Solutions.

In terms of negative social impacts, the main ones are associated with the construction phase and are temporary, such as the interruption of vehicle and pedestrian traffic, an increase in the probability of accidents and possible conflicts between construction personnel and the population. As well as possible conflict with communities associated with nuisances from odors. There is a risk of conflict as well with local populations and informal recyclers that serve informal waste sites that would no longer be able to access them and affect their livelihood.

- **Drainage**

During construction phase: air pollution from emissions from machinery, vehicles and construction activities; noise generation; solid and liquid waste; temporary impacts on the road and/or pedestrian network and temporary blocking of access to homes and/or businesses; impact on existing infrastructure; possible contamination to water bodies; and risk of work and road accidents due to construction activities and movement of vehicles and machinery; and complaints from neighbors. Likewise, by having heavy machinery in the work area, there will be the use, handling and storage of fuels, which could result in risks of hazardous materials. During the operation phase, there may be an impact on the quality of the water (surface and underground). During the maintenance work of the storm drainage infrastructure, sludge and solid waste could be collected, which must be collected and disposed of properly so as not to generate any type of pollution. A potential risk to the health of workers is also identified.

- **Early Warning Systems**

This typology could include the following: Improvement of the hydrometeorological monitoring network (P, Q) and numerical models of simulation, implementation of EWS and improvement of forecasting systems. The environmental and social impacts and risks for this category could include noise generation, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks; as well as social impacts such as the interruption of the traffic of vehicles and pedestrians, minor affectation of properties due to acquisition and / or easements. Typically, interventions under this category cause minor environmental and social impacts and risks.

6.1.3 Environmental and Social Risks, Impacts, and Mitigation Measures

The following table presents the likely E&S risks and impacts, and potential mitigation measures associated with the types of projects to be financed by the Program. The risks and impacts are organized according to the IDB's Environmental and Social Performance Standards structure. A Loan Agreements for all projects financed by the Program will require all financed activities to comply with the applicable IDB E&S Performance Standards. Impacts and risks, as well as mitigation measures described below are typically founded in Water and Sanitation interventions generally classified as Category B in Non-FIs operations.

Table 1: E&S Risk and impacts, and Potential mitigation measures.

	E&S Risks and Impacts	Mitigation Measures
ESPS1	<p>Assessment and Management of Environment and Social Risks and Impacts</p> <p>Sub-projects in the WSW sector have the potential to result in diverse direct, indirect, and cumulative environmental and social (E&S) risks and impacts.</p>	<p>All borrowers will prepare an ESMS that incorporates the following elements: (i) project-specific environmental and social framework; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review. Implementing partners will screen sub-projects performance against: (i) Exclusion List; (ii) applicable E&S laws and regulations; and (iii) the ESPS (for medium risks long-term sub-projects).</p> <p>Category B sub-projects must present an E&S Assessment and E&S Management Plan to ensure that risks and impacts are identified, assessed, and managed in accordance with the applicable ESPSs.</p> <p>Low-risk FI sub-projects will apply applicable national and local ESHS legislation.</p>
ESPS2	<p>Labor and Working conditions</p> <p>Risk and impacts could result from certain types of activities, if for example, there is any intervention that includes photovoltaics to increase energy efficiency in water or wastewater plants, which could have risks of child and forced labor practices (including supply chain-related practices).</p> <p>Occupational, health and safety risks could also occur during construction and operation phases of project implementation, including accidents, exposure to chemical components and</p>	<p>Sub-projects will adopt and implement labour management policies and procedures to respect and protect the fundamental rights of sub-project's workers; ensure compliance with national employment and labor laws; promote the fair treatment, non-discrimination, and equal opportunity of workers; promote safe and healthy working conditions, and the health of workers; prevent the use of child labor and forced labor; and ensure that accessible and effective means to raise and address workplace concerns are available to workers. In addition, they will implement an occupational health and safety program taking into account inherent risks related to the sub-project and</p>

	manipulation of hazardous materials.	<p>specific classes of hazards, including physical, chemical, biological, and radiological hazards and risks of accidents.</p> <p>The IDB will support the development of a checklist of sectoral labor practices and working conditions and a guidance evaluation for the Program sectors.</p> <p>A Labor Management Procedure (LMP) sets out the Program's approach to meeting national requirements as well as the objectives of the World Bank's Environmental and Social Framework, specific objectives of Environmental and Social Standard 2: Labour and Working Conditions (ESS2) and Standard 4: Community Health and Safety (ESS4). A typical outline include the following: 1. Overview of labour use on the project 2. Assessment of key potential labour risks 3. Brief overview of labour legislation: Terms and conditions 4. Brief overview of labour legislation: Occupational health and safety 5. Responsible staff 6. Policies and procedures 7. Age of employment 8. Terms and conditions 9. Grievance redressal mechanism 10. Contractor management 11. Community workers 12. Primary supply workers</p>
ESPS3	<p>Resource efficiency and Pollution Prevention.</p> <p>Risks related to the final disposal for waste and hazardous materials and hazardous waste, during construction works, demolition and among others.</p> <p>Risks related to cleaning of water bodies such as contaminated sludge, plastics, woods, diverse waste. Incorrect waste disposal could also increase the likelihood of vector bone diseases.</p> <p>Impacts and risks related to sludge production in wastewater treatment plants, and its final disposal.</p> <p>Risks related to the effluents and water quality, Wastewater pollution.</p> <p>Risks related to odors and emissions, that could occur during the operation phase, as well as emissions associated from methane and nitrous oxygen produced in the sanitation processes and/or solid waste management, as well as leachate management.</p> <p>Hazardous materials that will be used or generated during the operation phase of the project, such as chlorine, sludge, fuels and oils. If these are inadequately stored, managed, and disposed of, there is a risk of surface water and</p>	<p>Implementing partners will review applicable required environmental permits based on sector and country requirements, as well as against selected EHS guidelines.</p> <p>Mitigation measures to be included on the specific environmental and social management plans as part of the ESMS, such as Waste Management and demolition Program, Quarry Exploitation and Waste Disposal Program, Garbage Accumulation Mitigation Program in Canals and Environmental Protection Areas, and a Work Environmental Control Program, Water and Effluent Monitoring Program, Odor Dispersion and Air Quality Control Program, Vector Bone Diseases Program.</p> <p>Water management plan and water balance to be included.</p> <p>Production, storage and handling to utilize GIIP.</p> <p>Water management plan according to GIIP</p>

	<p>groundwater.</p> <p>Pollution by runoff and infiltration, respectively, of the spilled materials.</p>	
ESPS4	<p>Community, Health and Safety and Security</p> <p>Affected communities EHS risks- related may include:</p> <ul style="list-style-type: none"> • Accidents related to the circulation of vehicles and construction machinery, • contact with hazardous materials and the presence of security personnel, • The demolition phase has specific risks, mainly accidents from people entering the demolition area, • Access to resources and benefit sharing issues (including Environmental Services related to provision), • Exposure to hazards (physical and chemical), water-borne diseases • Nuisance by noise, dust, and movement of heavy machinery, blocking access to housing and / or public infrastructure, • Possible conflicts between construction personnel and the population. <p>Disaster and Climate Change risks:</p> <ul style="list-style-type: none"> • Exposure of the infrastructure to natural hazards, that could be exacerbated by climate change, including hydrometeorological events could be aggravated, depending on the location of the infrastructure. 	<p>Mitigation measures to be included on the specific environmental and social management plans as part of the ESMS, such as Vector Bone Diseases Program, Odor Dispersion and Air Quality Control Program, Traffic Control Program.</p> <p>Disaster and climate change risk assessment and a disaster and climate change management plan, where applicable.</p> <p>In addition, an Emergency Preparedness and Response (EPRP), will be included as part of the subprogram, when needed.</p> <p>IDB will support the development of sectoral affected communities EHS checklists and guidance assessments for the Program sectors such as community health and safety programs, Vector Bone diseases program, traffic safety program.</p> <p>The Borrower will consider contextual risks and how they may evolve over time. Those considerations will be included in the E&S assessment process and management programs, Underscoring project scenarios or situations that may have the potential to exacerbate social tensions, impede project implementation, and hinder environmental and social performance.</p>

		<p>Contextual knowledge should be obtained from a wide range of stakeholders. Project scenarios or situations where contextual risk is particularly relevant include: (i) areas where armed or social conflict or the risk of conflict exists; (ii) areas where gross human rights abuses or systematic human rights violations exist; (iii) areas experiencing significant social flux linked to migration, including influx of labor; (iv) areas where the rule of law and governance are weak or non-existent and in areas where respect for human rights is limited or absent; (v) area recently affected by a natural disaster; (vi) areas significantly affected by epidemic or pandemic issues; and (vii) areas with severely curtailed civic space.</p> <p>Where significant contextual risk exists, country risk analyses, the E&S assessment, or the HRIA if selected as an assessment tool, will need to factor in relevant concerns such as infringements of human rights, threats to meaningful consultation, discrimination and non-inclusion of minorities, sexual and gender-based violence and the threat of reprisal to project-affected people and other stakeholders engaging in stakeholder participation. Consideration of contextual risk can inform the E&S impact assessment and help improve the design of mitigation measures, including measures to prevent reprisals. Additional information on contextual risk assessment can be found at IDB Environmental and Social Policy Framework.</p> <p><u>In addition, our implementation guidelines set examples on how to develop all the various risk mitigation/management programs. Which these guidelines are based on the World Bank Group EHS implementation guidelines itself, including sectorial guidelines.</u></p>
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ESPS5	<p>Land Acquisition and Involuntary Resettlement</p> <p>The construction of the proposed infrastructure might require land acquisition or restrictions on land use and access to assets and natural resources that result in involuntary resettlement of population: physical displacement (relocation, loss of land or shelter), and/or economic displacement (loss of land, assets, or restrictions on land use, assets, and natural resources leading to loss of income sources or other means of livelihood).</p>	<p>Sub-projects requiring land acquisition will consider feasible alternative designs to avoid or minimize physical and/or economic displacement.</p> <p>For this programme, sub-projects that cause large-scale physical and/or economic displacement of vulnerable population or Indigenous Peoples will not be allowed. For other cases, and when displacement cannot be avoided, a Resettlement Plan and/or Livelihood Restoration Plan will be developed and implemented, offering subproject-affected people compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods, as provided in the ESPS 5.</p> <p>Engagement with subproject-affected people during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement.</p> <p>A Resettlement Action Plan should be prepared for any project that results in physical displacement. Borrowers undertaking projects that entail land acquisition and/or restrictions on land use and access to assets and natural resources but require no physical displacement of people will prepare a Livelihood Restoration Plan. The scope and level of detail of the Resettlement Action Plan will vary with the magnitude of displacement and the complexity of the measures required to mitigate adverse impacts. At a minimum, the Resettlement Action Plan should: (i) identify all people to be displaced; (ii) demonstrate that displacement is unavoidable; (iii) describe efforts to minimize resettlement; (iv) describe the legal and regulatory framework, including any gaps between the legal and regulatory framework and ESPS 5, and how those gaps will be addressed; (v) describe the stakeholder engagement process with affected people regarding acceptable resettlement alternatives, and the level of their participation in the decision-making process; (vi) describe the entitlements for all categories of displaced people and assess risks to vulnerable groups of the various entitlements; (vii) enumerate the rates of compensation for lost assets, describe how they were derived and demonstrate that these rates are adequate, i.e., at least equal to the replacement cost of lost assets; (viii) provide details on replacement housing; (ix) outline plans for livelihood restoration if applicable; (x) describe relocation assistance to be provided; (xi) outline the institutional responsibility for the implementation of the Resettlement Action Plan and procedures for</p>
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		grievance redress; (xii) provide details of the arrangements for monitoring and evaluation and affected communities' involvement in this phase; and (xiii) provide a timetable and budget for the implementation of the Resettlement Action Plan.
ESPS6	<p>Biodiversity Conservation and Sustainable Management of Living Natural Resources.</p> <ul style="list-style-type: none"> - Conversion of natural habitats, including surface waters - Negative impacts to critical habitats, either terrestrial or aquatic, including legally protected areas and internationally recognized areas such as KBAs and Ramsar sites - Terrestrial or aquatic habitat degradation due to inadequate management of solid waste and/or effluents. - Aquatic habitat degradation due to reduction of flows in surface waters, including short-term or seasonal impacts in critical hydroperiods. <p>Impingement and entrainment of fish, fish larvae, fish eggs, plankton, and other aquatic organisms</p>	<p>All sub-projects must be designed and operated such that they do not result in the net loss of biodiversity in affected natural habitats.</p> <p>Exclusion of sub-projects requiring significant conversion or degradation of natural habitats, including surface waters.</p> <p>Exclusion of sub-projects in legally protected areas that involve conversion of natural habitat, including surface waters. Should the sub-project have critical habitats in its area of influence, the borrower should include a Biodiversity Action Plan to achieve net gains for biodiversity values for which critical habitats are designated.</p> <p>Adequate design, operation, and monitoring of solid waste and wastewater collection, treatment, and disposal systems, considering environmental quality requirements to maintain native biodiversity.</p> <p>Watershed management plans and water use contingency plans to maintain ecological flows during critical periods.</p> <p>Adequate design, construction, and maintenance of water intake structures.</p> <p>In such cases, the project's mitigation strategy will be described in a Biodiversity Action Plan and will be designed to achieve net gains of those biodiversity values for which the critical habitat was designated. A Biodiversity Action Plan ("BAP") should include a summary of the project description, analysis of alternatives, biodiversity baseline, critical habitat assessment, biodiversity impact assessment and the rationale for selection of the proposed mitigation. Furthermore, it must clearly demonstrate the calculation of net gains. Most importantly, the BAP must provide implementable time-bound actions with appropriate budget allocations for the lifetime of</p>

		the BAP.
ESPS7	Adverse impacts to indigenous and traditional peoples.	<p>Sub-projects in areas with presence of Indigenous Peoples, as defined in ESPS 7, will carry out a sociocultural analysis to identify potential social, cultural and environmental impacts on them.</p> <p>Sub-projects with significant adverse impacts on Indigenous Peoples will not be eligible. This includes relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use impacts; significant adverse impacts on land and natural resources subject to traditional ownership or customary use; significant impacts on cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives; and any impact on Indigenous Peoples in isolation or initial contact.</p> <p>Non-significant adverse impacts will be compensated in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the affected Indigenous Peoples. The proposed mitigation and compensation actions will be developed with the Informed Participation and Consent of the affected IP in accordance with the requirements of ESPS 7 (paragraphs 11-13); and, when necessary, with the Free, Prior and Informed Consent of the affected IP; and contained in an Indigenous Peoples Plan with the content outlined in the IPPF.</p> <p>Additionally, sub-projects shall (i) respect and foster full respect for the human rights, collective rights, dignity, aspirations, culture, and natural resource-based livelihoods; (ii) promote self-determined, sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner; and (iii) respect and preserve the culture, knowledge, traditional knowledge, and practices of Indigenous Peoples.</p> <p>Throughout the subproject's life cycle, an ongoing relationship with the Indigenous Peoples involved by the subproject will be established and maintained based on meaningful consultation in a culturally appropriate manner, respecting Indigenous Peoples governance, language, and their rights. Free, Prior and Informed Consent (FPIC) of the affected Indigenous Peoples will be carried out when deemed necessary in accordance with ESPS 7.</p>
ESPS8	Adverse impacts on cultural heritage	<p>Sub-projects will identify cultural heritage in its area of intervention and assess potential risks during project construction and operation.</p>

		<p>The Borrower will consider feasible alternative subproject designs to avoid significant adverse impacts to cultural heritage.</p> <p>If the proposed location of a sub-project is in areas where cultural heritage is expected to be found during construction or operation, provisions for managing chance finds will be developed.</p> <p>In such cases, as part of the Borrower's ESMS, the Borrower will develop provisions for managing chance finds through a chance find procedure which will be applied in the event that cultural heritage is subsequently discovered. The Borrower will not disturb any chance find further until an assessment by competent professionals is made and actions consistent with the requirements of this ESMS are identified.</p> <p>A chance finds procedure outlines what will happen if previously unknown cultural material or resources, particularly of archaeological, historical or paleontological interest, are encountered during project construction, operation, or decommissioning. The chance find procedure is an important component of a project specific Cultural Heritage Management Plan (CHMP). In certain cases, a chance find procedure will be the only required outcome of the cultural heritage component of an impact assessment or Cultural Heritage Impact Assessment (CHIA). A chance find procedure is not intended to be a substitute for an archaeological survey. In some instances, it is one component of several measures that are defined within a set of project commitments and/or in a CHMP. The procedure can also apply if previously known cultural heritage is impacted during project construction, operation, or decommissioning, in instances where the impacts were not anticipated during the development of a CHMP. For example, archaeological resources associated with an archaeological site may be encountered during ground-disturbing activities conducted just outside of the area defined to be that site during baseline archaeological surveys.</p>
ESPS 9	Gender equality	<p>Sub-projects must assess and prevent adverse risks and impacts based on gender, sexual orientation, and gender identity; and avoid exclusion from subproject-derived on the grounds of genders sexual orientations or gender identity.</p> <p>Sub-projects must develop and implement</p>

		<p>measures to prevent and mitigate risks of sexual and gender-based violence, including sexual abuse, exploitation and harassment (SEAH) by sub-project workers against persons in the community or other sub-project workers. These measures may include:</p> <ul style="list-style-type: none"> - Developing, implementing, enforcing, and monitoring a sub-project's Code of Conduct establishing a zero-tolerance for SEAH against community members and workers. All contractors and workers must adhere to this Code of Conduct. - Educating all sub-project workers on SEAH, Code of Conduct, and how to report violations of the Code of Conduct. - Informing local communities about sub-project related SEAH risks, prevention and mitigation measures put in place and how to report complaints of SEAH through the sub-project's grievance mechanism. - Procedures on how to respond to any allegation of SEAH. <p>All sub-projects must put in place a grievance mechanism with specific procedures to receive, register and manage SEAH allegations.</p>
ESPS 10	Stakeholder engagement and information disclosure	<p>Development and implementation of a Stakeholder Engagement Plan (SEP) aimed at promoting and providing the means for effective and inclusive engagement with stakeholders, especially sub-project-affected people, throughout the sub-project's life.</p> <p>Disclosure of relevant sub-project environmental and social information in local languages and in an accessible and culturally appropriate manner.</p> <p>Consultation process with sub-project stakeholders, especially sub-project affected populations, during sub-project preparation.</p> <p>Establishment of a sub-project grievance mechanism for stakeholders to raise questions, proposals, concerns and grievances regarding the sub-project environmental and social impacts and management.</p>

For guidelines on how to implement the management plans and procedures on each of the Environmental and Social Performance Standards (ESPS) please consult the implementation guidelines of each of the standards.

In addition, The IDB implementation guidelines set examples on how to develop all the various risk mitigation/management programs. Which these guidelines are based on the World Bank Group EHS implementation guidelines itself.

The guidelines can be found here: <https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>

7. Environmental and Social Risk Management Frameworks

Each participating EEs will manage the supported portfolio by applying a specific ESMS to be approved by the IDB during sub-project preparation in line with the ESPS 1 of the IDB ESPF. The ESMS will include the application of the Program's Exclusion List and a risk-based approach by assessing the potential E&S risks and impacts against the applicable IDB E&S Performance Standards. In order to do so, IDB review will focus on improving the partners' capacity and commitment to assure adequate level of safeguards implementation.

IDB will review any existing ESMS for every selected borrower entities that will provide funding to sub-projects. The ESMS will be evaluated, enhanced as necessary with technical cooperation, and implemented prior to first disbursement. The Program will only permit specific direct investments categorized as category "B" or "C" to be considered eligible.

As part of the ESMS review, IDB will follow the IDB E&S procedure and apply its Platform for the Analysis of Institutional Capacity (PACI) tool to identify needs to capacity building and institutional strengthening in ESG aspects (see appendix 7 for sample).

IDB will include in the Loan Agreements with the selected EEs the commitment to comply with applicable E&S requirements. If gaps in the ESMS are mapped, IDB will also include E&S action plans for the EESs to enhance its procedures and/or capacity. The EESs will also be required to monitor the E&S performance of the supported portfolio and provide reports to IDB.

8. Subprojects

The Program will also finance activities through investment loans and Technical Cooperations (TC). Technical Cooperations to be financed by the Program will only support activities such as capacity building, planning, sectorial and market assessments, policy frameworks, advisory services and inclusion mechanism for women, traditional peoples, and indigenous peoples. No work or productive activities will be financed by technical cooperation funds.

