



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Latin America	LATIN AMERICA AND CARIBBEAN	P172893	
Project Name	Integrated watershed management of the Putumayo-Içá river basin		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	11/30/2020	5/27/2021
Borrower(s)	Implementing Agency(ies)		
Ministry of Environment, Ministry of Environment and Sustainable Development, Secretaria de Estado de Meio Ambiente, Ministry of Environment	Wildlife Conservation Society		

Proposed Development Objective(s)

Improving capacity of Brazil, Colombia, Ecuador and Peru to manage freshwater ecosystems and aquatic resources of the Putumayo- Içá basin in the Amazon region.

Financing (in USD Million)	Amount
Total Project Cost	12.84

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 proposed project will improve the capacity of Brazil, Colombia, Ecuador and Peru to ensure water security, preserve and sustainably manage freshwater and associated land ecosystems, and minimize and mitigate the potential impact of water and environmental pollution from mercury and other contaminants in the Putumayo-Içá basin. The project will build on and strengthen the on-going water and land conservation initiatives and efforts of governments and civil society of the Putumayo-Içá basin. The project will build the organizational management capacities of local communities and public entities; facilitate the systematic generation, management, dissemination and exchange of knowledge and information to and between all sectors and stakeholder levels to enable effective, regional, cross-border dialogue, cooperation and coordination; promote and support adaptation, enforcement, management and monitoring efficiency of local, national and regional policies; advance different approaches to address the potential impacts of water pollution from mercury and other contaminants from legal and illegal activities; and identify and strengthen sustainable management of water resources and ecosystems, including market and non-market based approaches.

Component 1: Enhancing management and accessibility of traditional and scientific knowledge and information. This component will support the development of a knowledge management system to support the development of a shared vision for integrated basin management. Through scientific and participatory assessments, gaps of information will be identified, and support will be provided for the generation and synthesis of scientific knowledge and the endogenous recovery of traditional knowledge about the Putumayo-Içá basin. Capacity of governmental and civil society organizations to fill in information gaps will be enhanced. Information and knowledge will be made available through existing platforms (such as IW-LEARN, governmental platforms, Amazon Waters and Citizen Science for the Amazon), as well as in culturally and gender-appropriate formats to facilitate integrated decision-making processes. Data collection on traditional knowledge will follow culturally appropriate procedures of endogenous research and distribution of knowledge will be properly agreed and consulted with authorities so it serves the purpose of improved management and conservation. The component will also establish a set of mechanisms for systematic peer-to-peer information exchange - across national borders within the watershed – to share experience and lessons learned. Activities for this component will include research studies, desk reviews of existing information and incorporation of data in knowledge platforms, workshops with indigenous people to allow for the recovery and systematization of relevant knowledge, capacity building workshops and training sessions with experts in the subject matters, study tours and exchange visits.

Component 2: Improving multilevel, multi-stakeholder and multi-sectoral governance for integrated water resource management and equitable access to resources by women and other vulnerable communities. The project will assist communities and local institutions and organizations to strengthen local governance, by helping to identify, establish and support relevant governance groups, fostering links and building bridges between stakeholders within and across borders in the basin. A shared vision for water resource management in the basin will be articulated; and multinational, culturally appropriate, coordination mechanisms at various levels will be designed and strengthened. In addition, an action plan for coordinated management of pilot conservation areas and/or indigenous territories, will be developed, especially in key areas for water security.

Component 3: Reducing impacts from water and environmental pollution, associated to mercury and other contaminants, from legal and illegal activities. The project will pilot a jurisdictional collaborative approach that responds to the specific context of the region and addresses the drivers and impacts of water contamination (including mercury) from upstream to downstream the basin. This collaborative jurisdictional approach will inform adaptation of laws and regulations, promote harmonization of procedures and protocols, and strengthen



enforcement to reduce mercury contamination and its impacts on the environment and health. The project will implement activities to identify, characterize and manage emissions of mercury and other contaminants. It will support the design of measures to control contamination, implementing pilot recovery and remediation measures, developing communication and educational campaigns to disseminate the negative effects of contamination of water resources, strengthening community capacities to assess and monitor polluting activities, facilitating dialogue and information flow between different sectors and relevant stakeholders and informing control measures for illegal activities by relevant authorities. The project will not work to formalize the ASGM sector or provide access to finance to afford mercury free equipment. The identity of the communities whose health has been negatively impacted will be kept anonymous.

