



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 27-Oct-2018 | Report No: PIDISDSC25516

**BASIC INFORMATION****A. Basic Project Data**

Country Costa Rica	Project ID P168475	Parent Project ID (if any)	Project Name Costa Rica Sustainable Fisheries Development Project (P168475)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Jan 21, 2019	Estimated Board Date Mar 29, 2019	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) Republic of Costa Rica	Implementing Agency Instituto Costarricense de Pesca y Acuicultura (INCOPESCA)	

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve management of targeted fisheries and enhance economic opportunities from those fisheries for coastal communities in Costa Rica.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	90.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	90.00
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Non-World Bank Group Financing

Counterpart Funding	10.00
Borrower	10.00



Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Considered as one of the most politically stable, progressive, and prosperous nations in Latin America and the Caribbean (LAC), Costa Rica is a development success story in many respects. An upper middle-income country, it is under consideration for membership to the Organization for Economic Co-operation and Development (OECD). GDP per capita, currently at US\$13,876 in Purchasing Power Parity terms, has tripled since 1960 and its growth averaged 4.5 percent between 2000 and 2013, compared to the regional average of 3.8 percent for the same period. Growth decelerated to 4.3 and 3.9 percent in 2016 and 2017, respectively, with a slight drop to 3.6 percent expected for 2018.
2. The combination of political stability, a strong social compact, and steady growth, has resulted in one of the lowest poverty rates in LAC. Using the poverty and extreme poverty lines of US\$4 per day and US\$2.5 per day respectively, just 12 percent of the Costa Rican population is considered poor (less than half the LAC average), and 4.7 percent extremely poor (about one third of the LAC average). Moreover, only 1.4 percent of the population lives under the US\$1.25 poverty line. The country's success over the past decades is also reflected in its strong human development indicators, which continue to rank higher than those of other countries in the region, and the size of the middle class, which has been the largest group in society since 2010.
3. Costa Rica is also a global leader for its environmental policies and accomplishments, which have helped the country to build its Green Trademark. The pioneering Payments for Environmental Services program has been successful in promoting forest and biodiversity conservation and Costa Rica is the only tropical country in the world that has reversed deforestation. It has also been active in seeking to mitigate climate change through a number of innovative initiatives, such as the establishment of a domestic carbon market.
4. Despite these impressive achievements, the country is showing symptoms of deeper structural problems that could threaten the sustainability of Costa Rica's development model. Two pressing development challenges stand out: the deteriorating fiscal situation and stubborn inequality. First, fiscal pressures threaten to undermine the sustainability of the country's Social Compact and Green Trademark and prevent it from undertaking much needed investments in public infrastructure. Second, despite reasonable growth and a strong commitment to the Social Compact, poverty reduction has stagnated, and inequality is rising. These challenges cut across the fabric of Costa Rica's development model and affect the basic pillars of development: inclusion, growth, and sustainability. The government has strived to



address these problems and is committed to an inclusive society that guarantees the welfare of its people, supported by transparent and accountable public institutions.

Sectoral and Institutional Context

5. With a maritime jurisdiction over ten times its land area¹, Costa Rica is endowed with substantial marine and coastal resources that hold great potential for contributing to the country's economic growth and shared prosperity. However, the fisheries sector currently accounts only for a small -and declining- share of Costa Rica's economy. Fisheries and aquaculture (mostly freshwater) generated US\$145.4 million in 2015, down 14% from 2011, accounting for about 0.28% of GDP. Trade in fisheries products generated US\$139 million of exports and US\$150 million of imports in 2015, accounting for just under 1% of the country's total exports and 1.6% to total imports.

6. The sector is estimated to have employed 8,397 people in 2015, including indirect jobs in processing and other sector-related activities, representing 0.37% of the total labor force that year and a decrease by about 50% compared to 2013. At least 1,000 of these jobs were likely to be held by women in processing and sales. There are about 1,000 small-scale fishing permit holders although unofficial estimates indicate that the number of small-scale commercial fishers are closer to 5,000, with the difference being made up by unlicensed individuals.

