Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 04/29/2019 | Report No: ESRSA00149
**BASIC INFORMATION**

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honduras</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P170469</td>
<td></td>
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</tbody>
</table>

**Project Name**

TEGUCIGALPA: WATER SUPPLY STRENGTHENING PROJECT

**Practice Area (Lead)**

«PRACTICEAREA»

**Financing Instrument**

Investment Project Financing

**Borrower(s)**

Ministry of Finance (SEFIN)

**Implementing Agency(ies)**

Municipality of Tegucigalpa (AMDC)

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**Proposed Development Objective(s)**

The Project Development Objective (PDO) is to increase the efficiency and reliability of water services in select areas of Tegucigalpa.

**Financing (in USD Million)**

<table>
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<th>Amount</th>
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<td>122.50</td>
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**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The Project Development Objective (PDO) is to increase the efficiency and reliability of water services in select areas of Tegucigalpa. This will be done by contributing to: (i) the operationalization of a new service provider; and (ii) improvements in infrastructure and resource management tools. PDO Level Indicators Achievement of the PDO will be measured through the following key results indicators: 1. New Municipal Water and Sanitation Provider operational. 2. People receiving at least 12 hours of water per day (TBD) in targeted areas under the Project. 3. Priority WTPs operating at 95 percent capacity or higher in compliance with internal process standards. 4. Number of hydraulic sectors complying with NRW targets. The overall cost of the proposed Project is US$122.5 million, financed...
by a US$50.0 million credit from IDA and an indicative US$63.0 million in counterpart funding from central government and AMDC. The Project will constitute the first phase of a longer-term program to support implementation of Honduras’ Framework Law and improved WSS services in the nation’s capital in a financially and environmentally sustainable manner. To this end, it will focus on supporting the operationalization of the municipal WSS service provider in Tegucigalpa (UMAPS) and resolving critical issues in the Tegucigalpa system. The proposed Project will constitute an Investment Project Financing with Disbursement Indicators which will provide incentives to ensure implementation of critical institutional reforms such as the transfer of the WSS system to the Municipality and the strengthening of the of a sustainable WSS provider, that will ensure the achievement of key operational WSS targets. The Project will comprise four components as follows: Component 1. Operationalization of new service provider in Tegucigalpa (Total cost US$85.5 million, of which US$18 million in IDA financing) This component will be disbursed against the achievement of targets measured through seven sub-DLIs as follows. a. DLI 1.1: Governance Arrangements and Gender Policy. Development, approval and implementation of UMAPS’ governance arrangements, including its statute, organizational structure and SPM to be signed between the UMAPS and the AMDC and the endorsement and initial steps towards implementing a Gender policy for UMAPS, that will ensure the increased participation of women in high-level decision-making as well as technical positions in UMAPS b. DLI 1.2: Transfer of Administration and Finance functions from SANAA to UMAPS, c. DLI 1.3: Transfer of Commercial function from SANAA to UMAPS. d. DLI 1.4: Transfer of the Picacho subsystem from SANAA to UMAPS. e. DLI 1.5: Transfer of the Laureles subsystem from SANAA to UMAPS. f. DLI 1.6: Transfer of the Concepcion subsystem from SANAA to UMAPS. g. DLI 1.7: Transfer of the Sanitation system from SANAA to UMAPS. Component 2. Improved water production capacity and efficiency of the distribution network (Total cost US$31 million, of which US$27 million in IDA financing). a. Sub Component 2.1. Improving water availability to increase the frequency of water supply services to households in the project area (Total cost US$24 million, of which US$20 million IDA financing). b. Sub Component 2.2. Strengthening the safety of the Laureles and Concepcion dams (Total cost US$5 million, all of which IDA financing). c. Sub Component 2.3 Developing tools for enhanced watershed management and climate resilience (Total cost US$2 million, all of which IDA financing). Component 3. Project Management and Technical Assistance (Total cost US$6 million, of which US$5 million IDA financing). Component 4: Contingent Emergency Response Component (CERC) (Total Cost US$ 0.0 million).