Component 4: Sustainable management of water resources and associated ecosystems. Sustainable management and commercialization of freshwater resources, and other key natural resources for local livelihoods, will be supported. The component will provide financial support for the development of the market analysis, business case, processing techniques to add value to products and services and marketing strategies. Based on traditional and scientific knowledge, the project will establish multinational agreements for the management and use of the watershed's ecosystem goods and services, specifying areas for exploitation, for preservation and for subsistence. A key feature of this component will be the capacity development of producers' organizations and other agents and actors to be achieved through technical assistance workshops where the involved institutions will train in business development, added value and organizational skills.

Component 5: Project Management, Monitoring and Assessment. This component supports cross-cutting activities designed to strengthen coordination, communication, management and monitoring for all components. Some of the activities involve inter alia collection and analysis of project data for monitoring and evaluation, planning and coordination sessions by the coordination unit and steering/technical committee, design/edition and dissemination of communication products.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Amazon is the world's largest rainforest and river system, comprising 670 million hectares (ha) of forest and 100 million ha of freshwater ecosystems. It sits within the world's largest river basin, extending 611.8 million ha and covering 44% of South America. The Putumayo-Içá river is the tenth longest tributary of the Amazon River, and its watershed covers 118,000 km², approximately 1.7 percent of the Amazon basin. The watershed is divided by Brazil, Colombia, Ecuador and Peru, running from the Colombian Andes along the border of Peru and up to the Amazon river in Brazil. The river basin is approximately 2,000 km. The project location is the Putumayo-Icá Watershed region, that spans from the tributary Guamués River in the Colombian Andes, becoming the Colombian-Ecuador border, then the Colombian-Peru border before crossing the Amazon department in Colombia, and entering Brazil at Santa Clara, where it takes the name Içá until it flows onto the Amazon River. (See Concept Note Annex 1. Putumayo region maps).



The Putumayo-Ica basin belongs to the Amazon watershed, and as such shares its rich biodiverse endowment. The biome is home to about 40,000 plant species, over 2,500 species of freshwater fish, 1,300 species of birds, 427 species of mammals, 400 species of amphibians and 370 species of reptiles; including many endemic and endangered plant and animal species, such as the Amazon river dolphin (*Inia geoffrensis*) and the giant pirarucu (*Arapaima gigas*). Also provides important ecosystem services ranging from climate and carbon regulator to the provision of non-timber forest goods. Most of the land (80%) is covered by forests, with most population and human activity scattered in small cities and villages. Despite its rich biodiversity and natural resources, the watershed faces three major threats: overfishing, mercury pollution from AGM, and deforestation from cattle ranching and settlements, mining and illicit crops.

Various national parks and protected areas are located along the border: the National Natural Park of La Paya in Colombia, which borders with Reserva Nacional de Fauna Cabuyero In Ecuador; the Area de Conservación Regional Ampiyacu, and Zona Reservada Yaguas in Peru, that border the National Natural Parks of Cahuinarí, PNN Río Puré, and PNN Amacayacu in Colombia, and Estacao Ecologica Juami-Japurá in Brazil.

The population of the Amazon Basin was estimated in 2007 at 33,485,981 inhabitants. Brazil is home to close to 75% of the Amazon's total population, followed by Peru with 13%. From 1990 to 2007, the Amazon's population grew at an annual average rate of 2.3%. The region is home to about 387 indigenous peoples and approximately 70 live in complete isolation. Since the 1970s, the Amazon is the scene of an important urbanization process; almost 75% of its population is urban. Although in recent years, poverty and extreme poverty have declined, especially in cities, the Amazon still has higher levels than national rates. Vulnerability and food insecurity in the Amazon are lower where natural resources that are destined for domestic use are conserved.

Indigenous organizations in the region are becoming stronger at national and sub-national levels. This has allowed for growth of local, regional, and national indigenous organizations whose leaders are making strong efforts to train their members in effective governance. These organizations have different organizational foci, but share the aims of improving the living conditions of their members and supporting territorial zoning and development.

Important gender gaps persist in the Amazon in terms of political participation and resource access. Structural gender violence has increased. The intensification of national integration processes has improved access to basic services. It also is accelerating loss of native languages (more than 86 in the Amazon) and of traditional knowledge.