7. Despite their relatively small contribution to the economy, fisheries are critically important to those coastal communities who have exploited them for decades. In coastal communities along both coasts, fishing dependent families have limited alternative income-generating opportunities especially in more remote areas and due to the skills gap between fishers and the requirements of other sectors such as tourism. The number of people active in artisanal fisheries in 2007 were estimated to be over 16,000, of which about 15,000 on the Pacific coast. Evidence suggests that the cantons where fishing takes place are among the poorest in Costa Rica, with relatively limited access to infrastructure and credit opportunities. Puntarenas, which has traditionally been the country's leading province for fishing activities, has experienced economic decline in recent years and currently has the highest unemployment rate. Furthermore, a weak investment and business climate, coupled with limited or underperforming infrastructure and services, significantly constrain industrial and artisanal private sector development.

8. The main driver of economic decline is likely the overexploitation of coastal fisheries, which is reflected in a decline in the capture fisheries volume by 45% between 2000 and 2015. The decline in catches has affected the income of fishermen, notably artisanal fishers, as they now find themselves capturing specimens of smaller size, in lower quantities, and of lower final market value. Recent studies indicate that 8 of the 10 targeted fish species in the Gulf of Nicoya are facing high rates of overexploitation and that maximum sustainable yield was reached between 1964 and 1999, suggesting that overfishing has been a decades-long trend. Analysis undertaken by the Government confirms that the species in question are over-exploited and in need of urgent management measures. While data on the status of nearshore fishery resources in other parts of the country are scarce, it is likely that a similar situation exists across both coasts. Except for sharks and similar slow-reproducing species, offshore pelagic species such as tuna, dorado/mahi-mahi and billfish are relatively more resilient to fishing pressure and their stocks tend to rebound more quickly than many nearshore species with effective management.

¹ Costa Rica's Exclusive Economic Zone (EEZ) stretches over 574,725 km², compared to a land area of 51,100 km².



9. The industrial fleet is responsible for the large majority of capture fish. Key species in terms of total value include tuna (which is mainly captured by foreign vessels buying licenses to operate in Costa Rican waters), sharks, rays and skates, swordfish, sailfish and marlins, common dolphinfish, as well as snappers. Pacific tuna represents the most valuable fishery resource in the country with an estimated landed value of US\$50 to US\$70 million per year. Currently, Costa Rica licenses foreign purse seiners to fish in their waters generating approximately \$200,000 per year in public revenue. It's fishing capacity concessions in international waters generate an additional US\$1.4 million dollars per year. This revenue contributes significantly to government sector support, which as a percentage of the value of landings is relatively small in comparison to OECD countries (7% vs. 20%). Other pelagic species in the Pacific are targeted and caught incidentally by a large pelagic longline fishery as well as a recreational fishing sector. The recreational sector is quite developed and estimated to contribute US\$100 million per year to the economy. In contrast, Costa Rica's Caribbean maritime zone is much less productive accounting for only 1% of total catches and dominated by a seasonal small-scale lobster fishery, subsistence fishing and a small but unregulated longline fleet.

10. The 2012 Presidential Commission on Marine Governance identified ecosystem degradation, overexploitation and the use of ocean space for illicit activities as the defining ocean trend. It also identified seven governance conditions that need to be addressed to reverse it: i) the lack of clear policies and interinstitutional coordination to administer ocean spaces and resources; ii) overlapping competencies among agencies with responsibility for managing marine resources; iii) gaps in key areas of marine resource management; iv) the lack of financial strategies for ensuring sustainability in the management of marine areas; v) increasing conflict among sectors interested in expanding their use of the ocean; vi) the limited presence of the State in maritime jurisdictions; and, vii) the lack of marine spatial planning. All of these challenges affect the Costa Rican Government's ability to grow a sustainable and inclusive fisheries sector to provide increased income and job opportunities for underserved coastal communities and the country as a whole. Under the current management regime though, there is a real chance that current GDP contribution from this sector will continue to decline, putting income and jobs from the sector at risk.