D. Environmental and Social Overview
D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social] All project activities will take place in Tegucigalpa Municipal Central District. The civil works for the project are largely confined to component 2 and will be executed in a phased approach. The first-year civil works will concentrate on (a) minor upgrades to the three existing water treatment plants (Los Laureles, La Conception, and El Pichacho) to replace and upgrade old parts and systems; and (b) sectorization works (installation of valves and meters) along distribution networks in built-up neighborhoods of the city; works themselves will take place within the public right-of-way of the street network. The sectorization works will include the implementation of district meter areas (DMAs) to isolate specific sectors of the distribution network, regularize pressure throughout the water mains, and diagnose the main causes of water losses within these sectors. Additional works will be carried out in later years of project implementation, following additional detailed studies and planning. These will include further upgrades to the three existing water treatment facilities, including: (1) improvements/installations of chemical and chlorine dosages for the water supply; (2) installation of a small pumping system for La Concepcion dam; (3) covers for sedimentation tanks; (4) the management of mud and other sedimentation; (5) construction of sedimentation drying beds; (6) storage of excavation material; (7) replacing and upgrading existing equipment and facilities within the boundary walls of the
existing plants. Minor repair works on the Los Laureles and La Concepcion dams will also be carried out, all within the existing dam properties, and aimed at improving safety of the dams. There will also be additional works in District Meter Areas for sectorization and to reduce non-revenue water losses, as well as rehabilitation of the Jutiapa-Pichacho aqueduct. Areas of physical intervention are urban or peri-urban in nature, in highly modified landscapes. The treatment plants are in fully enclosed and fenced municipal properties nearby to urban or peri-urban zones. The Laureles dam is located in a densely populated area, with settlements in close proximity both around and downstream of the dam, while the Concepcion dam is located just outside of the urban area, although with some small settlements in the vicinity. The urban areas have high rates of poverty, social vulnerability and informality as is common in many urban areas in Honduras.

D. 2. Borrower’s Institutional Capacity

The Project will be implemented by the Municipality of Tegucigalpa (Alcaldía Municipal del Distrito Central - AMDC). AMDC that has no previous experience in implementing projects with the World Bank. With respect to environmental management, the AMDC has a permanent in house Environmental Management Unit, whose duties include: obtaining environmental clearances from the Ministry of Environment for all municipal projects requiring clearances under national legislation; assisting the Ministry of Environment in evaluating environmental clearance readiness and monitoring compliance with environmental licenses for most private sector and national government sponsored activities within the municipality; issuing environmental permits for minor activities which do not trigger any environmental license requirements; handling of complaints related to environmental compliance and social management issues; environmental and social planning; GHG inventory reporting; and management of parks and natural resource areas within the municipality. With respect to Social management, the AMDC has a Community Development Department, whose duties include community relations and statistical data management, but this unit has no previous experience in managing social risks. Also, the Environmental Management Unit does not have any social specialists. The Community Development Department as well as the Environmental Management Unit will be involved in project implementation and will benefit from capacity building and training activities and support, including the hiring of three additional dedicated specialists (one environmental, one social and one occupational health and safety specialist) with project funds to ensure adequate management of all project related ESHS risks and issues. With respect to dam safety management, existing municipal capacity requires significant strengthening, which is already planned to be the target of various TA activities under the project, and will be further aided by contracting a Dam Safety Panel of Experts. With respect to labor management, the AMDC is governed by the national labor regulations and it is the supervisors and contractors who must apply them, but existing municipal capacity needs to be strengthened in monitoring and follow-up of national compliance; this will be addressed for project purposes through capacity building at the PIU level.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The project’s environmental risks are anticipated to be substantial, due primarily to the risks associated with the safety of the existing Los Laureles and La Concepcion dams, and project activities to address these risks. Repair works on the dams themselves will be minor only, will take place within the dam properties, and will be aimed at improving safety of the dams; however, larger scale improvement works might be recommended by the comprehensive dam safety risks assessments, which would then be planned and proposed for a follow-on project. The remaining
activities under the project would be considered moderate risk. Civil works under Component 2 will be small scale in nature, and negative impacts are expected to be highly localized and limited to construction phase. Works at the three water treatment plants will consist mainly of replacing and upgrading existing equipment and facilities within the boundary walls of the existing plants. Adverse impacts and risks are expected to be limited to typical small scale construction impacts and occupational health and safety risks within the treatment plant properties. Minor works to install water quality monitoring instrumentation on intake pipes, as well as installation of pressure reduction valves throughout the distribution system, will meanwhile involve small scale excavation works outside of the plant properties to access existing water pipes, which may cause temporary disruptions to local traffic, as well as various localized construction impacts. All such activities are expected to take place within the right-of-way of existing public roads or on municipal property. No household-level metering activities will be included in the project. The activities aiming to provide proper treatment and final disposal of currently untreated sludge (which contains hazardous chemical compounds) at the three water treatment plants will improve upon the current baseline conditions of no treatment of sludge at any of the three plants, and will follow well known and proven technologies.

