Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 07/15/2019 | Report No: ESRSA00217
### 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>Colombia</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P169919</td>
<td></td>
</tr>
</tbody>
</table>

| Project Name                                                                 | Colombia: Subnational Strengthening and Mainstreaming of Transparency in the Extractive Sector |

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; Extractives</td>
<td>Financing</td>
<td></td>
<td>7/22/2019</td>
</tr>
<tr>
<td></td>
<td>Investment Project</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Financing</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Mines and Energy</td>
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</tr>
</tbody>
</table>

#### Proposed Development Objective(s)

The project development objective is to support enhanced transparency and accountability in Colombia's extractives sector governance, by deepening the implementation of EITI into regions/municipalities.

#### Financing (in USD Million)

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>Amount</th>
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<tbody>
<tr>
<td></td>
<td>0.40</td>
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</tbody>
</table>

#### 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 will support enhanced transparency and accountability in Colombia's extractives sector governance, by deepening the implementation of EITI into four selected regions/municipalities to be identified through a prioritization study. Support will be provided for stakeholder training and capacity building, and for publication of sub-national EITI reports in the said regions/municipalities. The project will then facilitate the mainstreaming of EITI into public institutions by widely disseminating the outputs and lessons learnt, and using them to inform a formative dialogue with public institutions on mainstreaming a culture of transparency and accountability in their functioning.
D. Environmental and Social Overview

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

Country Colombia/National Level: The project supports capacity building, transparent data reporting, public consultations and awareness raising on extractives sector governance at national level (Colombia, South America). It does not have any particular physical location, and does not involve creation of any physical infrastructure. The project implementation is deepened into four pilot municipalities, which will identify through diagnostic studies.

D. 2. Borrower’s Institutional Capacity

The implementing agency, Ministry of Mines and Energy (Ministerio de Minas y Energía), had developed the previous project "Colombia: Extractive Industries Transparency Initiative Implementation (P106013)" and achieved the required project indicators in a satisfactory manner. However, as the current project will require developing "Component 2. Stakeholder training, and capacity building, including environmental aspects". At the moment, EITI Colombia, leading by the Minminas, have included in the "Extractive industry Value Chain training program" Module 1: about the environmental process, including access to non-renewable natural resources; Contracts, licenses and generalities of the environmental license, permits, authorizations or concessions of renewable natural resources follow-up to the extractive activity.

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The environmental risk is rated Low at the Concept stage, as this is an initiative which does not involve: any physical location, any on-the-ground physical infrastructure creation, any affectation to natural habitats or biodiversity, any direct generation of GHG or pollution. Potential risks are minimal.

Social Risk Rating

The social risk rating is moderate. This is an operation that has no impact on livelihoods, nor does it have limitations on access to land or requires the acquisition of land. However, it has a component of training and interaction with interested parties, which may present moderate risks of complaints or claims.

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:

The Project involves capacity building and training activities to stakeholders including municipal governments, and civil society. The Project, with no adverse risks and impacts and issues, does not require further ES assessment following the initial screening.

The work plans or other documents defining the scope and outputs of the capacity building and training activities to stakeholders including municipal governments, and civil society will be drafted so that the advice and other support
provided is consistent with the applicable requirements of the ESSs 1–10. The project capacity-building program (in particular with the specific support of the multi-stakeholder groups in four municipalities) will consider the inclusion of environmental and social dimensions consistent with the provisions of the standards and local law.

ESS10 Stakeholder Engagement and Information Disclosure

Currently, the Secretaría Técnica Nacional- EITI Colombia has elaborated for the project the SEP "PLAN DE PARTICIPACION DE LAS PARTES INTERESADAS (PPPI)" (document attached this ESRS); this SEP will be completed during the first six months of project implementation, considering that the prioritization study identifying four selected regions / municipalities for implementing EITI locally, will be prepared in the first six months of the execution and therefore, only until then will it be possible to prepare SEP in detail, according to the identification of stakeholders and the presence or not of Indigenous Peoples, Afrodescendants, farmers, or other communities.

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 not relevant. The project team, all professionals involved in the project (e.g. administrative assistant, professional coordinator, etc) will be comprised of government civil servants, as is managed by public institutions in Colombia. They will remain subject to the terms and conditions of the civil service, then the ESS 2 is not relevant as long as there is no effective legal transfer of their employment or engagement to the Project.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is not relevant. No direct, indirect or cumulative impact on resource efficiency has been identified, since the project does not involve any physical intervention. However, the activities project focused on environmental and social capacity building should be informed by this standard as may be relevant in developing the workshops and training.

ESS4 Community Health and Safety

This standard is not relevant. No direct or indirect impact on community health and safety, since the project does not involve any physical intervention. However, the activities projects focused on environmental and social capacity building should be informed by the standard as may be relevant in developing the workshops and training.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The standard is not relevant given there are no physical investments. None of the activities of the project causes restrictions on the use or access to land, nor is the purchase of land or other assets contemplated. TA activities should be informed by this standard as may be relevant in developing workshops and training.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
This standard is not relevant. No direct, indirect or cumulative impact on biodiversity, since the project does not involve any physical intervention. However, the activities project focused on environmental and social capacity building should be considered this standard as may be relevant in developing the workshops and training.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
The standard may be relevant if there is presence of Indigenous Peoples in the area of project activities. The proposed prioritization study will consider if these groups are present. This study will be prepared during the first six months of project implementation. The result will identify the presence of IP and the need to prepare the appropriate instruments.

ESS8 Cultural Heritage
This standard is not 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 or commercial use of tangible or intangible cultural heritage; however, the activities project focused on environmental and social capacity building should be informed by this standard as may be relevant in developing the workshops and training.

ESS9 Financial Intermediaries
This standard is not relevant as the project does not involve financial intermediaries.

C. Legal Operational Policies that Apply

| OP 7.50 Projects on International Waterways | No |
| OP 7.60 Projects in Disputed Areas | No |

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

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td>09/2019</td>
</tr>
<tr>
<td>The work plans or other documents defining the scope and outputs of the capacity building and training activities to stakeholders including municipal governments, and civil society will consider the inclusion of environmental and social national legislation.</td>
<td></td>
</tr>
<tr>
<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
<td></td>
</tr>
</tbody>
</table>
Stakeholder Engagement Plan, (will be complemented within the first six months of project implementation).

ESS 2 Labor and Working Conditions

ESS 3 Resource Efficiency and Pollution Prevention and Management

ESS 4 Community Health and Safety

ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS 8 Cultural Heritage

ESS 9 Financial Intermediaries

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:
NA

IV. CONTACT POINTS

World Bank
Contact: Javier Aguilar  
Title: Sr Mining Spec.
Telephone No: 473-0020  
Email: jaguilar@worldbank.org

Borrower/Client/Recipient
Borrower: Ministry of Mines and Energy

Implementing Agency(ies)
Implementing Agency: Ministry of Mines and Energy

V. FOR MORE INFORMATION CONTACT
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL
Task Team Leader(s): Javier Aguilar
Practice Manager (ENR/Social) Valerie Hickey Cleared on 15-Jul-2019 at 22:17:14 EDT