D. 2. Borrower's Institutional Capacity

Institutional capacities vary by country, as there are many organizations of all sorts, and jurisdictions present in the watershed area. Therefore, to ensure an agile and coordinated implementation, the project will be executed by Wildlife Conservation Society (WCS), designated by the Ministries of Environment of Colombia, Ecuador, and Peru, and the Secretariat of Environment of the State of Amazonas in Brazil. WCS has demonstrated capacity and experience; it has presence in all 4 countries. WCS is currently implementing 12 GEF projects worldwide, and is currently implementing more than 25 projects in the Western Amazonas region. In dealing with cooperation projects with multiple government agencies, NGOs, international and multilateral organizations, WCS has built the appropriate administrative and coordination capacity (management, social, environmental and health and safety standards), to deal with fiduciary obligations. The scope of projects implemented by WCS has a very strong emphasis on conservation of biodiversity, interaction with the communities, working with indigenous communities, and dealing with pollution. WCS will involve local and regional organizations for implementing the project and will rely on existing programs and activities related to the project, providing adequate training and resources as required.



WCS will receive guidance from a Regional Steering Committee (RSC) formed by representatives from the four parties' environmental authorities mentioned above. This committee will help deal with jurisdictional and inter sectorial potential conflicts. The project will use a participatory monitoring system, where local stakeholders and government authorities will be involved to track down hazardous events, quality of water, and impact on fish.

While WCS has prior experience working with WB, this is the first project it will implement under the new Environmental and Social Framework (ESF). WCS will need to have environmental and social specialists to be able to implement the Environmental and Social Framework, according to the borrowers' frameworks as appropriate. WCS will need to have enough capacity to assess environmental and social potential risks, and to develop and implement an Environmental and Social Management Framework (ESMF), as the project's main instrument for mitigating and or avoiding potential environmental and social risks arising from the project implementation.

Once the PIU is formed, an ESF workshop will be held for the entire team, but with a special focus on environmental and social specialists. Also, there will be continuous ESF training to ensure appropriate institutional capacity and to improve the level of knowledge and capacity on the management and implementation of social and environmental standards.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The Environmental risk and impact have been determined as Moderate under the WB ESF. The project has environmental and social objectives, and the impacts are deemed to be positive, as biodiversity conservation efforts will be coupled with measures to mitigate and prevent water pollution from mercury. Despite the environmentally positive design objectives, and the fact that the adverse risks and impacts can be preliminarily mitigable, minimal, localized and reversible, the Moderate risk is due to (i) the environmentally and social sensitive areas where the project will be developed; (ii) illegal armed groups are present and are related to the deforestation and polluting activities to be controlled, such as timber extraction, and land-clearing for expanding cattle ranching activities; to (iii) the complexity and variety of organizations and institutions with presence in the area, including various national, provincial and local governments, army and police, various environmental authorities, national protected areas administrations, indigenous authorities, national and international companies, and NGOs, all of which produce different kinds of information and which relate to local dwellers with different approaches. This risk can be mitigated, through the coordination of WCS; also, to (iv) the risks attached to potential remediation of heavy metal affected areas may require a good degree of expertise to avoid collateral environmental damages, not only in the contaminated sites, but along the transportation and disposal areas. These risks are low in magnitude as compared to the high pollution risks that are present in the actual baseline, which will be much lower with the project implementation, as not only better enforcement will help avoid pollution in the first place; finally, to (v) in relation to potential value chain developments such as fisheries, these productive activities may need management plans to avoid and manage potential environmental and social risk. Also, these risks are moderate in magnitude, as there are no industrial or infrastructure scale activities to be financed by the project; rather, the activities are linked to livelihoods, and can be mitigated through an Environmental and Social Management Framework (ESMF).