For other specific investments, they will be categorized as B or C by the IDB to be considered eligible under the Program. Both TCs and specific investments should meet the requirements of the ESPF. Please note that the due diligence process of subprojects categorized as B or C follows the guidelines established by the Environmental and Social Policy Framework. It includes the following stages:

1. SCREENING AND ENVIRONMENTAL AND SOCIAL CLASSIFICATION:

3.16 Impact classification: The IDB will classify operations into one of four impact classifications: A, B, C, or FI⁴. In determining the appropriate impact classification, the IDB will consider several sub-project-specific aspects, such as type, location, sensitivity, and scale of the sub-project; the nature and magnitude of the potential environmental and social risks and impacts, including those related to natural hazards and climate change; and the commitment, capacity, and track record of the Borrower to manage the environmental and social impacts in a manner consistent with the ESPSs. This impact classification also guides some aspects of the IDB's information disclosure requirements.

⁴ For the purposes of this framework, FIs have been included under the FI section.

The IDB will review the impact classification assigned to the sub-project and reclassify as needed, based on developments in the scope and potential impacts of the sub-project found during the preparation stage. The IDB will disclose the operation's classification and the basis for that classification at the same time as it discloses relevant sub-project documents. The following impact classifications apply:

- **Category A:** Operations that can potentially cause significant negative environmental or social impacts or have profound implications affecting natural resources.
- **Category B:** Operations that have the potential to cause mostly local and short-term negative environmental or social impacts and for which effective mitigation measures are known and readily available.
- **Category C:** Operations that can cause minimal or no negative environmental or social impacts.

Risk classification. In addition to the impact classification, the IDB will assign a risk classification, using an *Environmental and Social Risk Rating (ESRR)* that is based on a four-level risk rating: low, moderate, substantial, or high. This risk classification will be reassessed throughout the sub-project cycle and adjusted in accordance with the developments and circumstances of implementation and findings of the IDB's monitoring and supervision. Key factors considered in the ESRR are cause (direct environmental and social impacts), contribution (indirect environmental and social impacts), and additional areas of risk that may be relevant to the delivery of environmental and social mitigation measures and outcomes. These could include legal and institutional considerations; the nature of the mitigation measures and technology being proposed; governance structures and legislation; and contextual factors relating to stability, conflict, or security, among others.

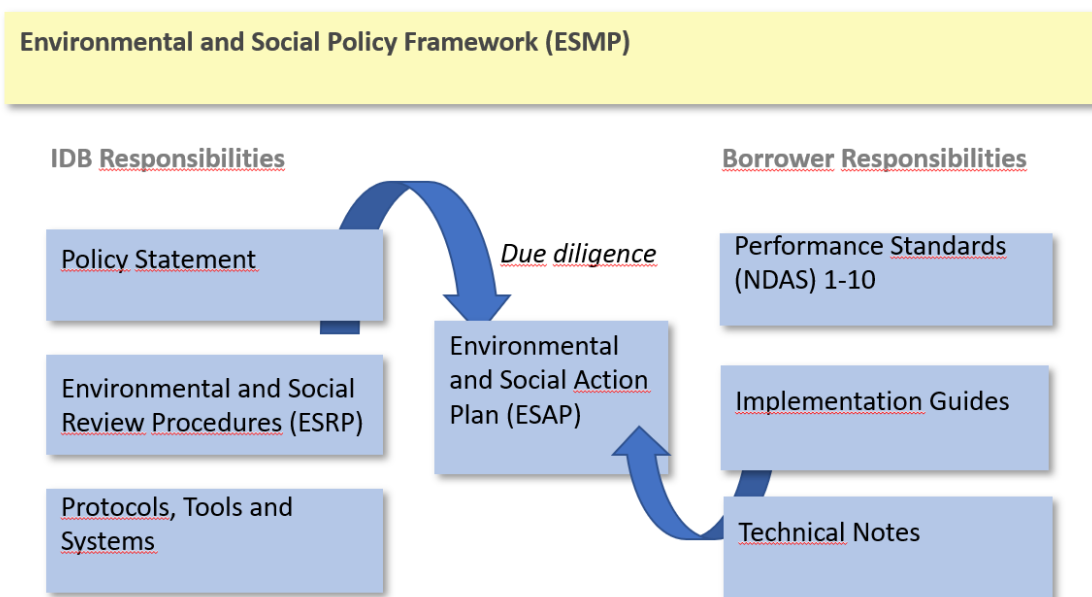
3.18 Due diligence. The IDB requires Borrowers to conduct environmental and social assessments of operations proposed for IDB support in accordance with ESPS 1. In turn, the IDB will carry out its own environment and social due diligence of operations in accordance with the standards of the ESPF. The extent of the IDB's due diligence is determined by the nature and scope of the proposed operation and will be proportional to risks and impacts that might be associated with it and the prevailing country context for its implementation. The IDB will also consider the commitment, capacity, and track record of the Borrower and other entities involved in developing and implementing the operation, as well as specific actions to be put in place or taken by the Borrower to address such risks and impacts.

3.19 The IDB's due diligence on environmental and social risk and impact management is integrated into its overall operation's due diligence, including the review of material risks that may affect the environmental and social sustainability of the operation, such as contextual and third-party risks. The IDB's due diligence will be carried out in accordance with the IDB's Environmental and Social Review Procedures (ESRP). The IDB will consider adopting additional measures in its due diligence process, as needed, to achieve the necessary level of information required to support the requirements of its decision-making processes. Through its due diligence, the IDB will confirm that (i) the Borrower has identified key potential social and environmental sub-project risks and impacts, including those related to natural hazards and climate change; (ii) effective measures to be undertaken by the Borrower to avoid, minimize, mitigate, or compensate for the adverse impacts are feasible; (iii) the Borrower understands the requirements of the ESPs and has the necessary commitment, capacity, and track record to manage environmental and social risks and impacts adequately; (iv) the role of third parties is appropriately defined; and (v) consultations with sub-project-affected people and other stakeholders are conducted in accordance with the relevant IDB standards.

Particularly, in circumstances requiring free, prior, and informed consent (FPIC) of Indigenous Peoples under ESPS 7, the IDB will ascertain the outcomes of the meaningful consultations and will not proceed further with any activity for which FPIC from the affected Indigenous Peoples could not be verified.

Where gaps with the requirements of the ESPF are identified through due diligence, the IDB will agree with the Borrower on an ESAP, which sets out the actions required for the sub-project to meet the ESPSs over a specific timeframe. The ESAP, if applicable, will form part of the legal agreement. The results of the IDB's due diligence process will be summarized in an Environmental and Social Review Summary Report (ESRS) that will include the ESAP, where required. An ESRS is mandatory for all Category A, B, and FI sub-projects. The ESRS is disclosed to the public in accordance with IDB's Access to Information Policy.

3.20. E&S Action Plan ("ESAP"): The E&S Action Plan (ESAP). Where required, the Borrower shall develop and implement an ESAP that describes the actions agreed with the lender that are required to meet the requirements of the ESPSs. The ESAP is often part of the legal agreement with the IDB. The ESAP should not repeat all the measures of the management programs or thematic action plans, but it should focus on the most critical actions needed to meet the requirements of the ESPSs. This tool can also help the Borrower to prioritize issues and allocate resources based on agreed measures and actions as the planning and development of the project progresses. The Borrower should not carry out any project activities that create significant risks or may cause material adverse impacts until the relevant plans, measures, or actions have been completed in accordance with the ESAP. The Borrower should establish mechanisms as part of its management programs to track and report on progress with the ESAP. Additional guidance on the content and structure of an ESAP can be found here: <https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>



3.20 Monitoring and supervision: The IDB will monitor the environmental and social performance

of sub-projects on an ongoing basis to assess the level of compliance with the standards set forth in the ESPF, and with any other actions agreed at the time of sub-project approval or during previous supervision activities. Those actions include the ones established in the ESAP and in changes resulting from modifications in the design of a sub-project or sub-project circumstances. The extent and mode

of IDB sub-project monitoring and supervision with respect to environmental and social performance will vary proportionately to the potential environmental and social risks and impacts of each sub-project. The IDB will review and agree with the Borrower on the necessary preventive and corrective measures

and additional actions required to support the achievement of Borrower compliance with the standards of the ESPF. If the Borrower fails to comply with its environmental and social commitments, the IDB will, to the extent feasible, work with the Borrower to achieve compliance. IDB's support may include the provision of additional technical assistance, increased monitoring by the Bank, and/or monitoring by stakeholders and third parties, such as independent experts, local communities, or civil society organizations, to complement or verify sub-project monitoring information.

3.21 If the Borrower fails to reestablish compliance, the IDB will exercise remedies, as applicable in accordance with the Bank's policies, procedures, and regulations. In this regard, the sub-project's loan documentation provides for the remedies the Bank would exercise in cases where a Borrower does not comply with the financial and nonfinancial obligations set forth in the corresponding loan documentation.²⁴ In addition, the Bank has a continual dialogue with its Borrowers that allows it to address any concerns it may have in connection with the implementation of an IDB-financed sub-project.

3.23 A sub-project's closure will not be reached until the measures and actions set out in the legal agreement (including the ESAP) have been implemented. To the extent that the Bank evaluation at the time of sub-project's closure determines that such measures and actions have not been fully implemented, the IDB will determine whether further measures and actions, including continuing Bank monitoring and implementation support, are required and feasible.

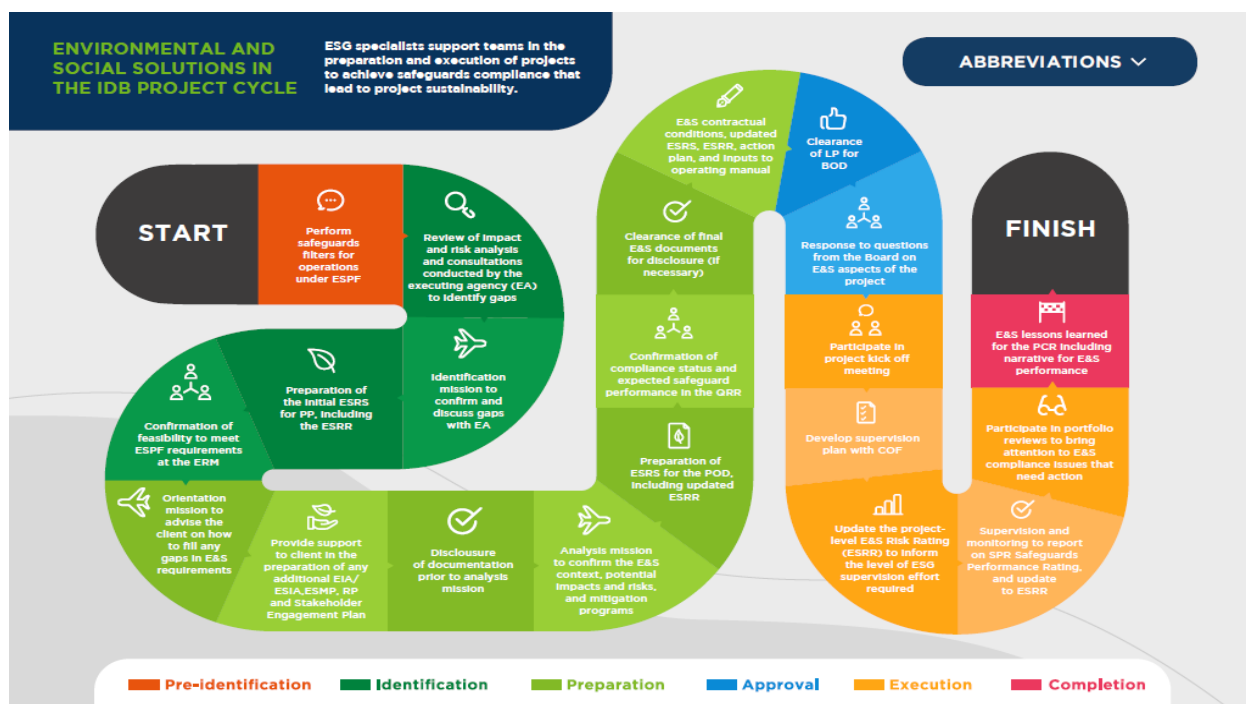
3.24 Information disclosure: Sub-project-related documents provided by the Borrower and product of IDB's due diligence will be disclosed according to the IDB's Access to Information Policy.

The IDB will review the terms of reference and outputs of any technical cooperations that finance prefeasibility or feasibility studies of specific investment sub-projects that include environmental and social studies.

Technical Cooperations are subject to the IDB policy framework as well: When a TC or a pre-investment operation that finances prefeasibility or feasibility studies of specific investment sub-projects includes environmental and social studies, the terms of reference and outputs of these studies should be consistent with the applicable ESPF requirements.

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Please see the Graph below for more details regarding the role of Environmental and Social Safeguards Solutions during the IDB project cycle, when designing and preparing an operation:



9. Capacity Building and Technical Assistance

There will be training and capacity building of sectorial and finance public institutions of the riparian countries on climate finance mechanisms for climate adaptation projects, including training on innovative project finance, project structuring and public-private participation. This activity will build on the success of the ACTO Amazon Project Regional Water Action.

In addition, there will be a capacity building program at regional, national and sub-national levels to optimize access to green and climate financing, both nationally and internationally (an example of this type of financing mechanism is the IDB Supported Social Sovereign Bond in Ecuador or the Green Bond in Chile). The Programme will establish a regional platform/panel to track progress and share best practices on climate-resilient and low-emissions investment in the WSW sector.

The bank will look into improving environmental and social capabilities by capacity building in accordance with the Bank's ESPF.

10. Organizational Capacity

The IDB Environmental and Social Solutions Unit (ESG) will assign a primary safeguards specialist to each specific sub-project that is prepared under the Program if it assigned a category B. Depending on the environmental and social contexts of the particular sub-project, this may be either an environmental or social specialist with experience working with Indigenous Peoples and additional specialists may be assigned to support the sub-project as needed.

In addition, such support may also sometimes be provided by external consultants in the territory for work, such as identification of gaps between legislation and international standards, the capacity of the implementer, inconsistencies analysis in general, among others.

Each sub-project will have a specific management system for its potential environmental and social risks and impacts to ensure socio-environmental performance consistent with the applicable safeguards. During the sub-project appraisal, the ESG specialist will prepare reports, establishing the level of detail and periodicity of supervision and monitoring, though, for example, periodic reports, field visits, specific environmental assessments, etc., that are necessary for the approval and execution of the sub-project.

For onboarding EE into the Program, as part of the appraisal process, the IDB will assess the environmental and social management capacity of executing agencies by applying the Platform for the Analysis of Institutional Capacity (PACI), a tool to support the gathering and analysis of information related to an executing agency's institutional capacity. Within the due diligence appraisal, the Bank will perform additional validations of this information, as well as establish training mechanisms as part of the sub-project's socio-environmental requirements, depending on the particular weaknesses or threats found as per required by the ESMS.

11. Institutional Arrangements

Key elements to be managed by the designated staff are: (i) the operational framework for implementing the Program, including for example, technically-rigorous guidance on how to determine which -sub-projects can be considered to wholly and significantly contribute to the Program the process for the strategic prioritization of locations, details on the mapping of complementary efforts and functioning of the collaboration mechanisms (ii) adequate coordination, evaluation, monitoring and reporting on the Initiative and its activities, following the Bank's established processes and using the Bank's operational systems; (iii) communication and outreach at the Initiative level; and (iv) facilitating consultations with and coordination among interested stakeholders, within the IDB Group and externally.

The IDB, as Accredited Entity, will maintain the responsibilities of the Program to the GCF as per the terms to be agreed between IDB and GCF. The Executing Entities will execute the implementation of the specific transactions to be financed or cofinanced with Fund resources, including the structuring and deployment of IDB and GCF capital into the Program portfolio sub-projects. The Executing Entities will be subject to compliance with the Accreditation Master Agreement to be entered into between the GCF and the Accredited Entity and/or such other relevant arrangements. Supplementing this, at the sub-project level, rights and responsibilities of sub-project sponsors, lenders, and other sub-project parties will be defined under the sub-sub-project contracts, completing the governance structure of the Program.

The development of the -sub-project level ESMS by the borrowers is part of the capacity building sub-component as part of the ESPS1 of the ESMF of the Bank. The IDB will be including activities to improve Environmental and Social capacities within the Executing Entities.

The IDB will be performing as part of its sub-project approval process an environmental and social due diligence as stated on the IDB ESPF. The EE will be responsible for producing the required ESMS as part of the requirement of ESMS 1, when applicable category B or low risk FI. The ESMS will incorporate the following elements: (i) sub-project-specific environmental and social framework; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review.

The EE will be responsible for implementing the ESMS during the sub-project execution including compliance of the E&S plans by all third parties and sub-contractors. The IDB will be the party responsible for performing the sub-project E&S supervision.

As part of ESPS1 all subprojects will have to assess environmental and social capacity of the executing agency. This is done via the Environmental and Social Assessment as well in some cases by an Institutional Capacity Assessment workshop. The results of these assessments result in the creation of Program Execution Units (PEUs) on some cases and as well on the contractual condition of hiring environmental and social specialists to make sure proper implementation of the Environmental and Social Management Plans (ESMP). Budget for ESMP is only defined once the impacts/risks are identified and the proper plans needed to implement them.

E&S specialist at the IDB are based in almost all countries of LAC to ensure close supervision and compliance with the E&S standards policies in IDB financed-operations.

12. Proved record of IDB managing Environmental and Social aspects in the Water and Sanitation Portfolio

The IDB has a long history of working and successfully implementing operations in the Amazon. In the Water and Sanitation sector, the IDB has a significant portfolio of operations: currently around fifteen operations in the active portfolio and at least one project in the pipeline; and fifteen that have concluded successfully.

This section aims to provide an overview of the typical environmental and social risk found on those operations and include a snapshot of the analysis done by IDB during preparation of projects. The IDB shows a good track record managing environmental and social impacts and risks in the operations.

Please note that some of these operations were prepared under the previous Environmental and Social Framework and therefore it contains references to the old E&S policies. Also please note that all operations presented were classified as Category B, for which the IDB due diligence identified that the operation would generate socioenvironmental impacts that are localized, temporary, and short-term, and that can be mitigated with standard measures and social and environmental good practices. The following are examples of projects approved in the past 5 years in the Amazon:

1. BRAZIL: PARÁ SANITATION DEVELOPMENT PROJECT - PRODESAN PARÁ (BR-L1574), Approved December 2021 (Eligible June 2023)

The general objective of the project is to improve sanitation conditions for the population of the Metropolitan Region of Belém, with interventions in the municipalities of Belém, Ananindeua, and Marituba. Its specific objectives are: (i) improve quality and access to water and wastewater collection and treatment services; (ii) improve the operational efficiency of water supply systems under COSANPA's responsibility in the central zone; and (iii) improve COSANPA's business management with a focus on technological innovation.

With regard to Environmental and Social Impacts and Risks (for more information visit the public Environmental and Social Review Summary of this project- [ESRS](#)), the environmental and social analysis (ESA) carried out during the preparation identified the following for the construction phase:

In accordance with the Bank's Environment and Safeguards Compliance Policy and the socioenvironmental assessment of the works to be executed, the project was classified as a category "B" operation, because the negative socioenvironmental impacts will be localized, temporary, and short-term (i) reduction of vegetation cover because the construction work will clear land to install infrastructure; (ii) production of dust and elevated concentrations of particulate matter owing to the movement of vehicles and machinery and the storage of dry materials; (iii) increased noise and vibration from cutting and compaction activities, among others; (iv) inconvenience to inhabitants owing to changes in access, new construction sites and movement of workers, interruptions to essential services, and longer travel times; (v) increased sediment in rivers, and erosion or alteration of the landscape due to earthworks or construction and demolition activities; (vi) temporary disturbance of fauna, or losses caused by the passage of machinery and noise; and (vii) impact on commercial activities caused by road closures or new construction sites. Potential socioenvironmental risks were also identified, such as: (i) contamination of soil or water resulting from environmental hazards encountered when opening new construction sites, or from the spillage of hazardous products or materials; and (ii) the risk of cases of violence owing to an increase in the flow of workers.

In view of the intervention planned in the Utinga State Park, the ESA evaluated the risk of significant conversion or degradation of natural habitats. This included an analysis of alternative sites for the Mártir wastewater treatment plant, and an evaluation of negative impacts on the Utinga Protected Area and the Pará Protected Area.