Social Risk Rating

The team recommends a change in the risk rating to Moderate because the works in the impacted communities are small in scale and not typically associated with severe impacts. During the team’s due diligence, it was discovered that two of the principle social risks identified and driving the original substantial rating, do not accurately represent the local context or can be mitigated through robust measures. The first identified social risk was around insecurity in the neighborhoods where the sectorization works would be implemented. The targeted neighborhoods do not suffer from high insecurity, gangs nor rampant crime and violence and thus do not warrant special mitigation measures. The second, the regularization of illegal water connections and the subsequent potential for conflict, can be mitigated with a robust stakeholder engagement and communication with these communities to avoid any potential conflicts. In addition, the project would be providing additional treated water supply to homeowners along the route to mitigate issues with illegal water connection.

While there is no new land acquisition, the right of way for the Jutiapa-Picacho aqueduct has been negotiated already with communities in exchange for untreated water access. This represents a moderate risk to the project as well, which will be managed by auditing the agreements to ensure they are in line with ESS5.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This standard is relevant to the project. Civil works envisaged under Component 2 will cause a variety of small scale, localized impacts typical to small scale construction activities, such as: generation of noise and dust; solid waste generation; temporary blockage of access and diversion of local traffic due to mobilization of heavy machinery and localized excavation works within public rights-of-way; potential temporary drainage impacts related to excavation and temporary stockpiling of excavated material; minor works to resurface pavement following excavation and installation of valves; temporary localized cutting of domestic water supply services while works are taking place along water supply lines or at the plants; etc. In addition to the civil works, this standard is also relevant for
component 1, the establishment and strengthening of UMAPS to assess the environmental and social aspects of the
unit and the financing of prefeasibility, feasibility, and design of safeguards studies for select infrastructure. The
project is meanwhile expected to have a positive impact on improving operation stage environmental, social, health
and safety management of Tegucigalpa’s water supply system, including by: (a) installing sludge treatment systems at
the existing water treatment plants (currently there is no system to treat sludge and it is disposed directly into the
rivers downstream of each plant); (b) improving efficiency of water supply management, modernizing treatment and
addressing critical water pressure issues throughout the system, which will result in reduced water losses and more
consistent potable water supply to consumers; (c) supporting watershed-scale planning to improve upper catchment
management, reduce upstream pollution and promote climate resilience; and (d) strengthening the safety of
Tegucigalpa’s two large water storage dams. Operations stage risk and impact management systems for the water
treatment plans and dams – including in particular on occupational health and safety, handling and management of
chemicals used in water treatment processes, and emergency management -- will also be strengthened under the
project. In order to manage negative risks and impacts, AMDC developed, consulted on and disclosed an
Environmental and Social Assessment and Environmental and Social Management Plan (ESA and ESMP) for appraisal.
The ESA section describes the overall project, its baseline conditions, applicable policies and legislation, and overall
key environmental and social considerations and potential impacts. The ESMP section identifies and outlines detailed
management and mitigation measures and implementation arrangements related to physical construction activities
which have been fully defined and will be “bid ready” for year one implementation under the project. At present, this
is expected to include: minor immediate upgrades at the three treatment plants, as well as installation of water
quality monitoring instrumentation and pressure reduction valves in select areas of the distribution system. For all
activities that will only be designed and executed later during the course of project implementation, including
planning and capacity building for improved operations-phase management of the infrastructure receiving
investment under the project, the Environmental and Social Commitment Plan (ESCP) specifies that the detailed site-
specific planning (which will be commissioned through the project) shall include corresponding ESA and ESMP
development, which must in turn be consulted with relevant stakeholders, disclosed, and approved by the Bank. For
construction phase ESMPs, these must also be incorporated into corresponding bid packages prior to their issuance.
Such activities include: additional improvement works at the three water treatment plants (under Component 2.1), as
well as the minor works to strengthen the Los Laureles and La Concepcion dams (under Component 2.2). With
respect to timing, the designs for these remaining works activities under Component 2.1 are expected to be
completed by the end of the first year of implementation, while designs for works activities under Component 2.2
should be completed by the end of the second year. With respect to the watershed planning studies to be carried out
during project implementation, the ESCP specifies that the planning processes shall also include relevant
environmental and social analysis as per the ESSs. Additionally, site specific ESAs and ESMPs will be developed for
each WTP subproject and the distribution system as part of the environmental permit and licensing process before
civil works begin. Each site-specific instrument will include an assessment of all environmental liabilities. Each ESA
and ESMP will also be developed in accordance with the World Bank’s EHS General Guidelines with specific
consideration of the Guidelines on Water and Sanitation.