11. The Costa Rican Institute for Fisheries and Aquaculture (INCOPECA) is the agency responsible for managing Costa Rica's fisheries and aquaculture sector. There has been an ambitious National Fisheries Development Plan, approved in 2013 through Ministerial Decree (Nº 37587-MAG), but there has been no structured implementation nor monitoring. Historically, INCOPECA has applied rudimentary measures to control fishing effort including gear restrictions, minimum size limits and seasonal closures. There are no output limitations such as total allowable catches and the institute has limited capacity to carry out data collection and stock assessments. The Ministry of Environment, and Energy (MINAE), is also responsible for the protection of aquatic resources. While it has no direct oversight of fisheries, it has played an active role in promoting the conservation of marine species including sharks, rays, and marine turtles through various international conventions. As part of its National Action Plan to Implement the Convention on Biodiversity, MINAE plans on establish 11 MPAs by 2020 including national parks, wildlife refuges and marine management areas.

12. Improved management of Costa Rica's fisheries is critical to ensure their sustainable contribution to the country's economy and generate employment opportunities for coastal communities. However, this potential will not be realized if current trends in overexploitation, underinvestment, and subsequent decreasing profitability in fisheries continue. Realizing their currently untapped potential, the Government of Costa Rica has prioritized reforming the fisheries sector and improving fishing-dependent livelihoods by introducing a number of initiatives to improve fisheries management, including as part of its accession process to the OECD. At the same time, the fisheries sector is facing multiple challenges concerning sector governance and management, institutional capacity, enabling business environment, technology



development, investment attraction and others that require close attention and provide entry points for Bank support to reverse the current situation and to bring part of the fisheries value within the country economy, contributing far more than they currently do to Costa Rica's economic growth and poverty reduction.

Relationship to CPF

13. The proposed project is aligned with the FY16-20 World Bank Group Country Partnership Framework for Costa Rica discussed by the Executive Directors on May 26, 2015 (Report No. 94686-CR), which seeks to support the country's objectives of reducing constraints to productive inclusion and bolstering fiscal, social and environmental sustainability. It recognizes the potential for fisheries to further contribute to inclusive economic growth, job creation, and poverty alleviation in Costa Rica, particularly in key coastal areas which are among the poorest and most vulnerable in the country. Promoting sustainable exploitation of fisheries, linking small-scale operators to extended value chains and better harnessing fisheries to national economies will ensure that the sector's economic potential and socio-economic benefits are better captured by Costa Rica, and their distributive feature is optimized. This will contribute to boosting shared prosperity in the country, therefore contributing to the World Bank Group's corporate goals of ending extreme poverty and promoting shared prosperity in a sustainable fashion.

14. The proposed project is also designed to support the Government's National Development Plan for the Fisheries and Aquaculture sector for the 2012-2022 period, which focuses on three management and conservation objectives, namely: i) oceanic fisheries; ii) coastal fisheries; and iii) continental and marine aquaculture; identifying the following areas of work: 1) research; 2) institutional strengthening; 3) zoning; 4) international management; 5) market development and consolidation; 6) fisheries and aquaculture infrastructure; 7) fisheries training; 9) organizational strengthening.

C. Proposed Development Objective(s)

15. The Project Development Objective (PDO) is to improve management of targeted fisheries and enhance economic opportunities from those fisheries for coastal communities in Costa Rica. The project will do so by focusing on governance reforms and strengthening institutional capacity as the driver of improved fisheries management, complemented by investments in infrastructure and value added, to ensure a sustainable supply of fish and its contribution to local economies. While many of these activities will be sector-wide in scope in order to achieve the project's objective, the capture fisheries targeted will include those with the highest potential for economic gains and job creation, as well as near-shore fisheries crucial for the livelihoods of coastal communities.

Key Results (From PCN)

16. The following key results will be used to monitor the success of the proposed Project:
- i. Fisheries management plans implemented (number);
 - ii. Absolute abundance of targeted fish species in responsible fishing areas (t);
 - iii. Share of coastal communities receiving benefits from the project for co-managing targeted fisheries (%);
 - iv. Jobs in pelagic fisheries value chains (number);
 - v. Public revenue from licensing and auctioning in targeted fisheries (USD).