The conclusion was that there are no significant negative impacts, and the project would improve the condition of Lakes Agua Preta and Bolonha, which are the reasons the areas in question have been declared protected. As for the operation phase, the ESA identifies the following potential impacts: (i) alteration of soil quality owing to inappropriate disposal of sludge from the Mártir wastewater treatment plant; (ii) alteration of water quality in bodies of surface water owing to inappropriate disposal of filter backwash in water treatment plants; and (iii) conflicts with the community owing to odors produced in wastewater lift stations. No cumulative negative impacts were identified, nor impacts on ethnic groups or indigenous peoples, or cultural sites. The ESA process confirmed that the planned interventions and potential impacts can be mitigated using standard measures and socioenvironmental good practices.

The risk from natural disasters is moderate, since both the flood and landslide hazards and the criticality of the exposed infrastructure are moderate, according to the criteria defined for water and sanitation projects in the Bank's Disaster Risk Management Methodology. No additional risk management analyses were required. The environmental and social management plan (ESMP⁵) includes a disaster risk management plan and a contingency plan.

The public consultation process was conducted in September 2021, according to the consultation plan submitted by COSANPA. In general, the operation has been accepted by the stakeholder groups who participated. The matters raised during the consultations had to do with the execution timelines for the works, to avoid impacts, and with the disposal of sludge, among other issues.

⁵ Please see the links to 2 specific ESMPs: https://idbg.sharepoint.com/teams/EZ-BO-LON/BO-L1191/_layouts/15/DocIdRedir.aspx?ID=EZSHARE-1078197769-8 and https://idbg.sharepoint.com/teams/EZ-BO-LON/BO-L1191/_layouts/15/DocIdRedir.aspx?ID=EZSHARE-1078197769-6, as well as the Environmental and Social Management Framework: https://idbg.sharepoint.com/teams/EZ-BO-LON/BO-L1191/_layouts/15/DocIdRedir.aspx?ID=EZSHARE-1078197769-8, given that the operation was a multiple works project.

2. BOLIVIA: PROGRAM TO EXPAND AND IMPROVE WATER SUPPLY SUSTAINABILITY AND RESILIENCE IN CITIES (BO-L1191)

Approved November 2017 (Eligible August 2018)

The program's objectives are to: (i) increase and improve access to water services and enhance resilience to the effects of climate change, focusing on urban centers where a national emergency has been declared owing to drought and water shortages caused by extreme water-related climatic events; (ii) boost efficiency in managing the supply and demand for the available water resources in the program's beneficiary cities, by building the capacity of the EPSAs; and (iii) help build pre-investment capacity with a view to facilitating projects with the potential to improve water service delivery in the program's beneficiary cities.

With regard to Environmental and Social Impacts and Risks (for more information visit the public Environmental and Social Review Summary of this project– [ESRS](#)). The due diligence identified the following socioenvironmental impacts during the construction stage: (i) traffic interruptions; (ii) particulate matter and flue-gas emissions; (iii) water and soil pollution; (iv) noise emissions; (v) impact on flora; (vi) sludge production; and (vii) impacts on health and occupational safety and on the community in general.

To address the identified impacts, a prevention and mitigation plan and an environmental implementation and monitoring plan was developed.

3. BOLIVIA: Comprehensive Water Management Program in Urban Areas (BO-L1192)

Approved November 2018 (Eligible September 2023)

The objective of the program is to help improve comprehensive management of water resources in urban areas of Bolivia by: (i) expanding and improving access to water services under a comprehensive water management vision, including the works required for wastewater collection and treatment; (ii) supporting an improvement in comprehensive water and sanitation planning and management; and (iii) supporting the development and implementation of strategic actions for water security in the program's beneficiary cities.

With regard to Environmental and Social Impacts and Risks (for more information visit the public Environmental and Social Review Summary of this project– [ESRS](#))

The interventions span urban and peri-urban areas: two sewerage system expansion projects and three conveyance pipeline construction projects in Cochabamba and one water system upgrade and expansion project in Oruro. Each project has an environmental and social assessment (ESA) that identified the following main impacts during the construction stage: (i) difficult and/or temporarily blocked access to homes, businesses, facilities, and transportation; (ii) noise, gas, and particulate matter emissions and solid and liquid waste; (iii) risks related to occupational safety; (iv) risks of pedestrian accidents; (v) pedestrian and vehicle traffic interruption; (vi) soil pollution due to improper handling of fuels and lubricants; (vii) risk of archaeological finds; and (viii) impact on flora.

To manage these impacts, each project has an environmental and social management plan (ESMP).

Consultations were held on the projects in the sample in accordance with the operational safeguard policies. The program's ESMF and the six ESAs/ESMPs for the projects in the sample were posted on the Bank's website.

4. PERU: Storm Drainage Upgrade and Expansion Project in the City of Puerto Maldonado and the Community of El Triunfo, Madre de Dios Department (PE-L1259)

Approved January 2022 (Eligible - October 2023)

The general objective of the project is to increase the number of people with adequate access to storm drainage services in urban areas of the districts of Las Piedras and Tambopata. The specific objectives are to: (i) protect the population from flooding in the areas of intervention; and (ii) improve the sustainability of storm drainage service in the municipality of Tambopata.

With regard to Environmental and Social Impacts and Risks (for more information visit the public Environmental and Social Review Summary of this project– [ESRS](#)), the environmental and social analysis (ESA) conducted during the preparation phase identified the following: air pollution, noise, solid and liquid waste, potential contamination of bodies of water, risk of work-related and road accidents, temporary impacts on the road network, and restricted access to locales and residences adjacent to the works due to trenching. The ESA, which includes an environmental and social management plan (ESMP), confirmed that the proposed interventions and the potential impacts can be mitigated with standard measures and social and environmental good practices.

5. PERU: Comprehensive Rural Water and Sanitation Program, second phase - PIASAR II (PE-L1269)

Approved October 2022 (Eligible - July 2023)

The specific objectives of this operation are to: (i) expand access and improve the quality of water and sanitation services in rural communities; (ii) promote sustainable management (operational and financial) of the services; and (iii) create new capacity for women and increase their participation in service delivery and leadership positions on the Sanitation Services Administration Boards (JASS). Attaining these objectives will contribute to the general objective of improving sanitary and environmental conditions in priority rural areas of the country by reducing the gap in coverage of W&S services.

With regard to Environmental and Social Impacts and Risks (for more information visit the public Environmental and Social Review Summary of this project – [ESRS](#))

The environmental and social analysis (ESA) prepared including environmental and social management plans (ESMP⁶) for the projects in the sample and an environmental and the social management framework for future projects, both of which form part of the ESMS. The socioenvironmental documents prepared for PIASAR I and the lessons learned were used as inputs. Because the program envisages nationwide rural coverage, some of the works will be carried out in campesino and native communities. The due diligence review did not identify impacts related to physical or economic displacement. Rights-of-way and acquisition of land (specifically donation) for program works will be required. During preparation of the technical files, consultations were held on projects in the sample and therefore additional activities prior to approval of the program will not

⁶ As a demonstrative example of E&S Management Plans, we include the ESMPs of this operation in Appendix 3.

be necessary.

Two medium-high socioenvironmental risks were identified during program preparation. The first is social related to loss of trust and community support during program execution, which would lead to delays in implementation or even stop of the works, and were mitigated by: (i) offering workshops in sanitary and environmental education and use of W&S services; (ii) contracting specific personnel for social management and community relations; (iii) implementing a mechanism for complaints and disputes from the beginning of works; and (iv) including activities related to communication with beneficiaries in the program's communication plan.

Another medium-high risk socioenvironmental risk was also identified (related to Component (1) that the environmental and social requirements might not be implemented by the contractor which could lead to conflicts with the community or generate environmental liabilities. This risk will be mitigated by: (i) including processes to update the environmental and social aspects of the technical file; and (ii) ensuring that the program's specific environmental and social requirements (with the respective budget) are included in the bidding documents for the works and supervisory services.

In addition, we add two projects that although already exited the portfolio, are demonstrative examples of operations done in the Amazon. These projects already closed without any environmental and social liability, and reached the expected outcomes established during preparation:

6. COLOMBIA: Water and Sanitation Program for the Municipio of Pasto (CO-L1028)- STATUS- CLOSED

With regards to social and environmental aspects, during the operation design it was identified that the impacts foreseen in the program are, in general, positive, although there would be negative impacts of small magnitude, understood as those in the construction phase of works (including generation of dusts, waste and effluents, as well as traffic disturbance in the urban environment) or in the operation (water abstraction, and discharge of water treatment plant).

To address those impacts, EMPOPASTO, the executing agency mitigated them by minimizing the disturbance of the interventions, optimizing community management, intervention times, actions have been adopted by the company for the different works that it executes in the city. The Company developed a communication campaign where the scope of the interventions was explained, and some joint work protocols are being worked on with the community, which are being formalized.

In relation to the environmental classification established during project preparation – Category B- it was deemed adequate for the intervention time, and the company adopted the appropriate mechanisms to mitigate the short-term and manageable impacts during the execution of the works.

7. GUYANA: Water Supply and Sanitation Infrastructure Improvement Program (GY-L1040)- CLOSED

Overall, the social and environmental safeguards for the operation were adequate and in line with its initial categorization- Category B. The performance of the safeguards was also satisfactory throughout project execution. The Environmental and Social Assessment (ESA) prepared prior to the approval of the Loan outlined the potential negative impacts and adequate mitigation measures for such.

There was no major impact or unmitigable impact identified in the ESA. During program implementation the main environmental and social difficulties expected were those related to the construction phase, excavation, dirt removal, noise, dust, pipe and equipment installation, and other potentially disturbing activities. The proper location of the construction sites for the new WTPs significantly reduced the possibility of complaints from surrounding households. The temporary negative impacts were addressed in a generally satisfactory manner through the corresponding construction contracts, by requiring adequate mitigation measures and monitoring.

13. Other E&S aspects

13.1. Stakeholder Engagement and Information Disclosure

The objectives of the IDB's ESPS 10 on Stakeholder Engagement and Information Disclosure are to establish a systematic approach to stakeholder engagement that will help the Borrower identify stakeholders, especially sub-project-affected people, and build and maintain a constructive relationship with them; to assess the level of stakeholder interest in and support for the sub-project and to enable stakeholders' views to be considered in sub-project design and environmental and social performance; to promote and provide the means for effective and inclusive engagement with sub-project-affected people throughout the sub-project's life cycle on issues that could potentially affect or benefit them from the sub-project; to ensure that appropriate information on environmental and social risks and impacts of the sub-project is disclosed to stakeholders in a timely, understandable, accessible, and appropriate manner and format; and to provide stakeholders with accessible and inclusive means to raise questions, proposals, concerns, and grievances and allow Borrowers to respond and manage them appropriately

For sub-projects where ESPS 10 is applicable, the implementing partners will be required to review if stakeholder engagement elements have been adequately conducted. At subproject level, as per the ESPS 10 – of the Environmental and Social Policy Framework, will have a stakeholder engagement plan specifically designed for each subproject including their own mapping of stakeholders, meaningful consultation, and grievance redress mechanism. This will involve reviewing the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to affected communities.

The nature, frequency, and level of effort of stakeholder engagement will vary considerably and will be commensurate with the sub-project's risks and adverse impacts, and the sub-project's phase of development.

The Borrower will disclose sub-project information to allow stakeholders to understand the sub-project's risks, impacts, and potential opportunities and development benefits from the sub-project. The Borrower will provide stakeholders with access to the following information, as early as possible in the sub-project development process, and in a timeframe that enables meaningful consultations with stakeholders on sub-project design: a) A description of the area of influence and physical and technical characteristics of the proposed sub-project or activity , b) The duration of the proposed sub-project activities, c) Potential risks and impacts on local communities and the environment, and proposals for mitigation, highlighting the potential risks and impacts that may disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize them, d) Potential opportunities and development benefits from the sub-project for local communities e) A summary of (a), (b), (c), and (d) of the present paragraph in comprehensible, non-technical language, f) The proposed stakeholder engagement process,

highlighting ways in which stakeholders can participate, g) The time and venue of any proposed public consultation meetings and the process by which meetings will be notified, summarized, and reported, h) The process and means by which grievances can be raised and will be addressed.

The information will be disclosed in relevant local languages and in an accessible and culturally appropriate manner, considering the needs of groups that may be differentially or disproportionately affected by the sub-project or groups with specific information needs (such as disability, literacy, gender, mobility, differences in language, or accessibility).

Although the paragraphs above refer to the Stakeholder engagement Plan under the ESPS 10, the program will continue the Stakeholder Engagement Plan during programme execution, please note that the activities are included under SEP, under the section “Implementation phase program: Continual actions and deliverables with key strategic stakeholders”. Please also note that the detailed budget, under transversal technical cooperation also includes a budget targeted to continue the stakeholder engagement actions during the execution for \$ 7MM to implement these activities.

13.2. Brief summary of Environmental and Social topics raised during the Stakeholder Engagement dialogue tables

During the past two months the IDB team hold dialogue tables with stakeholders from different backgrounds, included but not limited to: indigenous people, afro descendants, farmers, urban organizations, international organizations, chambers, associations, etc. from the Amazon’s region. In these discussions several topics related to contextual environmental and social aspects were raised by the participants. We summarize the topics in the following sections:

Environmental topics

- Intrusion of saltwater into rivers during the dry season is raising serious water quality issues, resulting in compromising both agricultural productivity and the health of local populations dependent on these water resources.
- Phenomena such as El Niño and La Niña have a profound impact on the Amazon's watersheds and ecosystems, exacerbating already challenging conditions and necessitating a more proactive approach to managing water resources.
- Illicit gold mining activities – resulting in existing mercury contamination in rivers, even in areas not directly impacted by mining activities, poses a significant environmental challenge that demands urgent attention to safeguard the health of both ecosystems and local populations.
- Prioritizing the implementation of mercury monitoring and remediation programs is essential for safeguarding ecosystems and the health of local populations. Continuous monitoring, combined with effective cleanup strategies, can significantly reduce public health risks and aid in the restoration of ecosystems affected by mercury contamination.
- Monocultures like soy, leads to a significant loss of biodiversity and severely compromises water quality through extensive contamination.
- Deforestation has a close link with existing climate impacts in the Amazon.
- The enforcement of environmental laws and regulations in the Amazon’s rural and peri-urban areas is frequently ineffective, primarily due to the limited capacity of local governments to implement these regulations.

Social Topics

- Current models of water governance fail to adequately account for the socio-territorial diversity and vastness of the region. This issue is compounded by the frequent exclusion of local communities from decision-making processes, with large institutions like the IDB often prioritizing national governments over grassroots involvement.
- Adopting an integrated approach to water and sanitation is vital for both environmental protection and public health improvement. Implementing water treatment systems that include comprehensive wastewater management helps prevent contamination, reduce the incidence of waterborne diseases, and ultimately enhance the overall quality of life in affected communities.
- Strengthening participatory governance in the management of water resources is fundamental to achieving equitable and sustainable outcomes. Actively involving local communities in decision-making processes ensures that their needs and priorities are recognized, thereby enhancing the resilience and success of water-related initiatives.
- Local communities possess invaluable traditional knowledge that is key to understanding and adapting to the environmental dynamics of their territories. By integrating this knowledge into decision-making and recognizing its importance in management strategies, we not only bolster the resilience of local ecosystems but also improve the effectiveness of interventions in addressing environmental challenges
- High occurrence of violence against indigenous peoples' leaders. fighting to recognize and protect their lands and resources, demanding strict enforcement of environmental laws against extractive activities
- Deficiencies in water and sanitation infrastructure, combined with local bureaucracy and political maneuvering, hinder the implementation of solutions for the health and well-being of indigenous communities.
- Women, and indigenous women in particular; often the most affected by climate change, are made invisible in decision making processes, limiting the impact of proposed solutions for their communities. It is essential to recognize the central role of Indigenous women in climate resilience by ensuring their active participation in decision making and implementation of solutions. The preservation and enhancement of ancestral knowledge, including practices related to water management and the preservation of riparian forests, are indispensable for protecting the forest and ensuring water security for all.

Aware of the magnitude of the problems raised during these discussions and recognizing the contextual E&S risks in the Amazon, the team included a brief analysis of them in the Strategic Environmental and Social Assessment (Appendix 7).

13.3. Grievance Mechanisms

The IDB ESPF requires borrowers to implement effective grievance mechanisms to receive and assist with the resolution of any concerns and grievances of stakeholders that may arise in connection with a sub-project's environmental and social performance. The IDB believes that prompt consideration and resolution of grievances locally can provide the fastest relief for complaints, clarify expectations, and build confidence among stakeholders. Stakeholders may submit complaints regarding a Bank-financed sub-project to (1) the sub-project grievance mechanism; (2) appropriate local grievance mechanisms; or (3) directly to the IDB, which will respond within a reasonable timeframe. In addition, the IDB's Independent Consultation and Investigation Mechanism (ICIM) provides a mechanism and process to address allegations of harm by sub-projects as a result of noncompliance

by the IDB with one or more of its operational policies, including the ESPF.

Sub-projects must put in place two grievance mechanisms: (i) one grievance mechanism to receive and facilitate resolution of concerns and grievances from project-affected people and other stakeholders, as established in ESPS 1, ESPS 5 on Land Acquisition and Involuntary Resettlement, ESPS 9 Gender equality and ESPS 10 Stakeholder Engagement and Information Disclosure; and (ii) one grievance mechanism for sub-project workers to raise workplace concerns, as established in ESPS 2 on Labor and Working Conditions.

Both grievance mechanisms must include specific procedures for how SEAH complaints will be received, registered, acknowledged, investigated, and handled, by whom and within what timeframe, and the range of possible disciplinary actions. Due to the sensitive nature of SEAH and the risk of stigma, reprisals, and rejection associated with this type of incident, special attention must be paid to protect the confidentiality and safety of survivors along the entire process and to ensure a fair assessment and due process for all those implicated.

In compliance with IDB ESPF, communities who are affected or potentially affected by the program will be informed about the grievance redress mechanisms available to them at all three levels: GCF's Independent Redress Mechanism, the IDB's grievance mechanism, and the sub-project grievance mechanism. This will be done early in the stakeholder engagement process, in a culturally appropriate manner. The design of the sub-project-level GRM will include input from locally affected stakeholders. GRM will include information on how stakeholders will be informed about the three levels of GRMs, when and how they can be accessed, and the specific steps and contact information for registering concerns with each GRM.

Appendix 1 – List of Referenced IDB Policies

See all IDB operational policies [here](#).

ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK

The Board of Executive Directors of the Inter-American Development Bank (IDB) approved a new Environmental and Social Policy Framework (ESPF) on September 16, 2020. The new ESPF is the result of a rigorous process that spanned 20 months and was based on an inclusive, transparent, and participatory public consultation process. The ESPF has been effective since October 2021 for all new operations that have not passed the Eligibility Review Meeting prior to the effective date.

The ESPF sets ambitious new standards in several areas and provides IDB's clients with leading-edge provisions to tackle environmental and social issues. It elevates respect for human rights to the core of environmental and social risk management and includes a dedicated, stand-alone standard on gender equality. A new standard of labor and working conditions aligns with the core international conventions and instruments.

The new policy framework also includes consideration of risks associated with pandemics and epidemics, and it aligns with international best practices on biodiversity protection and conservation. In addition, the ESPF stipulates when free, prior, and informed consent is required from indigenous peoples, mandates protections for African descendants and persons with disabilities, and requires consideration of race, ethnicity, age, and social conditions. To obtain open, transparent, and inclusive engagement around sub-projects, the ESPF also includes a stand-alone stakeholders' engagement and information disclosure standard, which requires clients to routinely implement grievance mechanisms.

Moreover, an exclusion list now identifies activities that the IDB will not finance because they could adversely impact people and the environment, or because they are inconsistent with the IDB's commitment to addressing climate change and promoting environmental and social sustainability (see Annex II below).

See ESPF [here](#)

GRIEVANCE MECHANISM – see [here](#)

The Independent Consultation and Investigation Mechanism (MICI) is a last resort alternative open to group of individuals or communities who may be adversely impacted by IDB financed operations due to the Bank's potential non-compliance with its own operational policies. The MICI process includes two phases: a Consultation Phase that provides parties with the opportunity to address requesters' concerns in a voluntary, flexible and collaborative manner; and a Compliance Review Phase that enables requesters to ask for an investigation of a Bank-financed operation with the objective of establishing whether the Bank has failed to comply with any of its Relevant Operational Policies and whether that has caused harm to requesters.