ESS10 Stakeholder Engagement and Information Disclosure

A stakeholder analysis and Stakeholder Engagement Plan (SEP) has been prepared by ADMC. The plan maps out the
various stakeholders and a strategy on how to engage with them, share project information (including but not limited
to relevant environmental and social issues and risks), mitigate potential social conflicts and/or misperceptions about
project impacts and benefits, and solicit feedback on the project. The SEP outlines a) who the key stakeholders are; b) how they are to be engaged; c) how often the engagement will occur throughout the project; d) how feedback will be solicited, recorded and monitored over the project; e) who will be charged/responsible with this engagement; f) timeline for this engagement, and cost. A project level Grievance Redress Mechanism has been developed in the Stakeholder Engagement Plan. This was completed and disclosed in order to inform preparation-stage stakeholder engagement activities. The key stakeholders include: Municipal Water and Sanitation Management Unit (UGASAM), Municipal Environmental Management Unit (UGAM), Municipal Development Institute, "Patronatos" (neighborhood councils), Juntas de Agua (water boards), Women’s organizations, Pro-improvement / Support Committees; ONG’s, Public Government Agencies. The process of stakeholder engagement already began during preparation and will continue into implementation.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The Borrower has prepared a Labor Management Procedures Plan (LMP), which outlines how AMDC will manage labor and working conditions under the project in accordance with this standard. A key labor issue under the project relates to the restructuring and consolidation of staff functions related to municipal water management, from SANAA to the newly formed UMAPs, as this will require retrenchment of workers from SANAA. The need for careful management of the retrenchment process, including transparent payment of compensation packages to retrenched workers in accordance with legal requirements, is fully on the radar of relevant counterparts, and is part of the labor management procedures. The Plan also indicates categories of workers expected to be involved in project implementation, estimates of numbers of each, and labor management requirements and applicable laws and regulations. During project implementation, the labor management procedures will be revisited and updated as required and as additional project activities unfold entailing additional labor related risks or issues. Labor-related requirements pertaining to occupational health and safety issues as well as emergency management and prevention relevant to the various construction activities are highlighted in the LMP, and will be incorporated into the activity-specific ESMPs and also bid documents for all investments. While the potential impacts of the proposed works are likely to be moderate to minor – limited to typical risks associated with operating heavy machinery for drilling and excavation, installation and repair of specialized equipment, handling of chemicals, etc. -- the borrower will need to demonstrate that the appropriate health and safety procedures are adopted and implemented on work sites. The LMP includes a GRM specifically for workers so that they have an official way to communicate complaints or other issues to the management.

ESS3 Resource Efficiency and Pollution Prevention and Management

Enhancing the efficiency of water supply and treatment systems is a core objective of the project. Technical assistance activities to be carried out during implementation under Component 2 to improve watershed level water systems planning will include a comprehensive water balance study at the basin scale. The construction ESMPs for each activity will include thorough treatment of pollution prevention and management aspects associated with all proposed civil works and direct impacts of construction, including air, water and noise pollution, as well as solid waste minimization and management. Operations stage ESMPs for the water treatment plants, to be developed in
full during project implementation, will also detail all requirements related to transport, storage, handling and use of chlorine and other chemicals used in the water treatment process and laboratories, as well as hazardous waste management and disposal. Investments at the water treatment plants related to sludge management will also address a key pollution issue related to municipal water treatment which is currently not addressed at any of the treatment plants (sludge is currently discharged untreated from the treatment plants into adjacent downstream rivers). Energy and resource efficiency will be promoted through incorporation of green procurement clauses in civil works contracts. Greenhouse Gas (GHG) accounting for this project is not deemed necessary as per this standard, given the marginal emissions profile of project activities. There are no pest management activities under the project.