Social Risk Rating

Substantial

The Social risk and impact have been determined as Substantial under the WB ESF. A full evaluation of the environmental and social impacts and benefits of the Project will be done prior to appraisal. The social impacts are expected to be, localized and reversible, since the project activities are designed to generate positive results for resource conservation. The Project will use a highly participatory approach that emphasizes consensus and community participation in the management of the basin's resources. The ESMF will give special consideration to the impacts and benefits for indigenous peoples and vulnerable social groups, particularly women. The assessment of social impacts and benefits will incorporate gender-sensitive criteria and propose specific actions to close the identified gender gaps, as well as indicators to monitor the actions designed to address or reduce these gaps. The objectives of the project are Environmental and social and the impacts are considered positive, despite the socially positive design objectives, and the fact that the risks and adverse impacts can be preliminarily mitigated, the substantial risk is due to (i) the areas where the project will be developed are socially sensitive and the context complex; (ii) illegal armed groups are present and related to deforestation and contaminating activities that will be controlled (extraction of wood and cleaning of lands to expand livestock activities); (iii) the complexity and variety of organizations and institutions with a presence in the area, (national, regional and local governments, international and local NGOs, Indigenous Peoples, social organizations, etc.), which presents a complex complexity in dialogue and interaction. The risk is Substantial, considering that the project does not finance infrastructure and the activities are related to positive impacts on people's lives, but there are public order situations in the area.

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. The project will invest in various specific activities in each of the components, and in a wide range of potential geographical locations (details at Concept Note). The E&S risks will be assessed, and mitigated at framework level for now, the potential risks are more related to the type of investments covered by Components 3 and 4 (i.e., reducing impacts from water and environmental pollution, and Sustainable managing water resources and associated ecosystem). This is, a set of guidelines and procedures will be laid out so that specific project interventions can be screened for E&S risk, and predefined response measures or instruments can be applied to avoid or mitigate potential impacts. A geographical prioritization for reducing the project scope may result through appraisal, and may help determine specific impacts, and the need for corresponding environmental and social risk mitigation measures. As indicated above, the project has E&S objectives, and if successful, all components will result in positive impacts. Planning and governance of the watershed area will be enhanced, and integrated management will help achieve synergetic effects for conservation and pollution abatement. In addition, water pollution from mercury will be abated and prevented through enforcement and monitoring, and value chain development will help deter the use of illicit or unsustainable activities to generate income. Knowledge management will help level the information access and management of all relevant planning stakeholders in the four countries. Nonetheless, there are relevant risks and impacts identified at concept stage per component that need to be mitigated:

Component 1- this component should not pose potential E&S risks, unless access to genetic resources and traditional knowledge is done outside of the relevant regulation, and respect for intellectual property of local populations. if necessary, FIPC will be held with indigenous communities; Component 2, do not pose any potential environmental risks; it basically covers mechanisms for integrated participatory planning processes, and capacity building;



Component 3 may represent moderate environmental risks associated to remediation techniques, that may cause collateral impacts on river bottom plants and fauna, when not undertaken by experts. Containment is of the essence as mercury and heavy metals may spread to areas not contaminated in the process, both physically or through the food chain. The project will link indigenous communities in activities related to this component and will keep them informed throughout the process, mitigating the social risks that may arise; Component 4 to add value to sustainable productive activities, to prevent rent seeking in unsustainable alternatives or illegal activities such as cattle ranching, illicit crops or mercury-aided ASGM (Artisanal and small-scale gold mining); it may also pose environmental risks related to unsustainable ecotourism practice, uncontrolled fisheries. When adding value to the raw products through economic activities, the generation of wastes, or the use of water and energy may also present risks, in addition to the health and safety of workers. Regarding the social impacts, they are considered positive, since the emphasis will be on legal income and the technical assistance activities will be relevant. The Borrower will be asked to prepare, consult with main stakeholders, and the framework will be prepared prior to appraisal:

1) One Environmental and Social Assessment (ESA) at project level that will cover the activities to identify potential E&S risks and impacts. The preliminary environmental assessment will be carried out, at least considering: identification of entities and organizations that manage environmental information by country, review of secondary information, use of geographic information systems (GIS). The focus will be on priority E&S objectives, the stakeholders will be clearly identified, characterized and will be contacted. However, the level of consultation, given the situation of Covid 19, will be consistent with the Technical Note issued by the WB (Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings March 20, 2020).