Appendix 2 – Excluded Activities List

The IDB will not knowingly finance, directly, or indirectly through FIs, projects involved in the production, trade, or use of the products, substances, or activities listed below. Additional exclusions may apply in the context of a specific operation.

1. PROHIBITED ACTIVITIES

a. Activities that are illegal under host country laws, regulations or ratified international conventions and agreements, or subject to international phase out or bans, such as:

- Polychlorinated biphenyl compounds (PCBs).
- Pharmaceuticals, pesticides/herbicides, and other hazardous substances subject to international phaseouts or bans.⁷
- Persistent Organic Pollutants (POPs).⁸
- Ozone-depleting substances subject to international phase-out.⁹
- Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.¹⁰
- Transboundary trade in waste or waste products,¹¹ except for nonhazardous waste destined for recycling.
- Lead paint or coatings in the construction of structures and roads.¹²

b. Activities that are illegal under host country laws, regulations, or ratified international conventions and agreements relating to the protection of biodiversity resources or cultural heritage.

2. OTHER ACTIVITIES

a. Activities that, although consistent with a country's legal and/or regulatory framework, may generate particularly significant adverse impacts on people and/or the environment, such as:

- Weapons, ammunitions, and other military goods/technology.
- Tobacco.¹³
- Gambling, casinos, and equivalent enterprises.¹⁴

⁷ Reference documents are: Council Regulation (EEC) No 2455/92 of 23 July 1992 Concerning the Export and Import of Certain Dangerous Chemicals, as amended from time to time; United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; World Health Organization Recommended Classification of Pesticides by Hazard, World Health Organization Pharmaceuticals: Restrictions in Use and Availability

⁸ Stockholm Convention on Persistent Organic Pollutants as amended in 2009

⁹ Ozone-depleting substances (ODSs) are chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized 'ozone holes.' The Montreal Protocol lists ODSs and their target reduction and phase-out dates. The chemical compounds regulated by the Montreal Protocol include aerosols, refrigerants, foam-blowing agents, solvents, and fire protection agents. (<https://ozone.unep.org/treaties/montreal-protocol>)

¹⁰ www.cites.org

¹¹ As defined by the Basel Convention (www.basel.int).

¹² Paints or coatings with a total lead concentration great than 90 ppm or the concentration limit set by the host country, whichever is lower.

¹³ This does not apply to sub-projects whose primary objective is not related to the production, trade, or use of tobacco.

¹⁴ This does not apply to sub-projects whose primary objective is not related to the construction and operation of gambling, casinos, and equivalent enterprises.

- Radioactive materials.¹⁵
- Unbonded asbestos fibers or asbestos containing products.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.

b. Activities that are inconsistent with the IDB's commitments to address the challenges of climate change and promote environmental and social sustainability, such as:

- Thermal coal mining or coal-fired power generation and associated facilities.¹⁶
- Upstream oil exploration and development sub-projects.¹⁷
- Upstream gas exploration and development sub-projects.¹⁸
- Under exceptional circumstances and on a case-by-case basis, consideration will be given to financing upstream gas infrastructure where there is a clear benefit in terms of energy access for the poor and where GHG emissions are minimized, sub-projects are consistent with national goals on climate change, and risks of stranded assets are properly analyzed.

For more information, please visit the Annex I of the ESMF

Additionally, the FP will not finance sub-projects with significant adverse environmental and social impacts, including:

- Sub-projects that result in significant adverse impacts on lands and natural resources traditionally owned or under customary use by indigenous peoples.
- Sub-projects that require the relocation of indigenous peoples away from their lands and natural resources subject to the traditional property regime or under customary use.
- Sub-projects that have a substantial impact on a cultural or natural heritage that is essential to the identity or cultural, ceremonial or spiritual aspects of the life of indigenous peoples.
- Any impact on Indigenous Peoples in isolation or initial contact
- Sub-projects that result in damage, displacement or substantial alteration of critical cultural heritage (i.e. physical damage, visual impact, access restriction).
- Sub-projects that result in significant adverse impacts to ecosystem services.
- Projects that result in significant adverse impacts to non-critical natural habitats.
- Sub-projects in protected areas that result in conversion of their natural habitat.
- Sub-projects that cause significant impacts on the quality and use of surface, groundwater or marine water in the project area, may generate impacts on the subsistence of the communities that use the water or have a high potential to generate conflicts over the use of water.
- Sub-projects that generate large-scale physical displacement and/or vulnerable families.
- Sub-projects that generate permanent economic displacement of vulnerable people.

¹⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, or any equipment where it can be demonstrated that the radioactive source is trivial and/or adequately shielded.

¹⁶ This applies only to associated facilities which primary objective is related to the production, trade, or use of coal for power generation or to the transmission of energy generated by a coal-fired power plant (e.g., a dedicated transmission line).

¹⁷ Upstream oil and gas exploration and development refer to all the steps involved from the preliminary exploration through the extraction of the resource.

¹⁸ Idem.

Appendix 3a: Example of Terms of Reference for a water treatment project

Elaboration of EAS

The EIA shall include as a minimum:

1. Executive summary

An executive summary of the contents of the ESIA should be prepared that is easy to interpret and representative of the most important information in the development of the document. This should include, but not be limited to, the following topics, among others, in general:

- (i) general and specific objectives, including a brief description of both the main negative and positive environmental and social impacts identified during the construction and operation, closure and post-closure phases;
- (ii) necessary mitigation, control, monitoring and prevention actions most relevant during the project phases and their relationship to the ESPF and the IDB's ESPS and any other guidelines, standards, policies or requirements of the co-financiers
- (iii) recommendations for the improvement of the environmental and social management of the Project during all its phases, and
- (iv) conclusions and general recommendations of the study; among other information considered important.

The executive summary should be no longer than 10 pages.

2. Introduction and Background

This section should contain the background and scope of the operation, including a description of the need for the project in the context of the local and national situation and strategies, as well as the effect it will have on environmental and social development. In addition, in this section it is important to include a brief general description of the different sections and/or chapters contained in the ESIA.

3. Project Description

Detail of the activities, processes and milestones that are part of the construction, operation, closure and post-closure phases of each of the works included in the Project.

Based on existing project designs or profiles, describe the alternatives that have been considered up to the time of selection of the final proposal. This section shall include the respective alternatives analysis for the project which include zero option. The executing agency shall provide all information necessary to document the alternatives analysis.

4. Regulatory Framework

This section will be a summary and reference to the Regulatory Framework section of the EAS part.

Include a description of national laws, international agreements and indigenous legal systems (if any), as well as regulations applicable to the project. It will identify the institutions responsible for the implementation and environmental and social management of the project, at the respective levels of government; roles and functions of each of the institutions, including the institutional capacity analysis of the executing unit and detail the institutional strengthening needs, if necessary, to comply with the IDB's social and environmental policies and any other guidelines, standards or policies of the co-financiers.

A description of the environmental licensing requirements and other authorizations necessary for all phases of the Project should also be included.

5. Diagnosis and socio-environmental characterization of the area of influence and beneficiaries.

In general, this section should contain a description of the current socio-environmental conditions of the project area, defining the delimitation of the Area of Direct Influence (ADI) and the Area of Indirect Influence (AII).

The characterization should be based on quantitative and qualitative data, based on primary and secondary information (including field visits and analytical campaigns) covering aspects such as: (i) geology, geomorphology, edaphology and soil quality; (ii) climatology; (iii) air and noise; (iv) water quality; (v) biodiversity and/or natural, modified or critical habitats (following IDB's ESPS 9) and endangered species (flora and fauna), protected areas and natural parks (the protected natural areas, sensitive ecosystems and areas of international importance, (e.g. IBAs, RAMSAR wetlands, KBAs, AZEs, etc.), and visual and aesthetic/landscape resources; (vi) natural protected areas and cultural sites; (vii) natural hazards occurring in the IDA, and the IIA; and (ix) potential environmental liabilities. Include maps and figures at appropriate scale.

The social characterization will include demographic, economic and cultural data, considering: (i) demographic conditions such as age and gender of the beneficiary population; (ii) socio-cultural conditions such as ethnic distribution (including indigenous and Afro-descendant communities), (iii) presence of vulnerable or minority groups including sexual and gender minorities, (iv) languages spoken, nationalities or other relevant key cultural aspects; (v) characterization of socio-economic conditions such as economic sectors, formal and informal employment, land tenure; (vi) land use; (vii) information on archaeological resources (finds) and historical resources, cultural (tangible and intangible) and spiritual sites, practices and vulnerabilities; (viii) analysis of the use of natural resources and ecosystem services by different groups and communities; (ix) mapping of key institutional and social actors present in the area of influence and other Project stakeholders, including local and national social and environmental organizations; (x) possible social liabilities; (xi) assessment of health aspects of the population that may be impacted by the program works within the areas of influence, especially vulnerable groups; and (xii) analysis of existing community consultation and participation mechanisms. Include maps and figures at an appropriate scale.

6. Impact and risk assessment

In general, this section of the report will focus on the identification and characterization of the potential environmental, social and occupational health and safety impacts and risks of the project (distinguishing between direct, indirect and cumulative), both negative and positive, as well as the influence of climate change and natural disaster risks for the construction, operation, closure and post-closure stages, using methodologies such as thematic overlay maps, matrix assessment and interdisciplinary group work, and will be in accordance with international best practices in the corresponding sector. The description of the environmental impacts must consider, as a minimum:

(i) ESPS 1 Requirements: Assessment and Management of Environmental and Social Risks and Impacts

- The scope and level of effort devoted to the risk and impact identification process will be commensurate with the type, size and location of the Project. The scope of the process will be determined by the application of the mitigation hierarchy.
- The risk and impact assessment will take into account international best practices in the relevant sector. For the Project, the following references may be used as references (some industry references are: US EPA; International Solid Waste Associations (ISWA); United Nations Environment Programme (UNEP); Global Alliance of Wastepickers; Clean Air and Climate Coalition (CCAC)).
- The risk and impact identification process shall be based on recent baseline data on environmental and social aspects, at an appropriate level of detail.
- Risks or negative impacts of the project that fall disproportionately on individuals and groups that, due to their particular circumstances, are in a vulnerable position will be identified.
- Impacts of prejudice or discrimination against vulnerable or disadvantaged persons or groups in access to benefits that the Project may have.
- Impacts related to the health, safety, and welfare of workers and communities affected by the project, including risks associated with pandemics, epidemics, and communicable diseases.
- Greenhouse gas emissions
- Natural hazards and risks and climate change to the Project or exacerbated by the Project, taking into account the expected frequency, duration and intensity of the phenomena in the geographical area of the project and the level of criticality of the infrastructure.
- Potential transboundary impacts
- Impacts on community security (security of project infrastructure, threats to human security due to risks of escalation of personal or community conflicts and violence that could be provoked or exacerbated by the project).
- Adverse economic and social impacts or risks of involuntary divestiture
- Risks or impacts related to land and natural resource tenure and use, land acquisition, physical resettlement and/or economic displacement (including classification of type and degree of impact).
- Risks and impacts or threats to the protection, conservation, maintenance and restoration of natural habitats and biodiversity (flora and fauna).
- Risks or impacts on ecosystem services, including those related to watershed management.
- Impacts on indigenous peoples
- Risks and impacts to cultural heritage
- Risks and impacts of gender-based exclusion and violence, sexual exploitation, human trafficking and the spread of sexually transmitted diseases.

(ii) ESPS 2 Requirements: Labor and Working Conditions Requirements

- Identify and assess inherent risks and impacts related to the project and specific classes of hazards, including physical, chemical, biological and radiological hazards, and specific threats to women, people of diverse sexual orientations and gender identities, people with disabilities, children (of legal working age), and migrant workers in accordance with this and any other applicable ESIA.
- Identification of potential hazards to workers, particularly those that may endanger their lives, consistent with international good industry practice, as reflected in various internationally recognized sources, including the World Bank Group's General Guidelines on Environment, Health and Safety.

(iii) ESPS 3 Requirements: Resource Efficiency and Pollution Prevention

- Identify hazards, impacts and risks associated with the nature of the project in relation to: (i) consumption of energy, water and other resources and material inputs, (ii) GHG emissions, (iii) release of contaminants to air, water and soil due to routine, non-routine and accidental circumstances, (iv) generation of hazardous and non-hazardous waste materials, (v) use of hazardous materials, (vi) use of chemical pesticides.

(iv) ESPS 4 Requirements: Community Health and Safety Requirements

- Specific risks and impacts that may have adverse effects on the health, safety and well-being of people with sensitivities such as age, gender, disability or health conditions in the short or long term should be identified and a more detailed risk assessment conducted if necessary, including an analysis of health impacts due to the implementation of the program works.
- Potential direct, indirect and cumulative risks and impacts of the project on priority ecosystem services, which may be exacerbated by natural hazards and climate change and may generate adverse risks and impacts to human health and safety, will also be identified (See ESSA 6).
- In the event that direct or contracted workers are hired to provide security for personnel or property, the risks that their security arrangements may pose to those on or off the project site shall be assessed.

(v) ESPS 5 Requirements: Land Acquisition and Involuntary Resettlement Requirements

- Identify, where necessary, feasible alternative project designs to avoid or minimize physical and/or economic displacement, taking into account environmental, social and financial costs and benefits, paying special attention to impacts on the poor and vulnerable.
- Identify any potential impact or risk of (i) project-related land acquisition, (ii) resettlement of project-affected people, (iii) physical or economic damage
- When involuntary resettlement is anticipated to be inevitable, either as a result of an agreement or as expropriation, a census should be conducted to collect and identify the

people who will be displaced by the project, determine who will be eligible for compensation and assistance, and deter ineligible people, such as opportunists, from claiming benefits¹⁹.

(vi) ESPS 6 Requirements: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- The direct, indirect and cumulative risks and impacts of the Project on biodiversity and ecosystem services should be considered, and any significant residual impacts should be identified.
- The identification and assessment process will take into account relevant threats to biodiversity and ecosystem services, with particular emphasis on habitat destruction, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading and pollution.
- It will also take into account the different values that people who may be potentially affected by the Project and, where appropriate, other stakeholders attribute to biodiversity and ecosystem services.
- In the event that a risk or adverse impact on ecosystem services is identified, a systematic review will be conducted to identify priority ecosystem services.
- Identify any project components that could be carried out within protected areas that are specifically designated by laws or ordinances for nature conservation and determine whether: (i) feasible alternatives have been considered, (ii) the development is legally acceptable and complies with local regulations, (iii) consensus should be reached with stakeholders, including organizations responsible for managing the protected area, and (iv) additional programs should be undertaken to ensure that protected areas are effectively managed for conservation.

(vii) ESPS 7 Requirements: Indigenous Peoples

- A social and environmental risk and impact assessment process prepared in a culturally appropriate manner shall be carried out for all indigenous peoples' communities located in the Project's area of influence that may be affected by the Project, as well as the nature and magnitude of the direct, indirect and cumulative economic, social, cultural (including cultural heritage) and environmental impacts expected on these peoples.

(viii) ESPS 8 Requirements: Cultural Heritage Requirements

- Any risks or impacts that the project may have on cultural heritage should be identified.

(ix) ESPS 9 Requirements: Gender Equality

- For the gender analysis under ESPS 9, which aims to identify, prevent, mitigate and/or offset risks and adverse impacts that may disproportionately affect women and sexual minorities (LGBTQI+ people), a gender-differentiated view will need to be applied. Depending on the risks identified, the gender analysis may require a "stand-alone"

¹⁹ This information or part of it may be available as input as a result of the preparation of the *"Consultancy for the development of an Inclusion Plan with a gender perspective for informal recyclers at the Duquesa final disposal site"* studies. However, it should be analyzed and supplemented if necessary.

document. Stakeholder engagement and documentation of consultation processes will be conducted in accordance with ESPS 10.

- Consideration should also be given to the requirements related to ASD 5 (Land Acquisition and Involuntary Resettlement) in all cases involving the possibility of involuntary physical resettlement or economic displacement. This may include the following: (i) internal household analysis to identify gender differences in livelihood sources, including informal sources; (ii) an analysis of women's land and land use rights, including co-ownership and use rights over communal land and other assets; and (iii) analysis of the impact of resettlement on women's ability to work.

(x) ESPS 10 Requirements: Stakeholder Engagement and Disclosure of Information

- Stakeholders, including both project-affected persons and other parties, who, due to their circumstances, may be disadvantaged or vulnerable, should be identified and documented.
- Documented records of stakeholder involvement should include a description of the stakeholders consulted, a summary of the comments and information received, and a brief explanation of how the information was taken into account.

Similarly, the guidelines, standards or policies of the Project co-financier should be included, comparing these with IDB requirements and ensuring that there are no gaps in the identification and assessment of socio-environmental risks and impacts. Special attention should be given to the following elements:

- i) Projects should, in principle, be undertaken outside protected areas that are specifically designated by laws or ordinances for nature conservation or cultural heritage (excluding projects whose primary objectives are to promote the protection or restoration of such areas).
- ii) Projects should also not impose significant adverse impacts on designated conservation areas.
- iii) Project proponents should disclose draft scopes that include at least the project name, countries, locations, project outlines, categorizations and the reasons behind them, alternatives, impacts and contents. Project proponents should also consult with local stakeholders for Category A projects and, if necessary, for Category B projects.
- iv) Project proponents should consult with local stakeholders on preliminary reports, after the disclosure of information²⁰.

7. Conclusions and Recommendations

The ESIA should conclude on the environmental and social feasibility of the project, identifying the main impacts and risks and highlighting the most important aspects to be incorporated into the corresponding Environmental and Social Management Plans (ESMP) and the opportunities for the Project to reduce impacts that have been identified and that can be discussed during the development of its components. Also, the ESIA should include environmental and social monitoring plan (ESMP) to confirm successful implementation of ESMP.

²⁰ The IDB requires stakeholder consultation for Category A and B projects.

Elaboration of the ESMP

The Environmental and Social Management Plan (ESMP) shall be prepared for the Project, containing the specific environmental management measures necessary based on the EIA(s) conducted that contribute to maximize positive impacts, and to avoid, reduce, mitigate and/or compensate for negative impacts, based on the mitigation hierarchy. A clear relationship should be established between: Project activities - potential impact - proposed mitigation measure - and applicable IDB NSDS.

This Plan will also contain all the necessary guidelines to direct the environmental and social and occupational health and safety management of the Project, including, but not limited to: (i) the different environmental and social plans or programs that will comply with the environmental, social and health and safety requirements necessary to carry out the activities of the project works, complying with the policies and regulations of both the IDB, the co-financiers and the national government, (ii) institutional obligations and responsibilities for the development and implementation of the required measures, (iii) description of the environmental and social monitoring plan in the construction stages, (iii) description of the environmental and social monitoring plan for the construction, operation, closure and post-closure stages of the project, taking into account existing social and environmental liabilities, identifying the expected results, the parameters to be measured, the measurement sites, the methods and tools used (including monitoring templates) and the periods/frequency in which the measurements will be taken, the costs, and the institutions responsible, (iv) implementation schedule for each of the proposed measures, defining responsibilities and reference budget.

Specifically, the ESMP shall consider, at a minimum:

- (i) ESMP 1 Requirements: Assessment and Management of Environmental and Social Risks and Impacts
 - Mitigation and performance improvement measures and actions to address environmental and social risks and impacts identified in the project should be described.
 - Plans or Programs should be defined that may consist of a documented combination of operating procedures, practices, plans and related supporting documents (including legal agreements) managed in a systematic manner.
 - These Programs shall be comprehensive to the borrower's entire organizational structure for the execution of the Project, including prime contractors and suppliers over which the organization has control or influence, or to specific locations, facilities or activities.
 - The Programs will take into account the results of the process of interaction with the people affected by the Project and other relevant stakeholders.
 - Consideration should be given to the mitigation hierarchy to address the risks and impacts identified, giving priority to impact prevention, impact minimization measures, and then to remediation or compensation measures, when residual impacts persist and provided that they are technically and financially feasible.
 - Mitigation and performance measures and relevant actions should be designed to ensure that the Project operates in accordance with applicable laws and regulations and meets the requirements of ESA 1 to 10.