D. Concept Description



17. The project will lay the foundations for sustained and equitable fisheries-based growth by strengthening the government's capacity to manage and govern the fisheries sector, improving infrastructure and providing an enabling environment for value added by the private sector, ultimately increasing the contribution of the country's vast marine resources to national and local economies. It will enable INCOPECSA to promote the sustainable expansion of the domestic tuna sector and the recovery of nearshore fisheries to create more secure employment along the coast.

18. The project will also allow INCOPECSA to coordinate more closely with other government agencies and local authorities to stimulate growth in the fisheries sector by building entrepreneurial capacity, identifying and addressing key infrastructure needs to facilitate landing, preservation of product quality, value-added and transport of fish and by identifying and creating higher value markets both domestically and abroad. These agencies will include the National Coast Guard Service, National Learning Institute, the National Cooperative Development Institute, the Ministry of Public Works, the Animal Health Service of the Ministry of Agriculture and Livestock, the Ministry of Environment and Energy, the Ministry of Foreign Trade and the National Export Promotions Agency. The project includes the following four components:

Component 1: Strengthening the governance and management of fisheries (tentative amount: US\$17.3 million)

19. The component will primarily support policy reforms, strengthening institutional capacities and legal frameworks, and other actions by the public sector necessary to improve the management of priority off-shore and coastal fisheries. This may include institutional reforms and strengthening of inter-ministerial cooperation on issues such as food safety, enforcement of fishing regulations, registering vessels authorized to fish, exporting seafood and overseeing port operations, scientific research, and monitoring, control and surveillance. Key activities under this component include:

- i. Reviewing and updating fisheries policies, plans and legal frameworks to ensure a solid foundation for effective resource decision-making;
- ii. Investing in technology, coast guard patrols, and training to strengthen monitoring control and surveillance (MCS);
- iii. Building INCOPECSA's capacity to develop and implement fisheries science for decision-making;
- iv. Building the capacity to establish and operate an integrated fisheries information system, including a registry of all fishermen, scientific information on stock status, fishing activity and seafood trade;
- v. Strengthen INCOPECSA's ability to engage with fishing communities in co-management schemes and coordinate more closely with other key government agencies.

Component 2: Developing the Blue Economy (tentative amount: US\$57.7 million)

20. This component will focus on creating an enabling environment for sustainable growth in the fisheries sector by supporting public investments in critical infrastructure and related services to improve the business climate for viable private sector investments. Infrastructure efforts will focus on improving fish landing facilities for the full range of vessels offloading fish along both coasts. The project will support INCOPECSA in analyzing options for expanding tuna landing capacity along the Pacific coast, along with identifying the best structure to design, build and operate these sites. A similar analysis will be done to explore how these types of infrastructure investments could support greater profits for small-scale fishers while incentivizing licensing and compliance with recovery plans. Near-shore fishery infrastructure projects deemed necessary by both INCOPECSA and local fishing communities will be financed. Concessions to operate these sites will be offered to well organized small-scale fishing organizations or cooperatives. Key activities under this component include:



- i. Identifying and addressing key infrastructure needs;
- ii. Enabling fisher organizations to participate further up the value chain;
- iii. Establishing a national traceability system;
- iv. Developing and implementing a seafood export and domestic consumption strategy.

Component 3: Ensuring social and environmental sustainability (tentative amount: US\$20 million)

21. This component will focus on supporting the government's efforts to transition towards an effective fisheries management regime while guarantying long-term sustainability. Managing and rebuilding overexploited fishery resources (blue natural capital) will likely require a further reduction in catches in the short-run to allow for expanded higher value landings in the mid and long-term and ensure the continuity of fishing activities by coastal communities in a sustainable way. The project will support INCOPESCA in engaging with stakeholders in the planning and implementation of stock rebuilding plans though co-management of designated fishing areas, called Marine Areas of Responsible Fishing (MARFs). This will also include analyzing existing social support programs for the fisheries sector, modify those as necessary to support stock recovery, identifying any additional support that may be necessary and consider establishing additional supports that reinforce compliance with the agreed plans. Various innovative financial mechanisms will also be explored to compensate fishers and seafood workers for lost income resulting from the project, including piloting of payments for blue ecosystem services (PBES) such as stock recovery, no-take zones, enhancing essential fish habitats (mangrove expansion), in addition to seeking alternative livelihoods opportunities and providing training programs to build skills for engagement in other sectors. The project will also include activities to address the environmental sustainability of the sector, including habitat restoration and marine pollution. Key activities under this component include:

- i. Supporting co-management of MARFs including training of fishers in fishery science.
- ii. Compensation mechanisms designed to support sustainable fishing including training for alternative livelihoods;
- iii. Piloting of Blue Payments for Ecosystem Services in MARFs including measurable increase in stock biomass, adoption of no-take zones and enhancement of critical habitats such as mangroves;
- iv. Actions to ensure environmental sustainability of the sector.

Component 4: Project Management, Monitoring and Evaluation (tentative amount: US\$5 million)

22. This component will provide equipment, technical assistance, training, and incremental operating costs to INCOPESCA to strengthen its capacity to manage, implement, and monitor project activities. Specifically, support will include staffing and operation of a Project Management Unit (PMU); establishment of adequate financial and procurement management systems; implementation of an overall communication plan and grievance redress mechanism; monitoring and evaluation (M&E); preparation and implementation of specific environmental and social safeguard instruments as per the Environmental and Social Management Framework; coordination with other ministries such as the Ministry of Environment and Energy and the private sector; evaluation studies; and sharing of knowledge and experience gained through the project related to fisheries management at the regional level.

SAFEGUARDS



A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

With 51,100km² of terrestrial area and 589,000km² of national waters within its Exclusive Economic Zone (EEZ), Costa Rica is considered one of the countries with the greatest biodiversity in the world, harboring approximately 3.5% of the world marine species. This expansive area is comprised of high seas and coastal ecosystems, including coral reefs, mangroves, a tropical fiord, an oceanic trench up to 4,000 meters deep, a seasonal upwelling area, an oceanic thermal dome, a submarine mountain range (Cocos Ridge), multiple coastal islands, and one oceanic island (Cocos island). Costa Rica has 166 protected areas covering 50% of the coastline; of these 20 are Marine Protected Areas, classified as National Parks (90.6%), National Wildlife Refuges (6.6%), Wetlands (1.5%), Biological Reserves (1%), and one Absolute Natural Reserve (0.3%). According to IUCN criteria, 93.7% correspond to category II, 5% to IV and 1.3% to I. The marine protected surface is 5 296.5km², corresponding to 17.5% of the territorial waters and 0.9% of the Exclusive Economic Zone.

The project will be national in scope focusing on the marine areas (ocean and coastal) of Costa Rica, mainly around the Provinces of Puntarenas in the Pacific and Limon in the Atlantic coasts. According to the UN Population Division, the country’s estimated population in 2018 is about 4.9 million people. The fishing activity benefits local communities conducting small-scale artisanal coastal fishery, both in the Pacific coast –particularly in the Gulf of Nicoya– and in the Caribbean coast. A census in 2011 indicated that about 2.9% of the population were indigenous, and that approximately 0.7% are afro-descendants. Although specific locations for project interventions are still to be determined, it is highly likely that indigenous peoples (IP) and afro-descendant communities may be present in the area of influence of the project.

B. Borrower’s Institutional Capacity for Safeguard Policies

The main agency involved in project implementation (INCOPECSA) lacks experience and capacity in implementing safeguards policies in general, and World Bank procedures in particular. Capacity would be further assessed and developed during project preparation by hiring and training dedicated social and environmental specialists, developing procedures and frameworks for monitoring environmental and social sustainability, and capitalizing on other Governmental institutions’ experience on the subject to enhance effective implementation and monitoring of the safeguards instruments.

C. Environmental and Social Safeguards Specialists on the Team

Andrew Francis Drumm, Environmental Specialist
Rodolfo Tello Abanto, Social Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The aim of the project is to support the sustainable management of key fisheries resources in Costa Rica. The overall impact of the project is expected to be positive and none of the foreseen activities are expected to generate significant risk or irreversible adverse impacts in the coastal or oceans fisheries targeted by the project, or produce significant social



impacts. As such, based on the available information this project has been classified as Category B.