2) One Environmental and Social Management Framework (ESMF) at project level according the Bank's E&S Standards and the World Bank Group Environment, Health and Safety (EHS) Guidelines. The ESMF will include the following aspects, at a minimum: (i) Organizational Structure: description of the organization, profiles, roles and responsibilities of the environment, health & safety and social team; (ii) Legal Framework: highlighting applicable regulations in each country, international agreements, ESF standards relevant to the project and relevant EHS Guidelines of WB; (iii) Institutional Framework: describing the necessary institutional arrangements to implement the project in each country and between them, institutional capacity of the PIU to manage project E&S aspects; (iv) Project reporting system; (v) A generic Environmental and Social Management Plan (ESMP) with the screening potential E&S risks and impacts, general mitigation measures, including considerations for the activities project, capacity requirements, roles and responsibilities, monitoring implementation, and implementation costs. The ESMP will consider the World Bank Group Environment, Health and Safety (EHS) Guidelines (vi) A generic OHS Management Plan, according the ESS2, guidelines relevant EHS Guidelines of WB and national law. Also, regarding the current emergency of COVID, in case the declared emergency and the social distancing conditions persist, the appropriate provisions should be include in the ESMP related to construction and civil works, specifically the importance of careful scenario planning, clear procedures and protocols, management systems, effective communication and coordination, and the need for high levels of responsiveness in a changing environment and appropriates assessing the current situation of the project, putting in place mitigation measures to avoid or minimize the chance of infection, and planning what to do if either project workers become infected or the work force includes workers from proximate communities affected by COVID-19 (ESF/Safeguards Interim Note: COVID-19 Considerations In Construction/Civil Works Projects, 2020); (vii) A generic Emergency Response Plan commensurate with the risks and impacts of the project should also be considered.

3) Stakeholder Engagement Plan (SEP) will cover consultations on the ESA that will be disclosed before project appraisal.



4) Planning Framework for Indigenous Peoples will be prepared and disclosed prior appraisal. The ESMF will be shared and consulted with the main stakeholders and should be disclosed in Country and in the external webpage of the Bank before appraisal. The client will prepare and disclose one Environmental and Social Commitment Plan (ESCP) at project level before appraisal which will be reviewed by the Bank. The necessary measures that the project will need to address during preparation and implementation will be included in this plan. The ESCP will also cover all measures and actions to ensure compliance with the ESF and the project’s social and environmental instruments. The activities implementation should be coupled with appropriate funding, schedule and a viable scope. The borrower and WB will coordinate the appropriate way to perform E&S supervisions that could be affected by restrictions caused by COVID-19 emergency pandemic and the social distancing measures such as travel restrictions, home-based working arrangements, and lockdowns to limit the spread of the virus (Flexibility FY20 with supervision, oversight, and reporting requirements for ongoing Bank-financed operations affected by restrictions caused COVID-19).

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

None

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant. The early consultation and participatory process should begin as soon as possible, the dissemination of the project at different levels (national, regional and local) and with the organizations and administrations identified will be decisive. Special importance will be given to those who are affected by the activities of Component 1, although not exclusively.

Lack of participation could exacerbate pre-existing social conflicts. Furthermore, the active participation of local communities in the development and implementation of the project can be instrumental in improving the safety of workers, institutions and local communities involved in the project or located in the area of influence. To this end, early stakeholder engagement in the process is important to assess governance issues, promote awareness of the value of biodiversity and its integration into socio-economic development, and ensure better coordination and strengthening of supply chains. value to be developed. so that markets can be accessed.

In addition, the project will design a detailed Stakeholder Engagement Plan (SEP) and the Project Complaint Remedy Mechanism (GRM) will be disseminated and consulted with key stakeholders from project preparation to implementation. These instruments will have components adapted for indigenous peoples that will aim to design culturally appropriate processes that are respectful of their traditional mechanisms. Stakeholders will include, among others, local associations, representatives of departments and municipalities, indigenous and Afro-descendants, universities, NGOs, indigenous peoples, the media and national and local institutions.

The main characteristics of the GRM will include clear procedures for the management of claims and its design will be guided by principles such as: (a) availability to beneficiaries and interested parties that respect its characteristics and sociocultural needs; (b) known procedures and schedule to analyze and resolve claims; and (c) affordability for GRM users. The GRM will be supported by information and communication technologies, as appropriate. Regarding ESS2, if any part of the Project requires the contracting companies to be in charge of the land planning, the supply of agricultural materials and inputs, agricultural workers or services, etc., there will be a specific GRM for all the



contracted workers, as well as for community workers. In relation to IPs, the GRM will adapt and include measures respectful of its culture, such as the use of the indigenous language and the adoption of its own conflict resolution mechanisms, among others.

However, the SEP, GRM, ESA and other instruments, will need to be flexible in their approach to ensuring meaningful participation & consultation given the restrictions arising from Covid-19 and will agree with the Bank's Technical Note prepared for this situation "Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020."