- Environmental and social action plans (general or thematic) will be established, defining the desired outcomes and actions to address the issues raised in the risk and impact identification process.
- In view of the dynamic nature of the project, the Management Program should be able to react to changes in circumstances, unforeseen events and the results of monitoring and review activities.
- Procedures should be established to monitor the Management Program and measure its effectiveness, as well as compliance with any related legal or contractual obligations and regulatory requirements.
- Develop and implement a stakeholder engagement plan commensurate with the risks and impacts of the Project, tailored to the characteristics and interests of the people affected by the Project and other relevant stakeholders.
- If applicable, it should include a meaningful consultation process commensurate with the risks and adverse impacts of the project and the concerns of affected people (including indigenous peoples and afro-descendants) as well as other interested parties.
- Design a grievance mechanism appropriate to the risks and adverse impacts of the Project, to receive concerns and complaints about its environmental and social performance and facilitate their resolution.

(ii) ESPS 2 Requirements: Labor and Working Conditions Requirements

- Measures (e.g., an Occupational Health and Safety Plan) shall be included to prevent accidents, injuries and illnesses that may arise from, be associated with, or occur during work, taking into account the existence of environmental liabilities, and minimizing, to the extent reasonably practicable, the causes of hazards. In the event of pandemics or epidemics, occupational health and safety measures and protocols shall be developed and implemented to protect project workers from the risk of exposure.
- Measures will include the elimination, substitution or modification of hazardous conditions or substances; worker training and record keeping; documentation and reporting of occupational accidents, injuries, illnesses and incidents; arrangements for emergency prevention, preparedness and response; processes for reporting unsafe or unhealthy work situations; and mechanisms for reviewing occupational health and safety performance.

(iii) ESPS 3 Requirements: Resource Efficiency and Pollution Prevention

- Technically and financially feasible measures will be considered (e.g. management plan for solid and liquid waste, pollutant emissions including noise, vibrations and odors, and other relevant environmental aspects) to improve the consumption of energy, water and other resources and inputs and to avoid or minimize greenhouse gas emissions during project activities.
- Measures to prevent or reduce the emission of pollutants into the air, surface or ground water or soil, as well as responses to accidental situations.
- Measures to reduce, recover and reuse waste in a manner that is safe for health and the environment.
- Considerations for treating, destroying or disposing of wastes (hazardous and non-hazardous) in an environmentally safe manner.
- Measures for handling hazardous materials (including pesticides), considering the use of substitutes or less hazardous practices.

- It also requires the definition of regular monitoring of the application of the measures in addition to measurements and analysis.

(iv) ESPS 4 Requirements: Community Health and Safety Requirements

- Prevention and control measures will be established in accordance with international best practices to prevent risks and impacts to the health and safety of the community.
- Measures to prevent the community from being exposed to hazardous materials and substances that the Project may generate.
- Measures to avoid or minimize community exposure to waterborne, vector-borne, and communicable diseases that may result from the arrival of temporary or permanent workers.
- This will include emergency preparedness and response measures that take into account the affected people, local government agencies and other relevant parties, both for their protection and for their participation and collaboration.
- Determine appropriate disaster and climate change resilience and adaptation measures, including risks caused by natural hazards or land use changes to which Project activities may contribute.

(v) ESPS 5 Requirements: Land Acquisition and Involuntary Resettlement Requirements

- Consideration of viable alternative Project designs to avoid or minimize physical or economic displacement, weighing environmental, social and financial costs and benefits, with special attention to impacts on poor and vulnerable groups.
- In the event that displacement cannot be avoided, uniform compensation measures or standards should be considered for all project-affected persons in compliance with the ESPF Guidelines for Environmental and Social Considerations.
- Evaluate the development of a Resettlement or Livelihood Restoration Action Plan in accordance with the requirements of this Standard.
- Definition of guidelines for monitoring resettlement and/or livelihood restoration.

(vi) ESPS 6 Requirements: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- Where impacts on biodiversity and ecosystem services cannot be avoided, measures should be defined to minimize them and restore biodiversity and ecosystem services in the long term by adopting adaptive management practices that respond to changes and monitoring results.
- For biodiversity protection and conservation, the mitigation hierarchy must include biodiversity equivalent offset measures, which can only be considered after appropriate prevention, minimization and restoration measures have been implemented. These biodiversity equivalent offset measures should be designed and implemented to achieve measurable conservation outcomes that result in no net loss and, preferably, a net increase in biodiversity. These measures will not be acceptable for habitats defined as critical under this Standard.
- For critical habitats (where the Project has met the requirements of this Standard), mitigation strategies will be considered through a Biodiversity Action Plan aimed at achieving net increases in biodiversity values.

- For non-critical habitats, measures will be considered such as: (i) prevention of impacts on biodiversity through the identification and protection of reserve areas; (ii) minimization of habitat fragmentation through implementation of measures such as biological corridors; (iii) habitat restoration during operations and/or restoration of habitats after the operation.
- Impacts on ecosystem services should be avoided or minimized through measures aimed at maintaining the value and functionality of priority services and increasing the efficiency of their use in their operations.
- Definition of monitoring requirements for proposed biodiversity conservation measures.

(vii) ESPS 7 Requirements: Indigenous Peoples

- Adverse impacts on indigenous peoples' communities affected by the Project should be avoided wherever possible. Where, having explored alternatives, it is not possible to avoid adverse impacts, measures shall be designed to minimize or provide restoration or compensation for such impacts in a manner that is culturally appropriate and proportionate to the nature and extent of the impacts and the vulnerability of the indigenous peoples' communities affected by the Project.
- The proposed measures will be developed in conjunction with the consultation and informed participation of these communities, considering a Plan for Indigenous Peoples if necessary.
- Measures to address adverse impacts on transboundary peoples or peoples in voluntary isolation will be considered, in the event that these populations are affected.
- There must be a process of interaction with the indigenous peoples' communities affected by the project, as required by ESD 1 and 10.
- The free, prior, and informed consent of the indigenous peoples' communities affected by the project shall be sought in the circumstances in this Performance Standard, and relevant mitigation measures shall be implemented. Free, prior, and informed consent shall apply to the design and implementation of the project and the expected outcomes in relation to impacts affecting indigenous peoples' communities.

(viii) ESPS 8 Requirements: Cultural Heritage

- Provisions should be in place to manage incidental findings through a specific procedure.
- Measures in accordance with the hierarchy proposed in this Standard shall be considered for the mitigation of adverse effects during the removal of reproducible (non-critical) cultural heritage, if it exists in the Project area.
- Measures shall be taken to avoid removing, altering or damaging any critical cultural heritage or irreproducible cultural heritage.

(ix) ESPS 9: Gender Equality

- Measures should be designed to (i) avoid, minimize or mitigate identified negative impacts, or provide compensation for them through mechanisms that promote gender equality and (ii) ensure that people of different genders, including women and people with sexual and gender diversities, who may be affected by the Project, receive social and economic benefits equal to those received by other members of the community, thus avoiding reinforcing gender inequalities.

- Measures to prevent risks of sexual and gender-based violence related to the Project will also be considered, including specific policies for contractors on sexual harassment and codes of conduct for workers, workshops and awareness campaigns for both workers and contractors as well as for the communities where the project is developed, etc.
- Design effective grievance mechanisms that minimize the reporting burden on victims, provide gender-sensitive services, and minimize the risk of retaliation. These mechanisms should contain specific procedures for sexual and gender-based violence, including reporting in confidence through trained individuals, with secure and ethical documentation.
- Measures to prevent the risk of sexual exploitation or abuse of minors shall be incorporated.

(x) ESPS 10 Requirements: Stakeholder Engagement and Disclosure of Information

- The stakeholder engagement plan will describe the measures that will be used to remove barriers to participation and how the views of groups that are affected in different ways by the project will be captured.
- In the case of projects that may have significant adverse impacts on the people affected by them, the borrower shall carry out a process of consultation and informed participation, in accordance with AS 1. In the case of projects that have adverse impacts on indigenous peoples, the borrower shall carry out a process of consultation and informed participation and, in certain circumstances, shall obtain their free, prior and informed consent, in accordance with AS 1 and 7.
- A grievance mechanism shall be proposed to receive concerns and grievances and facilitate their resolution. This mechanism may serve as such also to meet the requirements of ESA 5 and 7. However, the grievance mechanism for project workers required under ESA 2 shall be established separately.

Appendix 3b: Environmental and Social Management Plans for a sample Storm Drainage Project in the Amazon (Example) – Outline

I.ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESAP).....	Error! Bookmark not defined.
Organization for the implementation of the PGAS.....	Error! Bookmark not defined.
Prevention, Mitigation, Control of Impacts.....	Error! Bookmark not defined.
II.Environmental and Social Management Plan Programs.....	Error! Bookmark not defined.
a. Code of Conduct.....	Error! Bookmark not defined.
b. Occupational Health and Safety Program.....	Error! Bookmark not defined.
c. Health and safety prevention program for the local population	Error! Bookmark not defined.
d. Solid and Liquid Waste Management Program.....	Error! Bookmark not defined.
Solid and Liquid Waste Management - Construction Stage	Error! Bookmark not defined.
Solid and Liquid Waste Management - Operation Stage	Error! Bookmark not defined.
e. Natural Resources Conservation Program.....	Error! Bookmark not defined.
f. Program for the prevention of the impact on infrastructure and public and private services.	Error! Bookmark not defined.
g. Transit Program	Error! Bookmark not defined.
h. Pest and Vector Control Program	Error! Bookmark not defined.
i. Cultural Heritage Protection Program.....	Error! Bookmark not defined.
j. Archaeological Monitoring Plan (PMA)	Error! Bookmark not defined.
k. Community Relations, Participation and Communication Program.	Error! Bookmark not defined.
l. Communication and Citizen Participation Sub-Program	Error! Bookmark not defined.
m. Complaints and Grievances Response Mechanism.....	Error! Bookmark not defined.
n. Local Labor Hiring Sub Program	Error! Bookmark not defined.
o. Socio-Environmental Training Sub-Program.....	Error! Bookmark not defined.
p. Contingency Program	Error! Bookmark not defined.
q. Socio-environmental Monitoring Plan of the Project.	Error! Bookmark not defined.
Physical Component Monitoring Program	Error! Bookmark not defined.
r. Social Component Monitoring Program.....	Error! Bookmark not defined.

See full ESMP in the attached document.

Appendix 4 – Guide for completing and ESMS

PREPARATION OF AN ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM THAT MEETS THE REQUIREMENTS OF THE INTER-AMERICAN DEVELOPMENT BANK'S ENVIRONMENTAL AND SOCIAL PERFORMANCE STANDARD 1.

A Guide for Government Agencies and Executing Units of IDB Operations in Latin America and the Caribbean

ACRONYMS

CIA	Cumulative Impact Assessment
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESMS Document	Environmental and Social Management System Document
ESMS Guide	Environmental and Social Management System Guide
ESP	Environmental and Social Policy
ESPF	Environmental and Social Policy Framework
ESPF Guide	Environmental and Social Policy Framework Guide
ESPS 1	Environmental and Social Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts
ESPS 2	Environmental and Social Performance Standard 2 – Labor and Working Conditions
ESPS 3	Environmental and Social Performance Standard 3 – Resource Efficiency and Pollution Prevention
ESPS 4	Environmental and Social Performance Standard 4 – Community Health, Safety, and Security
ESPS 5	Environmental and Social Performance Standard 5 – Land Acquisition and Involuntary Resettlement
ESPS 6	Environmental and Social Performance Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources
ESPS 7	Environmental and Social Performance Standard 7 – Indigenous Peoples
ESPS 8	Environmental and Social Performance Standard 8 – Cultural Heritage
ESPS 9	Environmental and Social Performance Standard 9 – Gender Equality
ESPS 10	Environmental and Social Performance Standard 10 – Stakeholder Engagement and Information Disclosure
FPIC	Free, Prior, and Informed Consent
HRIS	Human Rights Impact Assessment
IDB	Inter-American Development Bank
LAC	Latin America and the Caribbean

PEU Project Execution Unit

INTRODUCTION

The new Environmental and Social Policy Framework (ESPF) of the Inter-American Development Bank (IDB) became effective on November 1, 2021. The ESPF confirms IDB's commitment "*...as the region's partner in managing environmental and social risks in IDB-supported operations.*" The ESPF applies to investment loans, non-reimbursable resources for investment and investment guarantees, including co-financed and related facilities operations. The ESPF supersedes, with the exception of their mainstreaming aspects, the following operational environmental and social policies of the IDB: Environment and Safeguards Compliance (OP-703), Disaster Risk Management (OP-704), Involuntary Resettlement (OP-710), Gender Equality in Development (OP-761), and Indigenous Peoples (OP-765). The ESPF establishes 10 specific Environmental and Social Performance Standards (ESPS)—designed to avoid, minimize, reduce, or mitigate the adverse environmental and social risks and impacts of IDB-funded operations²¹—and describes the requirements that the Borrower must meet. The ESPF states that "The Bank will provide assistance to Borrowers to facilitate their application of the ESPSs." This Guide to the Preparation of an Environmental and Social Management System (ESMS Guide) reflects the IDB's commitment to support Borrowers in interpreting and complying with ESPS 1 of the ESPF.

Objective of the ESMS Guide

Environmental and Social Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts (ESPS 1) states that "*The Borrower, in coordination with other government agencies and third parties, as appropriate, will conduct a process of environmental and social assessment and establish and maintain an ESMS appropriate to the nature and scale of the project and commensurate with the level of its environmental and social risks and impacts. The ESMS will incorporate the following elements: (i) project-specific environmental and social framework; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement and (vii) monitoring and review.*"

The purpose of this publication is to provide practical recommendations to Borrowers in the Latin American and Caribbean region (LAC) on how to establish an ESMS that complies with ESPS 1 to support IDB operations. Beyond meeting a funding requirement, we expect this ESMS Guide will help Borrowers identify and manage the environmental and social aspects of operations in a more systematic, consistent, and effective manner, in line with good international practices.

In this ESMS Guide we use the term "Borrower" to denote the recipient of the financing, who is responsible for meeting IDB requirements. The term applies to other responsible entity designations used in the context of IDB financing, including Executing Agency and Project Executing Unit, as the case may be.

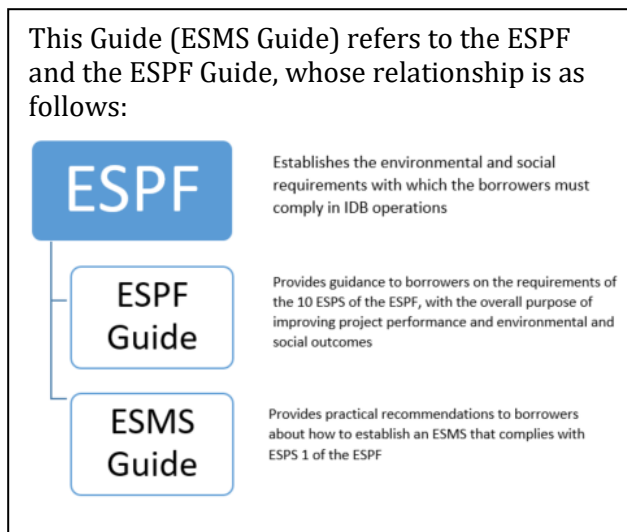
The IDB has published on its website the Guidelines for the Environmental and Social Performance Standards (ESPF Guide), which provides guidelines for interpreting and applying the 10 ESPS of the ESPF (see [IDB | Environmental and Social Policy Framework](#)). This ESMS Guide focuses only on the ESPS 1 requirement to prepare an ESMS and complements the ESPF Guide to support Borrowers in meeting the new and specific requirement to establish an ESMS. It is important to note that this ESMS Guide provides guidelines on how to structure an ESMS and is not intended to provide a technical manual on how to – for example – conduct environmental impact studies or develop management plans. Use of this Guide

²¹ An IDB-funded operation can contain multiple subprojects and components. In some cases, such as in "multiple works" operations, subprojects may be located in different areas.

This ESMS Guide presents practical recommendations to support Borrowers in preparing an ESMS that complies with ESPS 1. This ESMS Guide is neither a policy, nor is it mandatory. The information and recommendations presented are for informational purposes only. In the event of any inconsistency or conflict between the ESMS Guide and the 10 ESPS, the provisions of the ESPS shall prevail.

This ESMS Guide should be used as a complement to the requirements established in the ESPF and the guidelines of the ESPF Guide. In this ESMS Guide, we refer to the content of those documents only when necessary and we assume that the Borrower has become familiar with them and can use them as a framework for following the recommendations of this ESMS Guide.

Principles for the Preparation of an ESMS aligned with ESPS 1.

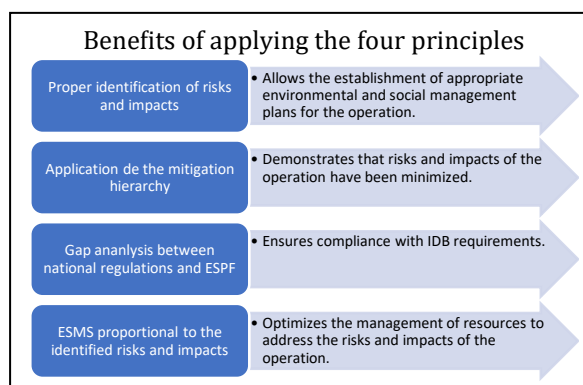


The ESMS is an ongoing process that begins with its initial development and continues through its implementation during all phases of the operation (i.e., preparation, construction, operation). It is recommended that the Borrower apply the following four principles to guide the preparation and implementation of the ESMS:

Conduct an appropriate risk and impact assessment. Effective mitigation of the risks and impacts of a project or program requires that these risks and impacts be properly identified and evaluated. This identification and evaluation process is continuous: it typically begins during the conceptualization of the operation, continues during the Environmental and Social Impact Study (ESIA) (or its equivalent), and is updated as the operation progresses, and other risks and impacts materialize. Effective identification of risks and impacts should be based on an appropriate characterization of the environmental and social baseline. The ESPF emphasizes the need to assess social risks and impacts, such as gender or human rights impacts. This principle is the basis of ESPS 1.

Apply the mitigation hierarchy. The ESPF requires that the Borrower apply the mitigation hierarchy in its operations. The mitigation hierarchy is a risk and impacts analysis and management tool that “includes measures taken to avoid impacts from the outset of development activities and, where this is not possible, to implement measures that would minimize, then reinstate and, as a last resort, offset any potential residual adverse impacts.” (Definition of mitigation hierarchy in the ESPF).

Identify, understand, and address gaps between the national and local regulatory framework and ESPF requirements. At the beginning of the preparation of an operation with the IDB, the Borrower must perform an analysis of the gaps between the environmental and social requirements of the national and local regulatory framework and the requirements of the ESPF. In the event of discrepancies or gaps in local regulation, the IDB requires that the Borrower apply the requirement that is more stringent. Differences and gaps may occur in the type and scope of impact and risk assessment studies (e.g., under some circumstances, ESPS 6 requires a



critical habitat assessment, which is not required by regulations of the countries of the region) or in mitigation requirements (e.g., noise standards required by the IDB may differ from national or local requirements).

Establish an ESMS whose complexity and scope are proportional to the magnitude and significance of the risks and impacts of the operation. The IDB recognizes that each operation has its own level of risks and impacts, and therefore, “the responsibilities and technical requirements that the IDB imposes on Borrowers must be proportional to the level of risk of operations. Those with higher risk will require more effort and resources than those with lower risk.” (Extract from the definition of the principle of proportionality in the ESPF).

These four principles should not be confused with the seven elements of an ESMS; instead, they are basic recommendations for achieving environmental and social management of any operation. These principles are reflected in the ESPF and the ESPF Guide and are emphasized in this ESMS

Guide to reinforce their importance.

Structure of an ESMS

The ESPS requires that the ESMS include seven elements (Figure 1), but it does not specify a format. The ESPF Guide explains that the seven elements required for an ESMS follow the “planning, implementation, verification and action” cycle and are in many ways similar to the international frameworks established for quality and environmental management systems, such as ISO 9001 and ISO 14001.