ESS4 Community Health and Safety

One of the core objectives of the project is to improve the municipality’s ability to guarantee safe potable water and improve reliability of water service delivery to users across the city, by investing in improvements to the treatment plants and water quality monitoring systems, strengthening of capacity and development of watershed level plans. Effective implementation of project activities should therefore benefit community health in this respect. In terms of potential community health and safety risks, road safety risks associated with traffic diversions for civil works activities are being assessed at a site specific level, and site specific Traffic Management Plans will be developed as necessary as part of site specific ESMPs. The ESCP specifies the need and timing for these plans. A grievance redress mechanism (GRM) has been incorporated into the SEP in order for the community to lodge complaints and receive answers to any questions they have about the project. This is particularly important for any potential labor influx, even if the labor is coming from other communities within Tegucigalpa and therefore is not expected to remain after-hours in the vicinity of work sites. Security forces management procedures are specified in the LMP, and a specific security force management plan will be developed and coordinated by the PIU (project implementation unit) with municipal security forces, and community leaders. Bid documents will incorporate security plan protocols and all contractors and subcontractors will be required to integrate these protocols into their own security plans that will be executed either by municipal security forces or a private security company. Basic requirements and procedures are specified in the LMP, while the timing for development of the full plan is spelled out in the ESCP. This standard’s requirements related to dam safety are also applicable, as the water supply systems of Tegucigalpa depend on water supplied through a production system that uses two dams/reservoirs: Los Laureles and La Concepción. As part of Project preparation, a rapid assessment of dam safety was conducted for the two dams. The assessment highlighted important deficiencies in systems for safety, security, and emergency management, and recommended the implementation of some minor repair works as well as various measures to strengthen safety planning and monitoring for both dams. The findings and recommendations were shared with AMDC and SANAA, and an agreement was reached to include activities within the project to support the AMDC and other executing agencies in addressing these deficiencies and improving safety and security systems. Activities will include, in particular, retaining of a Panel of Experts (POE) on Dam Safety to be retained for the duration of all activities on dam safety for oversight, review, advice and capacity building; detailed safety assessments and support for safety and emergency response plans for both dams; and support for priority minor repair measures to the dams. All of these activities respond to, and will be carried out in accordance with, this standard. Notably: the detailed risk assessment for the two dams will be completed prior to any other activities; no remedial works on the dams will take place until after designs and corresponding E&S documents are completed; the detailed ESMP for the minor remedial works will be carried out independently from the design consultant for these works; and all consultancies will be completed (and approved by the POE) before the works are bid out.
ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

No current civil works activities under the project are expected to acquire land. The existing Jutiapa-Picacho aqueduct has negotiated property owners for right of way in exchange for access to untreated water. Additional due diligence will be conducted to audit the negotiated settlements to ensure that this process was executed in accordance with ESS5 by 2020, before construction. ESS5 may also require that a process framework be prepared when Bank supported projects may cause restriction to access to natural resources. In this case, the project itself will not implement any activities that would restrict such access, but the watershed planning studies to be carried out during implementation may identify the need for, and propose, such restrictions. The ESCP specifies that the watershed planning studies will include appropriate assessment of potential social and livelihood impacts in the case that restrictions to natural resource use or access are proposed, and if required, a resettlement process framework will be prepared during implementation. Los Laureles was completed in 1976 with financing from IDB and La Concepcion was completed in 1992, with financing from the French and Italian governments. No further risks from additional information about legacy issues with previously financing have been detected.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No civil works activities under the project are expected to have any impacts on natural habitats or biodiversity, given their limited scale and location within the existing urban core of Tegucigalpa. Nonetheless, some aspects of this standard may be relevant to watershed planning activities under the project, given that such planning efforts may identify and propose measures to strengthen protection of existing forests, slow deforestation and prioritize areas for reforestation and land restoration in the upper catchments, in order to stem erosion that contributes to sedimentation of the dams. While the implementation of these activities would fall outside of the project, the planning processes to be carried out under the project will nonetheless take into account the requirements of this standard, particularly related to forest management. If the catchment management plans result in any proposed restrictions to existing land or natural resource uses which could cause livelihood impacts, or which would restrict local communities’ access to provisioning ecosystem services, these effects will be duly assessed and appropriate mitigation and management measures developed through the planning process.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This standard is not currently relevant, indigenous peoples defined by this standard are not present in the project area. The Environmental and Social Assessment confirms this that there are no social and cultural group possessing the characteristics described under ESS7.

ESS8 Cultural Heritage

There is not expected to be any impact on any known cultural heritage. Nonetheless, the ESMPs for all activities which may involve any excavation of earth will include appropriate “chance find” procedures.

ESS9 Financial Intermediaries
There is no FI involved in this project.

B.3 Other Relevant Project Risks

We don't envisage any other significant environmental or social risk related to the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

This Legal Operational Policy will not be triggered. Project activities will be implemented in Choluteca river basin which is not a transboundary basin.

OP 7.60 Projects in Disputed Areas

This Legal Operational Policy will not be triggered. No disputed areas will be intervened.