The fisheries sector reforms included in Component 1 are expected to create restrictions on fishing activities, as well as to involve the risks of intensifying social tensions among stakeholders with competing interests on fishing resources. Specific investments envisaged under Component 2 of the project that may generate minor to moderate adverse impacts during implementation include small-scale infrastructure works, such as the rehabilitation or expansion of fisheries infrastructure (landing sites, warehouses, markets, office buildings, mobile communication towers, etc.). Typical impacts of these works may include land acquisition, waste management, construction noise, community and occupational health and safety, potential impacts related to labor influx. These impacts are anticipated to be of small scale, site specific, time bound, and could be readily mitigated through the environmental and social management plans and their mitigation measures to be prepared as part of this project. The sustainability measures included in Component 3 are expected to both mitigate these impacts and risks, as well as to promote the sustainability of the fisheries sector as a whole.

To manage the impacts and risks of the project, the Borrower will prepare prior to appraisal a Social Assessment (SA) with a strategic focus on the fisheries sector, with particular emphasis on the livelihoods of the fishing communities, and the identification of vulnerable and disadvantaged populations, with a gender, ethnic, and generationally sensitive approach. The SA will include the identification and analysis of particular issues and risks concerning IPs and Afro-descendants.

Since the locations and impacts of the envisaged civil works cannot be clearly defined during project preparation, the Borrower will prepare an Environmental and Social Management Framework (ESMF), in consultation with stakeholders, to identify, manage and mitigate potential adverse impacts during implementation and guide the preparation of specific



ESIAs, SAs, and ESMPs for each of the investments to be defined during project execution. The ESMF will guide the inclusion of elements like a Grievance Redress Mechanism, gender considerations, labor influx, community participation in the monitoring process, measures to prevent forced and child labor, and the guidelines for the preparation of a socioculturally appropriate Livelihoods Restoration Plan (LRP) for the fishing communities to be potentially affected by the project, once these populations are identified. The ESMF will also include a screening framework to assess the environmental and social impacts of subprojects, and will exclude from project funding subprojects likely to cause irreversible or significant environmental or social impacts (Category A). The ESMF will provide a table of mitigation activities, implementation arrangements, capacity building plan, M&E framework, and budget as well. The project will also promote the participation of the local fishing communities and other relevant stakeholders, preparing and implementing a Stakeholder Engagement Plan (SEP) that will be an Annex of the ESMF to guide the stakeholder engagement process throughout preparation and implementation. The ESMF will be disclosed and consulted prior to appraisal. The disclosure arrangements for the safeguards instruments will include physical copies of the instruments in a location easily accessible to potentially affected people.

Performance Standards for Private Sector Activities OP/BP 4.03

No

The project will not finance private sector activities.

Natural Habitats OP/BP 4.04

Yes

Project activities will not involve significant loss or degradation of natural habitats. In fact, the marine areas (coastal and ocean) of Costa Rica are known sites rich in biodiversity, and project activities are designed to enhance positive and sustainable returns to these important habitats. Nonetheless, potential civil works could have minor small-scale impacts on Natural Habitats. Any investment funded under the project will be screened for its potential to cause negative impacts to natural habitats under the ESMF procedures, including critical natural habitats and including coastal and Marine Protected Areas (MPAs). Any activity likely to cause irreversible or significant damages to habitats will be excluded from project funding.