Figure 1. Elements of an ESMS required by ESPS 1

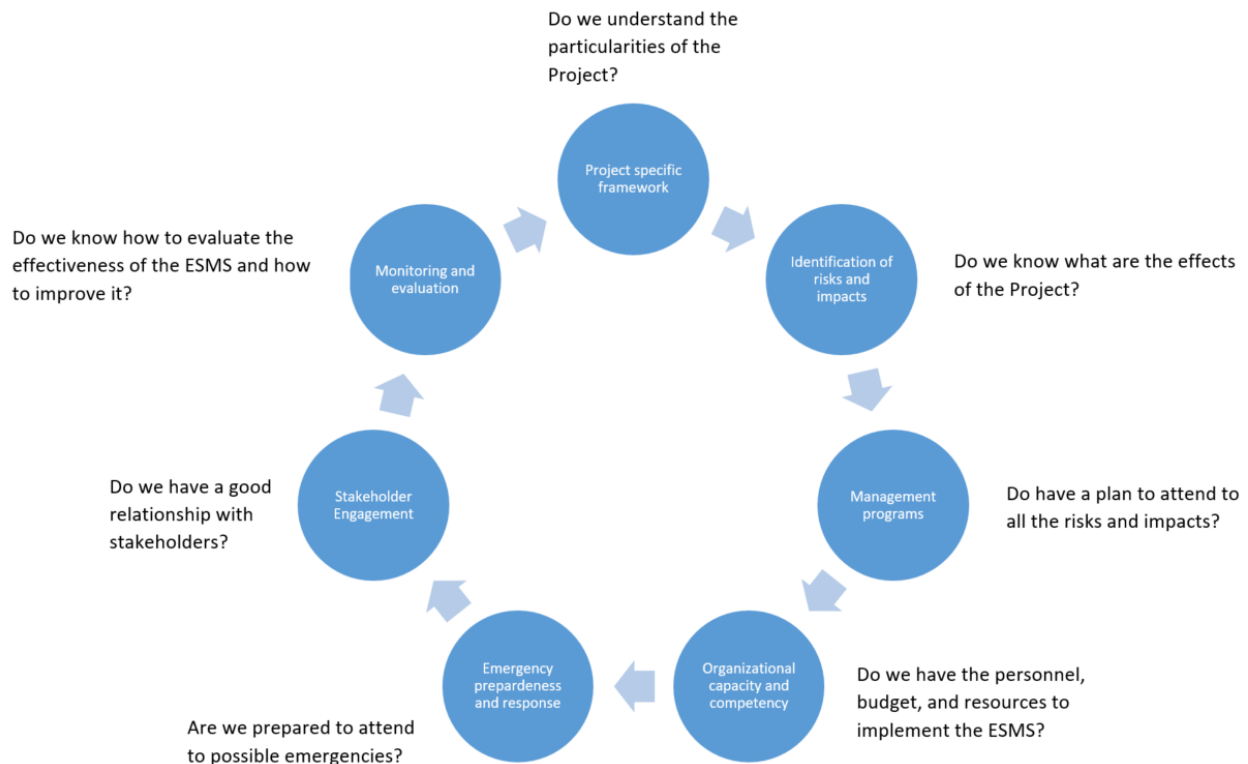


Depending on the complexity of the operation, the documentation associated with an ESMS can include dozens to hundreds of individual documents, which follow an organization hierarchy, from general to specific. For the Borrower, it may be impractical to present numerous documents to the IDB to show that it has an ESMS for the operation. For the IDB, it may be impractical to review numerous documents to determine whether the ESMS complies with ESPS 1.

Therefore, this ESMS Guide recommends that the Borrower prepare an ESMS consolidated document (ESMS Document), which summarizes the seven elements of the ESMS and provides references and/or links to the multiple other documents that make up the entire ESMS. The IDB reserves the right to request and review individual documents, as it deems necessary, to determine compliance of the ESMS with ESPS 1. However, preparing an ESMS Document will help the Borrower organize the ESMS elements in a logical and systematic manner while helping the IDB to verify that the Borrower's ESMS includes the seven elements required in ESPS 1. The ESMS Document does not have to be complex or long; in most cases, an effective ESMS document can have fewer than 50 pages, plus appendices, as needed.

The ESMS includes the established management processes, but also the team and resources needed to implement them. In government entities, people can change frequently, increasing the importance of preparing a clear, concise, and comprehensive ESMS Document that allows new team members to resume implementation and avoid delays and inconsistencies. Figure 2 reflects the connection between the elements of the ESMS and the fundamental questions that the Borrower must ask to ensure that the ESMS is well structured.

Figure 2. Fundamental questions that guide the development of the ESMS



Note: This ESMS Guide focuses on assembling the elements of an ESMS according to the requirements of the ESPS 1 of the ESPF. Beyond including the seven required ESMS elements, the Borrower is responsible for the technical quality of ESMS studies, programs, and plans, as well as the implementation of the plans during all phases of implementation. In some cases, the Borrower may have the ESMS elements and therefore “meet” the requirement, even if specific plans or programs require revisions to meet the technical requirements of ESPS 1-10. For example, the ESMS may establish that a Cumulative Impact Assessment (CIA) will be done (in compliance with the requirement to include a process for assessing impacts and risks), but the study presented may be deficient and the IDB may require improvement.

1.5 When is the ESMS prepared?

The ESMS is dynamic: It must be prepared as early as possible in the formulation of the project, program, or operation and is continuously adjusted and improved during all stages of the operation: preparation and design, construction and implementation, and operation. As soon as a Borrower determines that a request for financing will be made to the IDB, the Borrower must begin to establish the ESMS elements, making a rapid and early assessment of the elements that the IDB will require in the ESMS.

It is possible that, early in the preparation of the operation, the details of all the elements of the ESMS may not be in place. However, the Borrower can and should begin to outline and prepare the ESMS elements to assemble an ESMS Document, with the expectation that the system and document will be adjusted and updated as the Borrower develops the details and the operation progresses.

During the operation preparation process, the IDB will conduct its environmental and social due diligence (ESDD). During this phase, the Borrower may submit an ESMS that may comply with ESPS 1 even though some of the seven elements of the ESMS are not yet defined. In such cases, the Environmental and Social Action Plan (ESAP) resulting from the ESDD will establish the requirements and dates for the necessary elements to be defined or refined. The Borrower is responsible for maintaining the accuracy of the ESMS throughout the life of the operation so that its scope and complexity are always commensurate with the impacts and risks of the operation as it progresses.

If the ESMS Document is prepared before specific studies and plans are ready, then the process that Borrower or Executing Agency 14/2

will be undertaken to complete such documentation should be described. As studies, plans and other documents are completed, the Borrower will update the ESMS Document and incorporate links or references to those documents.

1.6. Organization of this Guide

The following sections follow the seven elements of an ESMS as established by ESPS 1. For each element, practical recommendations on how to address the element in a summary document are presented.

ESMS Element 1: Project Specific Environmental and Social Framework

The ESPF requires the Borrower to establish *"an overarching Environmental and Social Framework in defining the environmental and social objectives and principles that guide the project to achieve sound environmental and social performance."* The ESPF adds that the framework must specify that the project *"will comply with the applicable laws and regulations of the jurisdictions in which it is being undertaken, including applicable country obligations under international law"* and must be consistent with the IDB's ESPS. Finally, the ESPF requires that the framework indicates who within the Borrower's organization will be responsible for its implementation and that the framework be communicated to all relevant levels of the Borrower's organization.

The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL19 to GL20 of ESPS 1.

(<https://www.iadb.org/en/mpas/guidelines>)

This section of the ESMS Document should include at least the following:

A brief and concise description of the proposed project.

A list of national and local regulations, as well as international standards and requirements, including the ESPF. This set of requirements is typically referred to as "applicable standards".

A statement of intent and commitment to comply with applicable standards.

The Borrower may also express broader environmental and social commitments, at its discretion, such as, for example, "to adopt the United Nations Sustainable Development Goals" or "to support the development of local communities."

Identify who will be ultimately responsible for the implementation of the framework within the Borrower's organization.

Applicable Standards: The ESPF (paragraph 3.3) states that "The Borrowers will also use the World Bank Group's Environment Health and Safety Guidelines (EHSG), given that these are recognized good international industry practice (GIIP) for the implementation of ESPSs 2, 3, and 4." The guidelines can be found on the World Bank's website at: [Environmental, Health, and Safety Guidelines \(ifc.org\)](https://www.ifc.org/en/topics/environmental-and-social-solutions/environmental-and-social-policy-framework)

Establish how and when the framework will be communicated to all relevant levels of the Borrower's organization.

ESMS Element 2: Identification of Risks and Impacts

The basic requirements of ESPS 1 on the risk and impact identification component of the ESMS are as follows:

The Borrower establishes and follows a process to identify and assess the environmental and social risks and impacts of the operation. Paragraph GL28 of ESPS 1 of the ESPF Guide emphasizes the importance of the baseline information-gathering phase as an important step to enable the determination of the project's risks and potential impacts.

The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL21 to GL62 of ESPS 1.

(<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>)

The process should apply the mitigation hierarchy. Paragraph GL26 of ESPS 1 of the ESPF Guide describes the steps to be followed in the application of the mitigation hierarchy.

It is assumed that the Borrower will prepare the necessary studies and documentation to obtain the national or local licenses or permits required under the country's legal framework. However, in many countries in the region, the national requirements do not include specific aspects or studies required by the ESPF. Therefore, the Borrower must identify additional studies and assessments required according to the risks and impacts identified and in line with the ESPF. The Borrower may incorporate these additional analyses into its own national environmental and social documents or prepare separate documents for submission to the IDB. The ESMS Document should identify the additional studies and indicate when they will be done and how they will be submitted to the IDB. Some additional studies or documents that may be required depending on the characteristics of the operation include the following (see paragraph GL22, ESPS 1, of the ESPF Guide):

A properly defined ESIA, consistent with the requirements of the ESPS.

Socio-cultural analysis: required in the event that indigenous and Afro-descendant communities and other communities characterized as traditional are found in the area of influence of the project (see paragraphs GL99 [ESPS 1] and GL13 [ESPS 7] of the ESPF Guide).

Health and safety impact assessment (as required by ESPS 4).

Gender analysis: required if gender risks and impacts are identified that may disproportionately affect women, girls, and sexual and gender minorities (see paragraphs 11-14 of ESPS 9 of the ESPF and GL12-20 [ESPS 9] of the ESPF Guide, among others).

Human rights impact assessment (HRIA): according to paragraph 6 of ESPS 1 and footnote 51 in ESPS 1; GL33 [ESPS 1] of the ESPF Guide).

Critical habitat assessment: paragraph 16 of ESPS 6 defines critical habitat and footnote 148 in ESPS 6 provides guidelines on how to do the critical habitat assessment. Paragraphs GL60-GL85 (ESPS 6) of the ESPF Guide provide a detailed discussion of the methodology for evaluating whether the project affects critical habitat.

Disaster risk and climate change assessment: according to paragraphs 13-14 of ESPS 4 and GL16 and GL44-GL50 (ESPS 4) of the ESPF Guide and the [Disaster and Climate Change Risk Assessment Methodology for IDB Projects: A Technical Reference Document for IDB Project Teams | Publications \(iadb.org\)](https://publications.iadb.org/).

An environmental audit: in cases when the project includes existing facilities, according to paragraph GL27 (ESPS 1) of the ESPF Guide.

Hazard or risk assessment: see, for example, paragraph 9 of ESPS 1 and paragraphs GL113 (ESPS 2) and GL19 (ESPS 4) of the ESPF Guide, among others.

Contextual risk assessment: see paragraphs GL24 and GL98 (ESPS 1) and GL38 (ESPS 10) of the ESPF Guide.

Labor assessment: see paragraph GL2 (ESPS 2) of the ESPF Guide.

Social and conflict analysis: see, for example, paragraph GL24 (ESPS 1) of the ESPF Guide.

Cumulative impact assessment: see paragraphs GL39 to GL45 (ESPS 1) of the ESPF Guide.

This section of the ESMS Document should include, at a minimum, the following:

- Summary of the process for assessing the risks and impacts of the operation.
- Summary of the documentation and process required to obtain the national and local licenses and permits required for the project, with links to the specific documents prepared and the corresponding licenses and permits, where available.
- Summary of the gap analysis between national and local requirements and ESPF requirements (e.g., in a table), identifying additional studies required to meet ESPF requirements that are additional to national and local requirements.

- Summary of additional studies performed and links to those documents, and those yet to be performed.
- If the ESMS Document is prepared before the additional studies have been conducted, this section should summarize the plan for their completion. For example, indicate whether consultants will be hired, summarize the objectives and approach of each study, and establish the schedule for their execution.

ESMS Element 3: Management Programs

According to ESPS 1, management programs may consist of *"some documented combination of operational procedures, practices, plans, and related supporting documents, including legal agreements, that are managed in a systematic way."*⁵⁹ *The programs will apply broadly across the Borrower's organizational structure for project implementation, including contractors and primary suppliers over which the organization has control or influence, or to specific sites, facilities, or activities."*

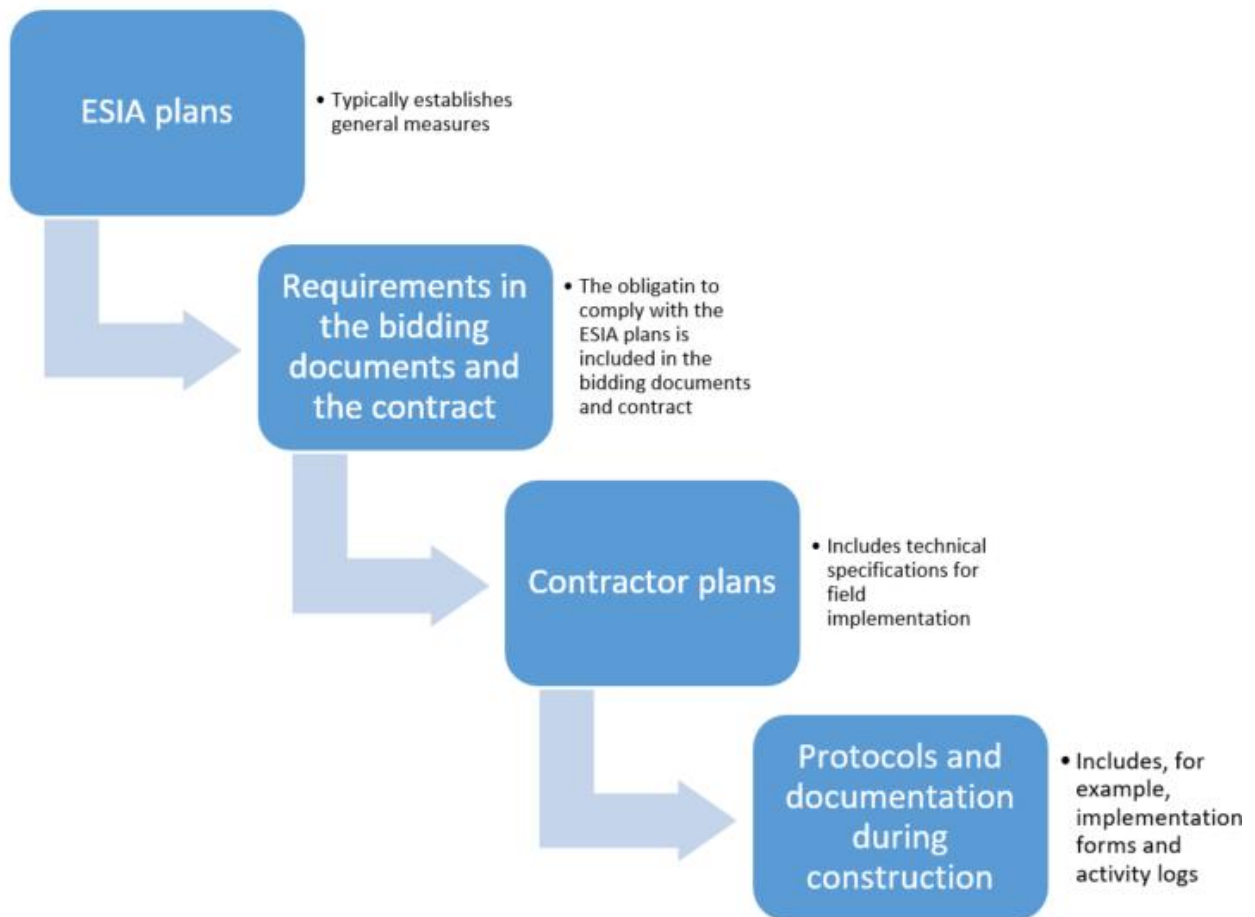
The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL63 to GL71 of ESPS 1.
<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>

The Borrower must demonstrate that its management programs:

- Address all risks and impacts identified for the operation.
- Incorporate the mitigation hierarchy and result in minor residual impacts.
- Paragraph GL64 of ESPS 1 in the ESPF Guide clarifies that the level of detail and complexity of the management programs should be commensurate with the nature, scope, and potential environmental and social risks and impacts of the operation. Typically, management programs are presented in the ESIA prepared to meet national and local regulatory requirements, as well as in supplemental documents that may be prepared to meet ESPF requirements.
- This section of the ESMS Document should include, at a minimum, the following:
- Description of the process for preparing the management plans yet to be completed, summarizing the application of the mitigation hierarchy and explaining how it will be verified that all risks and impacts identified for the operation will be managed.
- If they already exist, present a list of the management plans already prepared for the operation and provide links or references to the plans, allowing access to their contents, to facilitate IDB's review.
- Description of the adaptive management process, indicating when and how the plans will be re-evaluated to adjust and improve them as necessary.
- Description of the process by which the Borrower will ensure that the measures set forth in the management plans will be implemented by all organizational levels of the operation, including contractors, subcontractors, and suppliers.

With respect to the last point, the Borrower should describe how the management plans included in the initial studies (e.g., ESIA) are reflected in the specific management programs that the contractor executes. For example, the management plans presented in the ESIA are typically general and summarize typical measures to be executed during the implementation of the operation, while the contractor's plans must be sufficiently detailed to be executed in the field. Therefore, in an operation, different documents are generated during multiple moments of the operation and at different levels of detail. The process for generating these documents as well as the documents themselves are part of the ESMS (Figure 3). The ESMS Document should explain the hierarchy of documents and who is responsible in each instance, to demonstrate that plans in the field will be implemented according to the original plans, requirements, and commitments in the ESIA. Section 9.1 of this ESMS Guide emphasizes the importance of establishing an effective ESMS document organization and management system.

Figure 3. Different instances of management plans



The importance of contractor management to the success of an operation

Although the Borrower is accountable to the IDB for the environmental and social management of its operations, it is common for IDB-financed operations to have multiple layers of management, from the Borrower to the contractor or subcontractor, which can result in a dilution of the commitment to comply with IDB requirements. For example, in some cases, funds may go directly to a ministry, which in turn distributes the funds through a Project Execution Unit (PEU), which in turn selects individual projects in different provinces or municipalities, each of which contracts construction companies to carry out the works. In order to adequately manage the socio-environmental risks and impacts of the operation, it is critical that the requirements, commitments and measures established in the ESMS and the loan contract be faithfully transferred to all levels of management of the operation, including the contractor and subcontractors in the field.

The Borrower must require contractors to comply with ESMS requirements. Paragraph 16 of ESPS 1 states that "[management] programs will apply broadly across the Borrower's organizational structure for project implementation, including contractors and primary suppliers over which the organization has control or influence, or to specific sites, facilities, or activities." The process begins with the inclusion of clear language in the bidding documents, continues with the inclusion of explicit clauses in the contract, and culminates with detailed verification during supervision of the operation.

Requirements on contractors and subcontractors should include, at a minimum, the following:

- Ensure that contractors are aware of and can assess the environmental and social risks and impacts related to the operation;
- Establish strict qualification criteria, which ensure that contractors involved in the operation are legitimate and trustworthy companies;
- Incorporate all ESMS and financing contract requirements in the bidding documents and the contract resulting from the process;
- Establish clear requirements to the contractor on the proper management of the environmental and social aspects of the operation, including the implementation of appropriate management programs and adequate corrective measures where necessary, for, among others, obtaining work certificates;
- Ensure that the Borrower's requirements to the contractor set forth in the bidding documents are contractually applicable to any subcontractor.

The Borrower should ensure that all requirements of the ESMS elements applicable to the contractor are clearly stated in the contract and verified in the supervision. For example, the contractor and subcontractors have responsibility for identifying risks and impacts during construction (ESMS Element 2), implementing management plans (ESMS Element 3), maintaining appropriate capacity and competence to execute the operation (ESMS Element 4), executing the emergency preparedness and response plan (ESMS Element 5), engaging with the community (ESMS Element 6), and monitoring and evaluating management (ESMS Element 7).

ESMS Element 4: Organizational Capacity and Competency

Early in the preparation of the operation, the Borrower must demonstrate that it has established (or will establish) an organizational structure that will enable it to implement the management plans and oversee their execution by all organizational levels of the operation. If the organizational structure is not yet established, the ESMS Document should describe how and when it will be established. The organizational structure and organizational competence include designating sufficient specific personnel, with well-defined responsibilities and functions, as well as providing the necessary management support and budgetary resources to ensure effective implementation of the ESMS.