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

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<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
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<tr>
<td>Hire environmental, social, health and safety experts to support PIU</td>
<td>01/2020</td>
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<td>Ensure all measures specified in year-one works ESMP (already prepared prior to appraisal) are reflected in corresponding bid documents, corresponding national and local environmental licenses and permits received, and measures are implemented.</td>
<td>01/2020</td>
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<tr>
<td>Update ESA and complete ESMPs for all project activities not covered by the year-one ESMP, in parallel to detailed design studies, to include in particular: (a) more extensive upgrades to the three existing water treatment facilities; (b) minor dam repair works; (c) potential further works in District Meter Areas to reduce non-revenue water losses; (d) rehabilitation of the Jutiapa-Pichacho aqueduct; (e) operations stage ESHS plans for all facilities financed under the project.</td>
<td>12/2020</td>
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<td>Obtain all additional necessary environmental licenses and permits as per national and local legislation</td>
<td>12/2020</td>
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<td>Implement capacity building measures for relevant parties involved in E&amp;S management of project activities as well as ongoing operation and maintenance of Tegucigalpa’s water supply infrastructure and systems</td>
<td>12/2021</td>
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<td>Contract and maintain a Panel of Experts on Dam Safety to advise on all activities under Component 2.2.</td>
<td>03/2020</td>
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<tr>
<td>Specify appropriate ESHS capacity within the newly constituted UMAPs for ongoing operations and maintenance of the treatment plants and dams, as part of the institutional reforms and capacity development activities under Component 1.</td>
<td>12/2022</td>
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Ensure studies under Component 2.3, including basin plans as well as any studies for future infrastructure investments, are carried out in a manner that complies with applicable ESSs.  

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<th>ESS 10 Stakeholder Engagement and Information Disclosure</th>
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<td>Implement Stakeholder Engagement Plan, including Grievance Redress Mechanism, throughout life of the project.</td>
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<th>ESS 2 Labor and Working Conditions</th>
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<td>Implement Labor Management Plan and Procedures, including GRM for workers.</td>
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<th>ESS 3 Resource Efficiency and Pollution Prevention and Management</th>
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<td>Develop as part of the ESMP process, and ensure implementation of measures to appropriately manage hazardous and other wastes associated with project activities</td>
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<th>ESS 4 Community Health and Safety</th>
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<td>Ensure implementation of Traffic Management Plans and Emergency Preparedness Plans included as part of the ESMP for year one works.</td>
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<th>ESS 4 Community Health and Safety</th>
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<tr>
<td>Ensure additional ESMPs for later project works specify appropriate traffic management plans and Emergency Preparedness Plans before corresponding contracting processes, and ensure their implementation.</td>
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<th>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</th>
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<td>The project implementing unit (PIU) will develop a security management plan in coordination with municipal security forces and local community leaders. Bid documents will incorporate these security management procedures and contractors/subcontractors</td>
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<th>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</th>
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<td>An evaluation of right of way acquisition will be conducted before implementation of year 1 activities under Component 2.</td>
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<th>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</th>
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<tr>
<td>Ensure watershed management plans and studies for future works identify and assess the value of biodiversity and natural resources which may be affected by proposed plans or activities, and incorporate appropriate measures as per this standard.</td>
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<th>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</th>
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B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

**Is this project being prepared for use of Borrower Framework?**

No

**Areas where “Use of Borrower Framework” is being considered:**

While the Honduran national and local E&S legislative framework may mandate environmental licensing or permitting requirements for some of the physical works activities, the project does not intend to rely on these processes for purposes of environmental and social due diligence or risk management. The project will ensure that all applicable national and local laws and regulations are followed; in addition, wherever gaps exist between national and local requirements and the ESF, the project will develop activity-specific management and mitigation plans in accordance with the ESF, and include appropriate implementation arrangements and capacity to ensure effective management of identified risks and impacts as per ESF standards. The project implementation and capacity building component has been designed to involve and strengthen the municipality’s existing Environmental Management Unit and Community Management and Development Department within the implementation arrangements, so that they will benefit from capacity strengthening that can ideally generate positive spillover effects beyond the project’s investments. Capacity of these departments will also be supplemented through the direct contracting of dedicated environmental, social, and health and safety specialists to support the project.

**IV. CONTACT POINTS**

**World Bank**

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**Implementing Agency(ies)**

Implementing Agency: Municipality of Tegucigalpa (AMDC)
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VI. APPROVAL

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