Forests OP/BP 4.36	No	Project activities will not be located or take place in forests. The ESMF will include a screening form to ensure that any potential negative impacts on mangrove forests derived from small-scale civil works are addressed, and any positive impacts are enhanced.
Pest Management OP 4.09	No	The project is not envisaged to purchase, distribute, apply or dispose of any pesticides, including bactericides. Aquaculture investments are not included in the project scope.
Physical Cultural Resources OP/BP 4.11	No	Project activities are largely going to take place in off-shore and near-shore waters or in coastal areas, and do not involve any major civil works. No major movement of earth or excavation is anticipated, not is it expected that natural features and landscapes with some level of cultural significance might be adversely impacted by the project. As such, it is unlikely that known physical cultural resources will be impacted. Nevertheless, as a precautionary measure a chance finds procedure will be included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	Given the presence of Indigenous Peoples in Costa Rica and their connection with artisanal fishing, particularly in the Puntarenas area, an Indigenous Peoples and Afro-descendants Planning Framework (IPAPF) will be prepared and included as part of the ESMF. Subproject-level activities will be screened to identify the presence of Indigenous Peoples in the area of influence of the project activities. If indigenous peoples are identified, the Borrower will prepare specific Indigenous Peoples Plans (IPP), or Indigenous Peoples and Afro-descendant Plans (IPAP) if afro-descendant communities are identified, following the guidance from the IPAPF, through an open, fair and culturally appropriate manner following a free, prior and informed consultation process that leads to broad community support to the subproject. The IPPs will assess the potential impacts to Indigenous Peoples and define the necessary mitigation measures, as well as provide information on practical ways in which the Indigenous Peoples can benefit from the project activities. The IPAPs will include culturally appropriate measures to mitigate the adverse impacts on the livelihoods of indigenous and afro-descendant communities, as a result of potential restrictions to their fishing activities, in addition to the ones contemplated in the LRP to be prepared under OP 4.01. Gender considerations will also be addressed so



that women as well as men among the Indigenous Peoples are able to benefit from the project. The IPAPF and IPAPs will also identify culturally-specific mechanisms that can be adopted to address any grievances that may arise through project implementation, as part or as a complement of the project's Grievance Redress Mechanism. The IPAPF will be disclosed and consulted with Indigenous Peoples Organizations at the national and regional levels prior to appraisal.

Involuntary Resettlement OP/BP 4.12

Yes

Project activities are not expected to involve any land acquisition leading to involuntary resettlement. Most small-scale civil works envisaged under Component 2 are expected to take place on already existing sites, but at this stage information on whether these sites are currently occupied or not, even if such occupation is informal, is unknown. The ESMF will contain provisions for screening all investments financed by the project once the specific location of these works is defined to identify any activity that might involve involuntary resettlement, in which the project will explore alternatives to avoid or minimize the need for physical displacement, as defined in the RPF. For the highly unlikely cases in which a resettlement may be deemed necessary to achieve the project objectives, a Resettlement Policy Framework (RPF) will be developed to describe project procedures to comply with the Involuntary Resettlement Policy (OP 4.12). The RPF will be disclosed and consulted prior to appraisal as part of the ESMF consultation process.

The project proposes to strengthen the management of key fisheries resources in off-shore and near-shore waters. As such potential access restrictions, be it seasonal, temporary or permanent, may provide some prospect for negative impacts on livelihoods for some individuals in some coastal communities that depend on such resources. As the project will not work in legally designated parks or protected areas, a Process Framework will not be developed. To address potential access restrictions as a result of the fisheries management measures supported by the project, including in Marine Areas of Responsible Fishing (MARFs), the ESMF will include guidelines for the preparation of Livelihoods Restoration Plans (LRPs), covered under OP 4.01, for the fishing communities to



be potentially affected by the project, once these populations are identified. The preparation of the LRPs will follow a participatory process with the affected communities and may include the compensation mechanisms designed to encourage sustainable fishing, including training for alternative livelihoods, among others, planned under component 3.

Safety of Dams OP/BP 4.37	No	Project activities will not involve dams and project activities will not rely on the performance of any dam.
Projects on International Waterways OP/BP 7.50	No	Project activities will not be located or take place in international waterways.
Projects in Disputed Areas OP/BP 7.60	No	Project activities will not be located or take place in disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 11, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Some environmental and social safeguards related studies and management instruments will be prepared during the project preparation process, while others will be prepared after project approval. The safeguards instruments to be prepared alongside the project, and finalized, disclosed and consulted before the project’s appraisal process has concluded, are the following ones: SA, ESMF, SEP, IPAPF, and RPF. The safeguard instruments to be prepared after project appraisal or approval, as soon as potential activities have been defined but before beginning the implementation of the project works, are the following ones: LRP, ESMPs and the SAs for each of the specific subprojects, which will provide the necessary information to determine if additional social management instruments, such as IPPs, IPAPs, RAPs or ARAPs, will need to be prepared.

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