The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL72 to GL79 of ESPS 1.

<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>

This section of the ESMS Document should include at least the following:

The organization chart of the Borrower and the PEU, if relevant, shows the environmental and social functions that have been established specifically for the operation.

The organization chart should show that the environmental and social functions have full authority to address the issues and have a direct line of accountability to the operation's senior management. If the PEU does not yet exist, describe the process and milestones for its creation, and what roles and functions it will have.

Description of the minimum technical and professional qualifications required for each environmental and social position.

Description of the training program required to ensure that the environmental and social team is kept up to date on their job qualifications, including specific training on the ESPF and the applicable ESPS for the operation.

Summary of management and budget resources allocated to environmental and social functions.

Discussion of whether there is a need to hire specialized consultants to support environmental and social work, especially for operations in which there are complex issues such as health and safety, natural disasters and climate change, human rights, resettlement, biodiversity or indigenous peoples. Provide standard Terms of Reference for the hiring of consultants, including requirements for familiarity with the ESPF.

The Borrower must ensure that it has the capacity and competence to address all environmental and social issues of the operation, including, where necessary, the hiring of specialized staff or consultants on specific issues (e.g., biodiversity or resettlement). The ESMS Document should identify whether specialized professionals are needed, describe roles and responsibilities, the technical qualifications required, and describe the process for hiring these specialists.

Description of how the Borrower will ensure that any contractor/subcontractor will also establish and maintain an environmental and social management capability, as needed, including qualified personnel, management and budget support, training program and reporting requirements.

The contractor must also demonstrate that its environmental and social personnel (at least the persons in charge) are familiar with the ESPF and the applicable ESPS for the operation, that they are aware of the operation's environmental and social requirements and commitments, and that it has a training program to ensure that the persons in charge remain qualified to handle ESMS implementation.

ESMS Element 5: Emergency Preparedness and Response

ESPS 1 requires that, *"Where the project involves specific activities, aspects and facilities that are likely to generate impacts, the ESMS will establish and maintain an emergency preparedness and response system so that the Borrower, in collaboration with appropriate and relevant third parties and relevant government agencies and authorities, will be prepared to respond to accidental and emergency situations associated with the*

The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL80 to GL81 of ESPS 1.

<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>

project in a manner appropriate to prevent and mitigate any harm to people and/or the environment."

This section of the ESMS Document should include at least the following:

Summary of the operation's potential risks and impacts with respect to potential emergency situations.

If the ESMS Document is prepared before the identification of risks and impacts is completed, describe the process for identification and summarize the typical risks and impacts anticipated for the operation or type of operation.

Summary list of the emergency preparedness and response processes and measures that will be applicable during the execution of the operation, with links or references to the specific documents.

Table of contents of the Emergency Preparedness and Response Plan that will serve as a guideline for the implementation of the specific emergency preparedness and response plans that are part of the Environmental and Social Management Plans (ESMP) required for the execution of the operation.

Organizational chart and discussion of the organizational capacity to address emergency preparedness and response by the Borrower, the PEU, its contractors, and suppliers, as appropriate. Summary of the process of engagement with local authorities and the community, in line with the requirements of ESPS 4.

Summary of agreements with local authorities for emergency preparedness and response, with links or references to documents demonstrating such agreements. If agreements have not been signed, present the plan or process for signing.

ESMS Element 6: Stakeholder Engagement

ESPS 1 establishes the requirements for stakeholder participation:

Identify those parties that may have an interest in the operation and consider how external communications could facilitate a dialogue with all of them (paragraph 28, ESPS 1).

Develop and implement a stakeholder engagement plan that is commensurate with the risks and impacts of the operation and its stages of development and tailored to the characteristics and interests of the people affected by the operation and other relevant stakeholders (paragraph 29, ESPS 1).

Provide persons affected by the operation and other relevant stakeholders with access to relevant information on (i) the purpose, nature and scale of the operation; (ii) the duration of the proposed activities of the operation; (iii) the potential risks and impacts on those communities and relevant mitigation measures; (iv) the intended stakeholder engagement process; (v) the grievance mechanism; and (vi) the potential opportunities and benefits of development (paragraph 31 of ESPS 1).

In cases where people affected by the operation, as well as other stakeholders, are distressed by the identified risks and adverse impacts of an operation, the Borrower will undertake a consultation process that provides those people and other relevant stakeholders with an opportunity to express, without fear of reprisal, their views on the risks, impacts, and mitigation measures of the operation, as well as on access to potential opportunities and development benefits, and allows the Borrower to give them consideration and feedback (paragraph 32 of ESPS 1).

Conduct a meaningful consultation process on an ongoing basis as issues, impacts, potential opportunities, and development benefits evolve (paragraph 33 of ESPS 1).

In operations with adverse impacts on indigenous peoples, the Borrower shall undertake a culturally appropriate consultation and informed participation process with indigenous peoples and, in certain circumstances, shall obtain their free, prior, and informed consent (FPIC) (paragraph 35 of ESPS 1).

In the case of operations that adversely affect people of African descent, the Borrower must (i) engage in a culturally appropriate informed consultation and participation process with the people and communities of African descent affected by the operation and (ii) propose and adopt culturally

The ESPF Guidance provides guidance for this element of the ESMS paragraphs GL92 to GL105 of ESPS 1. (<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>)

appropriate measures to avoid or minimize risks and adverse impacts throughout the operation cycle (paragraph 36 of ESPS 1).

Where stakeholder engagement is the responsibility of a government agency that is not involved in the implementation of the operation, the Borrower will collaborate with the responsible government agency to achieve outcomes that meet the objectives of ESPS 1 (paragraph 37 of ESPS 1).

Establish and maintain a procedure for external communications that includes methods for (i) receiving and recording external communications from the public; (ii) analyzing and evaluating the issues raised in such communications and determining how to address them; (iii) providing appropriate responses, following up and documenting them; and (iv) adjusting the management program, as appropriate (paragraph 38 of ESPS 1).

Establish a grievance mechanism to receive concerns and complaints about its environmental and social performance and facilitate their resolution. The grievance mechanism should be appropriate to the risks and adverse impacts of the operation and its primary users should be the people affected by the operation (paragraph 39 of ESPS 1).

Provide regular reports to people affected by the operation and other relevant stakeholders describing progress in the implementation of the operation, action plans with respect to issues that pose active risks or impacts to affected people, and about issues that have been raised in the consultation process or grievance mechanism as concerns of those communities (paragraph 40 of ESPS 1).

Additional requirements associated with specific issues that may apply to an operation are found in ESPS 4 (Community Health and Safety), ESPS 5 (Land Acquisition and Involuntary Resettlement), ESPS 6 (Biodiversity), ESPS 7 (Indigenous Peoples), ESPS 8 (Cultural Heritage) and ESPS 9 (Gender Equality). ESPS 10 focuses directly on Stakeholder Engagement and Information Disclosure.

- This section of the ESMS Document should include at least the following, in accordance with the requirement in paragraph 27 of ESPS 1:
- Stakeholder analysis and related planning;
- Disclosure and dissemination of information;
- Consultation and participation;
- Grievance mechanisms; and
- Ongoing provision of information to persons affected by the operation and other interested parties.

For each element, the ESMS Document should briefly describe the plans or procedures and provide links to the specific documents if they are already prepared or, alternatively, describe the process and schedule for preparing them.

ESMS Element 7: Monitoring and Evaluation

ESPS 1 requires the Borrower to establish procedures to monitor the management program and measure its effectiveness, as well as compliance with any related legal or contractual obligations and regulatory requirements (see paragraph 24 of ESPS 1).

Monitoring and evaluation may include dynamic mechanisms, such as internal and/or external inspections and audits, where appropriate, to verify compliance and progress towards desired results. Monitoring typically includes recording information to track performance and comparing that data to previously established baseline levels or management

The ESPF Guide provides guidance for this element of the ESMS in paragraphs GL82 to GL91 of ESPS 1.
(<https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework>)

program requirements. The Borrower will
Borrower or Executing Agency 22/2

document the results of monitoring and identify and set forth the necessary corrective and preventive actions in the amended version of the management programs and plans.

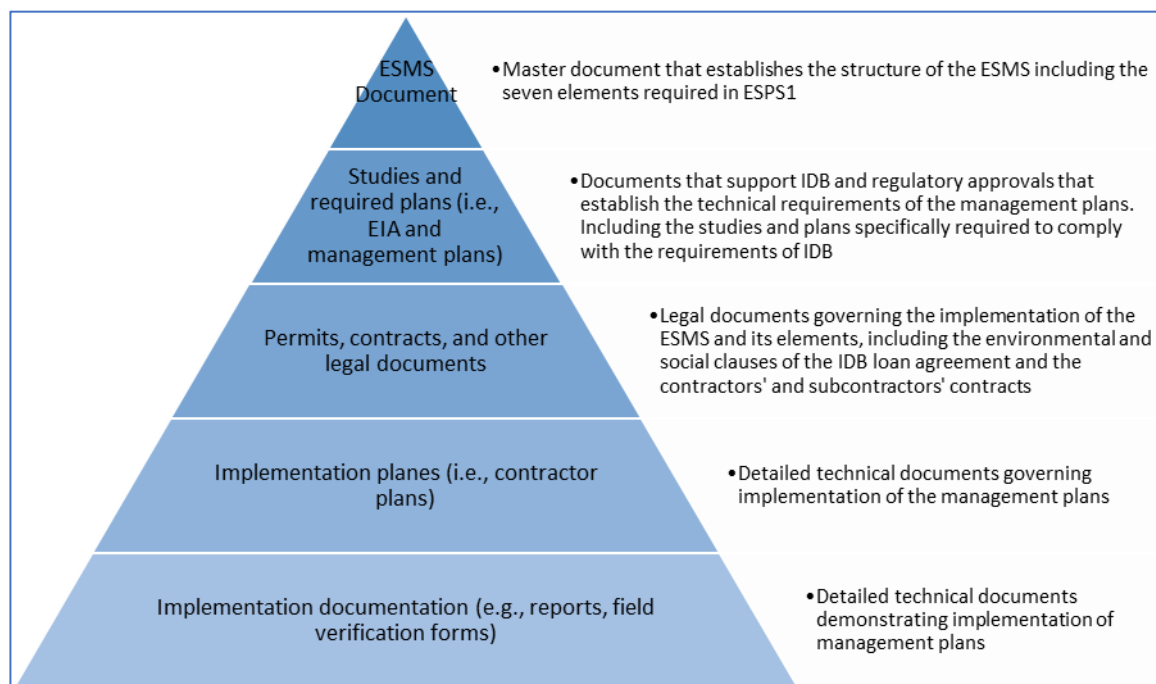
This section of the ESMS Document should include at least the following:

- A description of the scheme for monitoring and evaluation if it already exists; if it does not yet exist, describe the process by which the scheme will be defined.
- Roles and responsibilities of each participant in the monitoring and evaluation scheme. Depending on the operation, monitoring and evaluation may include multiple levels. For example:
 - The PEU, which monitors the contractor and may do so directly or through an inspection firm.
 - The regulatory body, which can supervise the operation to verify compliance with the environmental license requirements.
 - The contractor, who supervises the subcontractors to verify that they comply with their environmental and social obligations.
 - The IDB, who may supervise the operation.
- The outline includes, for each level of monitoring and evaluation, the scope and frequency of monitoring and reporting requirements at each level.
- The outline should also be clear in describing the monitoring and evaluation aspects specifically related to certain additional management plans or programs such as, for example, Resettlement Plan, Indigenous Peoples Plan, or Biodiversity Offset Plan, which may require their own processes in addition to the normal monitoring of the work or operation.
- Other Key Aspects of an Effective ESMS: Document Control and Continuous Improvement
- Document Control

A complete ESMS can include hundreds of documents, from general policies, plans and protocols to reference documents and monitoring documents (Figure 4). Although ESPS 1 does not require the Borrower to establish a document control system, it is recommended that, where possible, the Borrower implement a system to organize, verify and control the documents that comprise the ESMS. Such a system may be structured according to the hierarchy of application of the documents, should establish version control and should provide easy access to the documents. The IDB, in its supervision, reserves the right to request any documentation related to the ESMS and the Borrower must be prepared to provide the requested documentation in a timely manner.

The hierarchy of application of ESMS documents refers to the fact that different documents apply at different levels. For example, the ESMS Document establishes the structure of the ESMS and governs its entire implementation, whereas a contractor erosion control plan is applied only in the field, during construction, to manage the impact of the project on soil erosion.

Figure 4. Simplified structure of the hierarchy of documents that make up the ESMS



Continued Improvement

- The Borrower must establish a systematic process to evaluate the effectiveness of the ESMS (see Section 8) and, specifically, to adjust the ESMS as necessary. Adjustments and improvements to the ESMS may result from, among other causes, the following:
 - Changes in executing agency;
 - Changes in the scope and complexity of the operation's interventions;
 - Improvements to plans;
 - Adaptation of plans to different stages of the operation;
 - Changes in the organizational chart;
 - Identification of new risks and impacts as the operation progresses;
 - Changes in risk level as the operation progresses;
 - Changes identified during system audits;
 - At the request of the IDB, e.g., as a result of necessary corrective actions warranting changes to the ESMS.
- If the Borrower chooses to include these items in the ESMS Document, it is recommended that it include, at a minimum, the following:
 - Description of the document management system, including version and approval management.
 - Description of the process for continuous improvement of the ESMS, including periodic revisions to the ESMS Document.

Appendix 5- Example of Semi-Annual Environmental and Social Compliance Report

This sheet includes Executing Agency aspects, as well as E&S aspects applicable to the entire Operation. The IDB's Environmental and Social Specialist for the Operation will adapt the form to the characteristics of the Operation.

Semi-Annual Environmental and Social Compliance Report

1. Environmental and Social Team of the Executing Agency

Speciality	Name, Surname, Role	Profile/job requirement based on ESMF and/or Operating Manual (ROP)	Time dedicated to environmental and social management of the Operation (full / part time)	Contact information
Social		<i>In case of specific requirements of the profile or specific ToRs in the ESMF/ROP (years of experience, training, etc.)</i>	<i>Full time: exclusive dedication to this Program. Part time: part time, manages more than one program.</i>	
Environmental				
Occupational Health and Safety				
Communication, GRM, others				
Resources assigned to environmental and social management	<i>Indicate resources assigned to the environmental and social management team. It can include resources for administration and for implementation of plans. (USD/month)</i>			

2. Executing Agency Environmental and Social Training Activities

Themes	Participants	Date	Training entity

3.Compliance with Environmental and Social Conditions of the Operation

REQUIREMENT (to be detailed by the IDB Specialist as per the contract and ROP)	Current Compliance Status	Next Steps			LINK TO DOCUMENTS
		Description	Agreed date	Person in Charge	
Conditions for Loan Disbursements	<i>Indicate semi-annually if the condition(s) are still being met (e.g. E&S team within the EA or other specific conditions)</i>				
Special Conditions of Execution					
Conditions in the ROP					
(Multiple works) New Projects in the Semester	<i>As applicable, indicate the status of new projects to be incorporated into the Operation and their progress status, in relation to E&S documents that must be sent to the Bank for non-objection and other contractual conditions.</i>				

OTHER COMMENTS

In case of pending action plans, as a result of past supervision missions, use this section to document progress and compliance status.

Prepared by:		Date:	
Reviewed by:			

Semi-annual Environmental and Social Compliance Report

1. Project Information

Name of the works and bidding number				
Contractor Company	Name:		Date of last supervision visit by the Executing Agency:	Indicate approximate frequency of visits. In case supervisory visits are outsourced, indicate in the section below.
	Environmental Specialist:		Supervising Company	Environmental Specialist
	Social Specialist:			Social Responsible:
	Occupational Health and Safety Specialist:			Occupational Health and Safety Responsible:

2. Environmental Aspects

2. Environmental Aspects

REQUIREMENT		Current Status	Next Steps			LINK TO DOCUMENTS
Description			Description	Agreed Date	Person in Charge	
Legislation and National Regulations		Does the project have a valid environmental license? (include license number and date of issue and validity), other permits and relevant legislation.				
Environmental and Social Assessments and Management Plans	Preparation	Was the E&S assessment undertaken published on the Bank and Executing Agency's website? (Yes / No). Was the ESMP included in the bidding documents? Was it aligned with the requirements of the MIGAS (in the case of multiple works)?				
	Transboundary Impacts (if applicable)	Indicate the mitigation measures identified and their implementation status, agreements reached, monitoring carried out for transboundary impacts.				
	Natural habitat, invasive species and cultural sites	If the project has actions that may affect natural habitats or cultural sites, indicate the implementation status of measures of the ESMP, archaeological studies conducted, and the results.				
	Hazardous Materials	Indicate if there is a license for hazardous substances and/or waste management (include license number and validity period). Indicate carriers and/or operators authorized for treatment and final disposal that have been hired. Include characteristics of the materials, management plans including transitory storage and volumes generated.				
	Pollution Prevention and Reduction	Report on measures implemented to prevent and reduce pollution. Include here if there have been events such as spills or other environmental contingencies, during the reporting period.				
	Projects under construction (if applicable)	If this project was under construction before Operation's eligibility, indicate measures implemented or remaining liabilities to comply with IDB Policies.				
	Disaster Risk Management	Mention the risks identified, studies carried out and measures implemented to manage risk type 1 and type 2 (in accordance with the classification of Policy OP-704 and its guidance). If there are doubts about the scope, consult with the Bank's team. Specify if there has been an event in the semester, and how it has been managed.	Detail if there are studies or plans in preparation, non-conformities or adjustments to be made.			
Other risks or impacts identified		For example: associated facilities, or others identified either during the process of preparing the EIA or during the construction stage.				

3. Occupational and Community Health and Safety (OHS)

Number of workers employed during the semester:	Specify subcontractors, and shift jobs.
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REQUIREMENT	Description and Compliance Status	Next Steps			LINK TO DOCUMENTS
		Description	Agreed Date	Person in Charge	
OHS Plan	Indicate implementation or plans, training for workers, actions taken during the semester, cases of deviations, conditions of work camps and general health conditions of the facilities.				
Contingency Plans	Indicate contingencies considered in the Plan, simulations/drills carried out and participants.				
Community Health and Safety Plans	For example: traffic management plans, signage, lighting work, etc.				

Accidents/Incidents during Semester

Number of cases in the semester:	Frequency Index:
	Seriousness Index:

EVENT	Date Registered	Corrective, mitigatory, prevention or inductions actions	Person in Charge	LINK TO DOCUMENTS
		Example: conducting research reports		

4. Meaningful Public Consultations and Community Engagement Processes

REQUIREMENT	Actions Taken during the Semester	Mitigation, Corrective Actions and/or Next Steps			LINK TO DOCUMENTS
		Description	Agreed Date	Next Steps	
Meaningful Consultations	Date and place of public consultation, number of participants, existence of minutes.	Actions agreed in the consultations (if applicable)			
Engagement Activities	Compliance with the community engagement plan: dissemination and education activities, press releases, generation of informative material, meetings with leaders, etc.				
Participatory Monitoring (if applicable)					

5. Grievance Redress Mechanism (GRM) (this table can be replaced by the report or record generated by the GRM system)

Person in Charge of the GRM:	
Nº of requests received:	
Average response time:	

Number of requests / complaints	Theme of the Request/Complaint	Means of Admission	Response Provided	Actions to be Carried out Cased on Content of the Request or Complaint	Person in Charge	LINK TO DOCUMENTS
No. of cases presented	Briefly summarize the topic of the request	Mail, telephone, mailbox on site, etc.	Briefly indicate what answer was given, on what date and by what means.	Indicate if there are further actions. Eg: update of design, work plan, communication, etc.		Eg Minutes of meeting with the interested party, response email, photo report of the measure implemented, etc.