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

This standard is relevant. Assessment of social risks will also include labor and working conditions - particularly those related with child and adolescent labor in rural productive activities, disability constraints and special needs of gender and age per each of the foreseen activities. The ESA will pay attention to risks of child and informal labor (as this practice is culturally accepted and prevalent in family oriented agriculture and livestock activities) to include preparation of the necessary mechanisms in the ESCP to prevent, monitor and remedy it, while taking into account local circumstances and cultural values, so that ESS2 is complied with. The Labor Management Plan (LMP) will include measures to avoid discrimination and grant equal opportunities, and measures related to occupational health and safety; regarding the current emergency of COVID, in case the currently declared emergency and the social distancing conditions persist the COVID considerations should be include in the LMP. A code of conduct will be established for contracted workers, to ensure respect for local communities. Inherent security risks will need to be considered and special security and supervision arrangements will be set in place for working in conflict affected areas. A GRM will be provided for all direct workers and contracted workers to raise their concerns. In preparing and updating the LMP, the project will refer to the requirements of national law, ESS2, the Guidance Note on ESS2 (GN), and also, if is applicable the COVID considerations including in the "Labor Management Procedures (LMP) Template for COVID-19 Response "of WB .

The existence of due OHS risk is considerable due to activities exposure to recovery, mitigation or remediation of mercury. Some OHS hazards may include among others: (i) contact with chemicals; (ii) biological risk to work in natural areas; and (iii) failure to use proper protective equipment. The ESMF will be develop and implement occupational, health and safety (OHS) Plan for project workers and provide relevant training during project implementation, in line with para. 24-30 of ESS 2. The OHS plan will be in line with the World Bank Group EHS Guidelines. This plan will include procedures for safety measures in relation to biological and chemical hazards in the workplace, emergency preparedness and response procedures, trainings and incident monitoring and reporting and guidelines to management third-party contractors and primary suppliers. The provisions of ESS2 (paragraphs 17 to 20 - Protecting the Work Force, and paragraphs 24 to 30 - Occupational Health and Safety) are applicable to the government civil servants that may be involved in the project implementation or oversight.

ESS3 Resource Efficiency and Pollution Prevention and Management



This standard is relevant. Regional strategy to control and monitor water pollution is one of the main results proposed to achieve the PDO, as ASGM practices utilize Hg for ore amalgamation, leaving mercury traces in the water, and spreading through the food chain. Also, through the food chain as methyl mercury, which gets deposited in the body tissues. The project will strengthen monitoring, and coordination capabilities of institutions working in the area to control unsustainable ASGM activities and will help enhance law enforcement efforts to prevent illegal mercury use in ASGM. In addition, the project will be established the pilot recovery and remediation measures after defining the type of current impacts in the watershed, which will allow the analysis of efficient types of pilot remediation to be developed, e.g. phyto-remediation or bio-remediation; the ESMF will establish the criteria to be considered in the definition of pilot activities that minimize or avoid significant environmental, and health & safety impacts; as the project will invest in pilot remediation efforts, these will need to follow strong environmental management protocols, as they may cause collateral damage if not carried out properly. River bottom plants and fauna may be affected as materials are extracted or mobilized, causing potential material transport and methylation. Extracted mercury may need adequate handling to avoid vaporization and dusting. Health and safety procedures will need to be considered.

Related to Component 4: Sustainably managing water resources and associated ecosystems, the ecotourism and value chain development may have environmental risks. In the case of tourism, there may be uncontrolled access of tourists through pristine areas with risks of affecting the ecosystems, if the tourist load is higher than the carrying capacity, or if the tourists' behavior does not abide by natural tourism norms, and fauna and flora get affected. Also, if wastes are left behind.

The Environmental and Social Assessment (ESA) and an Environmental and Social Management Framework (ESMF) will be including potential risks arising from remediation or pollution control measures to be financed by the project. In addition, the general requirements to manage environmental risks associated with ESS3 (e.g. waste/hazardous management, water quality, etc.) will be clearly articulated in the draft ESMF.

Other activities related to identifying point sources, or creating an early response system do not pose environmental risks. GHG emissions are not significant nor relevant, as there is no incremental use of fuel or release of greenhouse gases from the substitution technologies or alert responses. There are no project activities that require relevant use of fossil fuel or that generate emissions or any release for GHG to the atmosphere, then the GHG estimations will not be required in line with para. 16 of ESS3.