6. Implementation of Resettlement Plan and/or Livelihood Restoration Plan (if applicable. Content to be adjusted by the IDB specialist as appropriate)

Family units (FU) to be resettled:	
Percentage of advance to date (FU resettled / FU to be resettled):	
Link to resettlement plan or livelihood restoration plan published:	

Description (consider as applicable)	Current Status	Mitigation, Corrective Actions and Next Steps			LINK TO DOCUMENTS
		Description	Date Agreed	Person in Charge	
Preparation or update of the census					
Consultations					
Transfer of family units and / or community equipment					
Temporary resettlements					
Dispute resolution mechanism					
Negotiation and payment of compensations					
Monitoring and evaluation of effectiveness					

7. Indigenous Peoples (if applicable. Content to be adjusted by the IDB Specialist as appropriate)

REQUIREMENT	Current Status	Mitigation, Corrective Actions and Next Steps			LINK TO DOCUMENTS
Description		Description	Date Agreed	Person in Charge	
Sociocultural analysis	Specify existence of sociocultural analysis including link to the publication	Actions planned for the following semester:			
Consultations, good faith negotiation and agreements					
Implementation of mitigation, monitoring and compensation measures					

8. Other Aspects of Social Management (if applicable. Content to be adjusted by the IDB Specialist as appropriate)

REQUIREMENT	Current Status	Mitigation, Corrective Actions and Next Steps			LINK TO DOCUMENTS
Description		Description	Date Agreed	Person in Charge	
Gender aspects	For example, in relation to codes of conduct, hiring of labor, etc.	Actions planned for the following semester:			
Others					

9. Environmental Monitoring carried out during the semester

Date	Sampling point	Coordinates	Results	Legal / standard limit used	Is it above the allowed limit?	CORRECTIVE, MITIGATORY OR PREVENTION ACTIONS	RESPONSIBLE	LINK TO DOCUMENTS
Underground water								
Superficial water								
Air quality								
Soil								
Others (effluente, noise, vibrations, etc)								

OTHER COMMENTS

Prepared by: _____ Date: _____
 Reviewed by: _____

Appendix 6 – Sample – Executing Agencies Environmental and Social of Capacity Analysis (PACI)

Executability Condition	Question	Explanation/Rationale	IDB Comments
CONDITION 1. The institution has a policy establishing its commitment to managing environmental, social, and occupational health and safety impacts in its projects	1. Does the institution have a policy establishing its commitment to managing environmental, social, and occupational health and safety (ESHS) impacts in its projects?		
	SUPPORTING DOCUMENTATION: Relevant policy or regulation		
	a. Yes	[Attach supporting documentation]	
	b. Yes, but it is out of date or has not received formal approval	[Attach supporting documentation]	
	c. No		
	CONCEPTUAL NOTE		
	Public investment project: A temporary endeavor that makes full or partial use of public funds with the objective of creating, expanding, improving, or regaining the government's capacity to produce goods or provide services.		
	2. What areas does this policy cover? [Select all options that apply]		
	a. Environmental		
	b. Social		
	c. Occupational Health and Safety		
	d. The institution does not have a policy establishing its commitment to managing ESHS impacts		
CONDITION 2. The department responsible for ESHS impacts in the IDB project has defined responsibility for this function in the institution's projects	3. Which of the institution's departments will be responsible for managing ESHS impacts in the IDB-financed project?		
	REQUIRED DOCUMENTATION: organizational chart		
	a. A department specialized in managing ESHS impacts	[Specify the name of the department and which entity it reports to in the organizational structure]	
	b. A technical department	[Specify the name of the department and which entity it reports to in the organizational structure]	
	c. Another of the institution's departments	[Specify which one and to which entity it reports to in the organizational structure]	
	d. None of the institution's departments	[Specify who will be responsible for ESHS impacts in the project]	
	CONCEPTUAL NOTE:		
	Technical department: A department responsible for functions directly related to the institution's role in its sector of activity. For example, the National Roads Directorate, Vice Ministry of Primary Healthcare Services, Potable Water Subsecretariat, National Directorate for Ecosystems and Wildlife, Import Policy Unit, etc.		
	4. Select the statement that best describes this department's authority in the area of ESHS impact management: [Select all options that apply]		
	REQUIRED DOCUMENTATION: law, organizational and functions manual, or similar		
CONDITION 3. The department responsible for ESHS impact management in the project has recent experience with IDB policies	5. In the last three years, has this department had any experience of managing ESHS impacts in projects based on any of the following frameworks? [Select all options that apply]		
	a. National legislation		
	b. IDB policies	[Indicate which ESHS impact management processes have been conducted in accordance with IDB policies in the past]	
	c. Other lenders' policies	[Indicate which ESHS impact management processes have been conducted in accordance with other lenders' policies, including the name of the lender]	
	d. None of the above		
CONDITION 4. The institution has skilled staff and sufficient resources to manage the project's environmental, social, and occupational health and safety impacts	6. Indicate which of the institution's departments will be responsible for performing the following processes in the IDB-financed project: [Select all options that apply]		
	a. Performing environmental, social, and occupational health and safety analyses	[Specify which department will be responsible for this process]	
	b. Consulting parties affected by the project in the area of ESHS	[Specify which department will be responsible for this process]	
	c. Implementing the environmental management plan	[Specify which department will be responsible for this process]	
	d. Implementing the social and occupational health and safety plan	[Specify which department will be responsible for this process]	
	e. Implementing the resettlement or compensation plan	[Specify which department will be responsible for this process]	
	f. Providing technical ESHS inputs for project procurement	[Specify which department will be responsible for this process]	
	g. Processing internal or external complaints in the ESHS area	[Specify which department will be responsible for this process]	
	h. Ensuring that contractors comply with ESHS regulations and standards	[Specify which department will be responsible for this process]	
	i. None of the above		
	7. Who will perform ESHS impact management processes during execution of the IDB-financed project? [Select all options that apply]		
	a. Existing staff assigned full-time to the project	[Specify the number of people that will be assigned to the IDB project and the departments they belong to]	
	b. Existing staff assigned part-time to the project	[Specify the number of people that will be assigned to the IDB project and the departments they belong to]	
	c. Newly hired staff assigned full-time to the project	[Specify the number of people that will be hired, the tasks they will be responsible for, and the departments they will be assigned to]	
	d. Newly hired staff assigned part-time to the project	[Specify the number of people that will be hired, the tasks they will be responsible for, and the departments they will be assigned to]	
	8. Where the tasks are to be performed by existing staff in the institution, indicate whether these staff have: [Select all options that apply]		
	a. At least five years' experience in managing ESHS impacts	[Indicate how many people have similar experience]	
	b. At least two years' experience in managing ESHS impacts in accordance with IDB policies	[Indicate how many people have prior experience with IDB projects and specify the names of the projects]	
	c. Sufficient time to perform the assigned functions	[Indicate how many people will have sufficient time to perform these functions]	
	d. None of the aforementioned characteristics		
	e. It is not yet been decided who will perform this role		
	f. Does not apply		
	9. Indicate which of the following resources are needed to manage the IDB project's ESHS impacts and are NOT available in the institution: [Select all options that apply]		
	a. Budget for expenses (implementation and monitoring of mitigation measures, training, communications, etc.)		
	b. Vehicles		
	c. Specialized equipment		
	d. Other	[Specify which]	

CONDITION 5. The position of ESHS impact management specialist can be easily filled and/or is relatively stable	10. When there has been a need to hire additional staff for the IDB project, has the entity experienced difficulty in finding ESHS impact management specialists? [Select all options that apply]		
	a. Yes, difficulties in finding someone with suitable qualifications	[Specify which qualifications]	
	b. Yes, difficulties in financing their recruitment due to salary limits		
	c. Yes, difficulties in financing their recruitment due to budget restrictions		
	d. No		
	e. The institution has not hired any ESHS impact management staff in the past		
	11. Which of the following statements best describes the level of stability among ESHS impact management specialists hired in the last five years to support execution of the entity's public investment projects?		
	a. They generally stay until projects are completed		
	b. They normally change once during project execution		
	c. They normally change two or more times during project execution		
d. The institution has not hired any ESHS impact management staff in the past five years			
CONDITION 6. The institution has formal procedures for managing ESHS impacts in its projects	12. Does the institution have a procedures manual for the management of ESHS impacts?		
	SUPPORTING DOCUMENTATION: Procedures manual		
	a. Yes	[Attach supporting documentation]	
	b. Yes, but it is out of date or has not received formal approval	[Attach supporting documentation and specify whether the manual is out of date or has not received formal approval]	
	c. No		
	13. Indicate which of the following processes are covered by the manual and will apply to the IDB-financed project: [Select all options that apply]		
	a. Performing environmental, social, and occupational health and safety analyses		
	b. Consulting parties affected by the project in the area of ESHS		
	c. Implementing the environmental management plan		
	d. Implementing the social and occupational health and safety plan		
e. Implementing the resettlement or compensation plan			
f. Providing technical ESHS inputs for project procurement			
g. Processing internal or external complaints in the ESHS area			
h. Monitoring ESHS risks, their impacts, and the actions taken			
i. Ensuring that contractors comply with ESHS regulations and standards			
j. The institution lacks a manual describing any of the above procedures			
14. Do you feel that the institution's procedures are adequate for managing ESHS impacts in the IDB-financed project? [Select all options that apply]			
a. Yes, completely			
b. Yes, partly			
c. No			
d. The institution lacks defined ESHS management procedures			
CONCEPTUAL NOTE			
Partially: The institution's procedures are satisfactory in the case of some, but not all, of the processes needed to manage project procurement.			
CONDITION 7. The institution can provide evidence demonstrating satisfactory performance in the management of ESHS impacts in projects	15. With reference to public investment projects executed by the institution in the last three years, is there any evidence that the opinions of stakeholders affected by these projects have been incorporated into the design?		
	REQUIRED DOCUMENTATION: Evidence that the opinions of affected stakeholders have been incorporated into past projects		
	a. Yes	[Attach the required documentation]	
	b. No		
	c. No projects have been executed in the last three years		
	16. With reference to public investment projects executed by the institution in the last three years, has the institution generated any monitoring reports on ESHS risks and impacts? [Select all options that apply]		
	a. Yes, annual reports	[Specify whether the reports are public or internal]	
	b. Yes, semiannual or more frequent reports	[Specify whether the reports are public or internal]	
	c. No		
	d. No projects have been executed in the last three years		
17. With reference to public investment projects executed by the institution in the last three years, have any SYSTEMIC problems been experienced in relation to any of the following processes? [Select all options that apply]			
a. Preparing environmental, social, and occupational health and safety studies	[Specify the problems experienced]		
b. Conducting consultations in the area of ESHS with parties affected by the project	[Specify the problems experienced]		
c. Implementing the environmental management plan	[Specify the problems experienced]		
d. Implementing the social and occupational health and safety plan	[Specify the problems experienced]		
e. Implementing the resettlement or compensation plan	[Specify the problems experienced]		
f. Providing technical ESHS inputs for project procurement	[Specify the problems experienced]		
g. Processing applications for environmental licenses or permits	[Specify the problems experienced]		
h. Managing project-related complaints	[Specify the problems experienced]		
i. Supervising the contractor's environmental and social management actions	[Specify the problems experienced]		
j. Other	[Specify the problems experienced]		
k. No problems have been experienced in any of the aforementioned processes			
l. The entity has not executed any investment projects in the last three years			

Appendix 7: Strategic Environmental and Social Assessment – attached document

Appendix 8: Summary of Environmental and Social Impacts by typologies

EHS Issue/Category	Water	Sanitation	Solid Waste	Drainage	Early Warning Systems (EWS)
Common Impacts applicable to all infrastructure interventions	<p>Generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to concrete preparation. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians; temporary blocking of access to housing and / or businesses; physical and/or economic displacement due to land acquisition, easements and/or restriction of acces to natural resources; disruption of cultural heritage if the project is located near areas of cultural or historical significance; risk of conflicts between local population and project workers, including risk of sexual exploitation, abuse and harassment (SEAH); potential opposition from local communities; land conflicts, including conflicts involving lands and natural resources subject to traditional ownership or under customary use by Indigenous Peoples; impacts on indigenous communities; community health and safety risks; and labour and working conditions risks.</p>	<p>Generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians; temporary blocking of access to housing and / or businesses; physical and/or economic displacement due to land acquisition, easements and/or restriction of acces to natural resources; disruption of cultural heritage if the project is located near areas of cultural or historical significance; risk of conflicts between local population and project workers, including risk of sexual exploitation, abuse and harassment (SEAH); potential opposition from local communities; land conflicts, including conflicts involving lands and natural resources subject to traditional ownership or under customary use by Indigenous Peoples; impacts on indigenous communities; community health and safety risks; and labour and working conditions risks.</p>	<p>Generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians; temporary blocking of access to housing and / or businesses; physical and/or economic displacement due to land acquisition, easements and/or restriction of acces to natural resources; disruption of cultural heritage if the project is located near areas of cultural or historical significance; risk of conflicts between local population and project workers, including risk of sexual exploitation, abuse and harassment (SEAH); potential opposition from local communities; land conflicts, including conflicts involving lands and natural resources subject to traditional ownership or under customary use by Indigenous Peoples; impacts on indigenous communities; community health and safety risks; and labour and working conditions risks.</p>	<p>Generation of noise, dust, solid and liquid waste, risk of fuel spillage, increased traffic due to the use of machinery, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians; temporary blocking of access to housing and / or businesses; physical and/or economic displacement due to land acquisition, easements and/or restriction of acces to natural resources; disruption of cultural heritage if the project is located near areas of cultural or historical significance; risk of conflicts between local population and project workers, including risk of sexual exploitation, abuse and harassment (SEAH); potential opposition from local communities; land conflicts, including conflicts involving lands and natural resources subject to traditional ownership or under customary use by Indigenous Peoples; impacts on indigenous communities; community health and safety risks; and labour and working conditions risks.</p>	<p>Generation of noise, alteration of the quality of soils due to concrete preparation and occupational and community health and safety risks. In addition, there might be social impacts such as the interruption of the traffic of vehicles and pedestrians, minor affectation of properties due to acquisition and / or easements. <u>Note: As this typology has minor environmental and social impacts, is typically classified as Category C.</u></p>

Types of interventions included	Community reservoirs for improving water availability; Individual reservoirs for domestic regulation; Reforestation to conserve/improve vegetation cover; Major water treatment and purification systems; Minor water treatment and purification systems; Water reuse; Improve the aquifer level measurement network; new groundwater collections	Artificial recharge systems, Natural water purification through ecosystem services, Major wastewater sewer and treatment systems, Minor excreta treatment systems, Selective decontamination processes, and Good practice programmes in the use of highly polluting substances	Stabilization of waste dumps and historical environmental liabilities, Storage and collection of solid waste, Composting	Strengthening margins, adaptation of neighborhoods at risk. Platforms on slopes to reduce the speed of water	Improvement of the hydrometeorological monitoring network (P, Q) and numerical models of simulation. (EWS) Implementation of EWS and improvement of forecasting systems
Environmental					
Soil Conservation and nutrient management	Risk of soil contamination by oil and hydrocarbon spills; erosion, compaction, alteration of the edaphic sequence; risk of sediment runoff to nearby water streams and water courses - This effect can also be exacerbated during flooding events or tropical storms. Soils movement can cause the dispersion of rodents and other vectors to surrounding areas	Generation of erosive processes at treated water discharge sites.	- Generation of erosive processes in the landfill area, due to soil movement. Soil contamination due to the generation of waste and solid waste.	- Potential Soil contamination. - Alteration of landscape	-
Solid waste management	Smaller quantities of hazardous waste resulting from the maintenance of machinery and vehicles affected by the work (lubricating oils, etc.) Surplus excavation soils	Sludge treatment and final disposal, Limited logistics for hazardous waste destination. Demolition: wood, iron, plastics, electronic components, materials contaminated with oils and other hazardous products such as asbestos, and sludge contaminated by improper wastewater disposal.	Limited logistics for hazardous waste destination (no landfill) Generation of solid waste from road cleaning,	During the maintenance work of the storm drainage infrastructure, sludge and solid waste could be collected, and disposed of properly so as not to generate any type of pollution.	Proper disposal of any battery or hazardous waste needed for the monitoring and forecasting systems
Biodiversity and Ecosystems Services	Habitat conversion or degradation in natural and critical habitats resulting from project interventions.	- Habitat alteration and loss of biodiversity, including in high biodiversity values areas	Conversion of natural habitat	- Disturbance of sensitive fauna	- Disturbance of sensitive fauna
	Potential negative impacts to critical habitats, either terrestrial or aquatic, including legally protected areas and internationally recognized areas such as KBAs and Ramsar sites. Terrestrial or aquatic habitat degradation due to inadequate management of solid waste and/or effluents. Aquatic habitat degradation due to reduction of flows in surface waters, including short-term or seasonal impacts in critical hydroperiods. Impingement and entrainment of fish, fish larvae, fish eggs, plankton, and other aquatic organisms	Terrestrial or aquatic habitat degradation due to inadequate management of solid waste and/or effluents. - Aquatic habitat degradation due to reduction of flows in surface waters, including short-term or seasonal impacts in critical hydroperiods. '- Impingement and entrainment of fish, fish larvae, fish eggs, plankton, and other aquatic organisms. - Impact on the landscape due to the generation of debris. - Removal of trees and crops.	Vegetal cover conversion. 'Impact on the surrounding landscape and transformation of the landscape due to the permanence of excavation leftovers.	-Loss of vegetation cover.	

Energy Use	Increased energy use for treatment process, pumping and distribution.	Increase energy use in treatment process. Increased GHG emissions due to sanitation treatment (methane and nitrous oxide).	Increase in the emission of greenhouse gases carbon dioxide, methane, nitrous oxide, in landfills and/or transfer stations.	- Fossil fuels combustion motors from machinery and equipment with associated GHG emissions (limited)	Increased energy due to higher demand of monitoring network and systems
Water Use	- Water consumption and conflicts of use	- Water contamination due to rainwater runoff and discharge of waste, gray or industrial water. - Eutrophication	- High organic and nutrient load - contamination of aquatic systems (particularly in pond based systems). - Generation of leachate contamination of underground and surface aquifers	Possible alteration of surface water quality, and groundwater.	
Air quality	Air pollution by particulate matter greater than ten microns, atmospheric emissions of engine combustion gases and noise generation by machinery.	- Air contamination due to particulate matter, atmospheric emissions of engine combustion gases and noise generation by machinery, - Alteration or modification of the environment by accumulating material in public areas,	- Generation of bad odors.	Noise generation, alteration of air quality.	
OHS					
Physical hazards	- Machinery and vehicles - Confined and restricted space entry. - Combustible dust and silo safety. - Lone and isolated workers	- Machinery and vehicles - Cutting equipment - Lone and isolated workers	- Machinery and vehicles - Confined and restricted space entry. - Combustible dust and safety. - Lone and isolated workers	- Machinery and vehicles - Confined and restricted space entry. - Combustible dust and safety. - Slips and falls - Lone and isolated workers	
Biological hazards	- Contact with venomous animals	- Propagation of vectors of disease due to water management and other local or foreign diseases	- Propagation of vector borne diseases if improperly managed.	Propagation of vector borne diseases if improperly managed.	
Chemical hazards	Exposure to hazardous materials	- Limited Exposure to hazardous materials			
Community Health and Safety					
Safety risks to affected communities	- Exposure to accidental or criminal fires - Exposure to hazardous waste and hazardous materials. - Exposure to odors - Exposure to water-borne diseases.	- Public health risks if wastewater is not properly treated. - Exposure to human excreta. - Exposure to odor, noise and accidents associated to the operation of WWTP. - Exposure to hazardous products.	- Negative impacts on water quality and quantity for community needs and uses	- Potential temporary impacts on commercial activities, transportation routes, and/or access to homes and social infrastructure. - Impacts on cultural heritage and/or sacred sites. - Social acceptance including benefit sharing. - Land conflict. - External workforce	

Social impacts and risks, including on Indigenous Peoples	<ul style="list-style-type: none"> - Land conflicts - Inter-community and intra-community conflicts over the use of water. - Community opposition to the use of water bodies which have cultural or religious significance. - Over-exploitation of ground water. - Social acceptance of the interventions, including benefit sharing. - Costs associated to the operation and maintenance of the infrastructures and people willingness to pay for the services. 	<p>Land conflicts</p> <p>Community opposition to the installation of wastewater treatment plants nearby (concerns about health risks; odors; decrease of property values; aesthetics; impact on local ecosystems, including local water bodies and wildlife).</p> <p>Low rates of connectivity to the sewer and treatment systems (costs, lack of awareness).</p> <p>Low adoption of human excreta systems due to cultural factors</p> <p>Costs associated to the operation and maintenance of the infrastructures and people willingness to pay for the services</p>	<p>Land conflicts</p> <p>Risk of economic displacement of informal recyclers who rely on waste dumps for their livelihood</p>	<p>Land conflicts</p> <p>Community opposition due to fear of being evicted from areas classified as risk areas</p>	<p>Visual impacts (conflicting with tourism and recreation activities)</p>
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Appendix 9: Indigenous Peoples Plan Framework (IPPF)- attached document