ESS4 Community Health and Safety

This standard is relevant. The ESA will include identification of necessary measures to improve community health and safety, through the promotion of and training to secure prevention of negative health impacts in the adjacent communities. The Project expected impacts on provisioning and regulating ecosystem services are expected to be positive, the project will not have significant emissions of air pollutants, odors or noise that may affect communities' health.

Emergency response system for potential events is relevant, as communities may be affected by water and mud flooding. In any case, the project will try to enhance current unsustainable and polluting mining practices, through knowledge management, and potentially through specific mitigation efforts. This is to say that the project will



produce environmental and social benefits, but considering the delicate mercury handling risks, all efforts must be taken to induce contention of mercury contaminated soil, as remediation pilots get implemented.

The ESMF will outlined specific management and mitigation measures for community health and safety during construction, including: (i) a Community Health and Safety Plan, (ii) Specific screening criteria to identify the types of pilot recovery and remediation measures that have significant environmental emissions that may affect the communities' health, which would be beyond the scope of the project, and (iii) an Emergency Response Plan. As defined in ESS2 inherent security risks will need to be considered and special security and supervision arrangements will be set in place for working in conflict affected areas. The ESIA will be incorporate an assessment of security-related risks and impacts in the ESIA, the Borrower should prepare a stand-alone Security Management Plan (SMP) according the WB Guidance Note "Assessing and Managing the Risks and Impacts of the Use of Security Personnel" including the workers and relation with the communities.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is relevant under. There may be existing or new land use restrictions derived from instruments supported by the project. A Process Framework will be prepared and disclosed prior appraisal and adopted for the management of restrictions on access to land, and natural resources by indigenous peoples, peasant communities and other interested parties. The risk of economic or physical displacement will be further assessed during project preparation. In case the need for any involuntary resettlement cannot be ruled out an RPF may be needed providing for a broader spectrum of mitigation measures, to guarantee that compensation is provided to families affected by eventual physical or economic displacement. If found to be needed, an RPF will be prepared before appraisal. Also, the ESMF will include provisions to ensure that value chain activities are aligned with land use restrictions in the project areas. A Grievance mechanism will be set by the Executing Agency, so that specific concerns about rights and procedure about compensation of livelihood restoration measures, are addressed, or to resolve any inquiry, dispute, or claim regarding land use restrictions arising from the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is relevant. The project will have important environmental benefits, specifically in the biodiversity conservation. The project location is especially rich in biodiversity, with the second largest variety of fish species. Other types of fauna and flora are also abundant, and there is an important number of endemic species, all of them currently in risk of being affected, as current deforestation, river erosion and water pollution due to mining may create pressure on habitats and on the nutrients supply. The project location includes many important protected areas in all 4 countries, that are especially sensitive to the pressure of illegal and unsustainable productive practices in the region; where the activities occurs within an area that is legally protected or internationally recognized the project will ensure that any activities undertaken are consistent with the area's legal protection status, considering the the applicable paragraphs 13-27 of ESS6. The Borrower will also identify and assess potential project-related adverse impacts and apply the mitigation hierarchy so as to prevent or mitigate adverse impacts from projects that could compromise the integrity, conservation objectives or biodiversity importance of such an area. Moreover, as there is presence of armed groups, which in various cases threaten park rangers and local administrations, national parks and reserves become prey of deforestation and degradation activities. Where the activities occurs within an area that is legally protected or internationally recognized the project will ensure that any activities undertaken are



consistent with the area's legal protection status. One of the project goals is to reduce such impacts, and to help preserve fish banks and the environmental conditions for migratory fish and for the surrounding fauna and flora, through coordination of governance and enforcement, as there are many institutions and jurisdictions working in the area; considering the paragraphs 31-38 of ESS6 the project's ESA will assess the sustainability of the project activities, as well if there are any potential impacts on local, nearby or ecologically linked habitats, biodiversity and communities, including Indigenous Peoples.

Where the Project would promote activities in natural habitats and modified habitats with significant biodiversity value, the ESA will assess potential Project related adverse impacts and include specific guidelines to ensure activities include provisions on design approaches and make recommendations based on ESS6 requirements (e.g. mapping of wetlands will consider the same approach on natural, critical, and modified habitats that is being applied in the ESA, in response to ESS6) and the ESMF will detail the measures to take in order to apply the mitigation hierarchy so as to manage those impacts. Also, the ESMF will consider to ensure data included in the biodiversity or environmental quality knowledge platforms will be made publicly available through online/open sources in each country (e.g. IBAT; GBIF).

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

This standard is relevant, as there are indigenous reserve areas in the project's area of influence. Activities related to the potential changes in land use planning, may prevent access to natural resources and ignore customary rights and cultural practices of indigenous peoples settled there. New potential restrictions in land use or the use of natural resources will be consulted under an FPIC in accordance with ESS7, will be set out in the IPPF and will consider the laws of the relevant country in each situation (Brazil, Ecuador, and Peru, in addition to Colombia). Special attention will be given to the incorporation of sites of cultural importance (v.gr places of origin, sacred sites, collection areas, food exchange and storage; among others) in the instruments of territorial planning. To make the standard effective, a Planning Framework for Indigenous Peoples will be prepared and disclosed prior appraisal, so that differentiated management measures will be proposed for each project activity involving IP participation. To this end, culturally appropriate information, consultation and consent strategies will be designed and implemented.

ESS8 Cultural Heritage

This standard is relevant. No direct, indirect or cumulative impact on cultural heritage under the project has been identified so far, since the projected activities are not expected to include material impacts tangible cultural heritage. Nevertheless, it's possible that commercial use of handicrafts and other resources that could be considered part of the traditional use and knowledge of affected stakeholders, so related consultations that particular aspect or others related, will be developed as part of the stakeholders engagement plan, to identify and assess potential risks and impacts, such as the unfair or unequal distribution of the benefits from these activities. The ESA will identify and evaluate the impacts that may occur in terms of natural, physical and intangible heritage.

ESS9 Financial Intermediaries

This standard is not relevant. This project will not involve any FIs.



C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

Yes

Notification requirements are taken care of because this is a regional project that involves all relevant riparian countries. No need to include any screening criteria.

OP 7.60 Projects in Disputed Areas

No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?

No

Financing Partners

Not applicable.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Preparation and consultation of one Project's Environmental and Social Assessment (ESA) at project level

Draft Stakeholder Engagement Plan (SEP)

Draft of one Environmental and Social Management Framework (ESMF) at project level

Draft of one Labor Management Plan (LMP)

Draft Process Framework (PF)

Draft Indigenous Peoples Planning Framework (IPPF)

Draft Security Management Plan (SMP)

Draft and the Environmental and Social Commitment Plan (ESCP) at project level

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

The Environmental and Social Commitment Plan (ESCP) would include the commitments:

- to finish the Environmental and Social Management Framework (ESMF) based on the ESA, considering the WB’s Environmental, Health and Safety General and Sector-Specific Guidelines; requirements for institutional capacity building & training with schedule and milestones, and including specific ESMPs for value chain development activities and for potential remediation works. The ESMF will include screening provisions to assess environmental and social risks of specific interventions, and apply the appropriate management measures and required/stipulated exclusions for risk management according the ESS;
- to finish the Stakeholder Engagement Plan (SEP) incorporating IP specific communication strategies and the FPIC guidelines, the Draft Process Framework (PF) and the Indigenous Peoples Planning Framework (IPPF);
- to finish Labor Management Plan (LMP);
- to finish Security Management Plan (SMP);
- to develop the Grievance Redress Mechanism (GRM); Risk Hazard Assessment (RHA); Emergency Response Plan (ERP) and OHS Management Plan.
- in case physical or economic displacement cannot be ruled or screened out, implementation of an RPF and the respective RAPs.

Public Disclosure



C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

15-Sep-2020

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

- Borrower: Ministry of Environment
- Borrower: Ministry of Environment and Sustainable Development
- Borrower: Secretaria de Estado de Meio Ambiente
- Borrower: Ministry of Environment

Implementing Agency(ies)

Implementing Agency: Wildlife Conservation Society

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

- Task Team Leader(s): Berengere P. C. Prince
- Practice Manager (ENR/Social) Maria Gonzalez de Asis Recommended on 01-May-2020 at 17:08:24 EDT
- Safeguards Advisor ESSA Maria Da Cunha (SAESSA) Cleared on 01-May-2020 at 18:58:25 EDT

Public Disclosure