



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 05/21/2020 | Report No: ESRSC01395



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Guatemala	LATIN AMERICA AND CARIBBEAN	P170391	
Project Name	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Guatemala		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing		11/30/2020
Borrower(s)	Implementing Agency(ies)		
Recipient to be determined	National DGM Committee		

Proposed Development Objective(s)

Financing (in USD Million)	Amount
Total Project Cost	4.50

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]

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]



The area for the proposed project will encompass designated places across Guatemala. Potential municipalities will be selected prior to board and could potentially include protected areas. Selection criteria for potential target municipalities or communities will be decided with the SC. Indigenous peoples and Local Communities (IPLCs) are critical contributors to sustainable forest management in Guatemala. There is a strong overlap between indigenous land use and conservation, with most protected areas overlapping or bordering traditional indigenous territories. The strengthening of IPLCs capacity to participate in sustainable forest and land management, will benefit local communities whose livelihood depend on the natural resources protected within those areas by enhancing the long-term availability of resources and sustainability of economic activities. This is essentially an environmental conservation project and intends to positively affect forests, through enhanced protection and community participation. Potential project impacts are expected to be localized. An estimated 1.58 million ha of land are under community ownership (12 percent of the country). These include over 500,000 ha of lands that are traditionally managed by communities based on ancestral use; 300,000 ha of communal municipal forests; 400,000 ha of community forest concessions in the Mayan Biosphere Reserve; and smaller extensions of land that include lands owned by cooperatives, sacred sites, and public lands with local access rights (for example in coastal mangroves).

D. 2. Borrower's Institutional Capacity

The overarching approach of this project (USD 4.5 million) is a grant mechanism that allows for the selection of activities based on the principle of demand-driven interventions, which will be identified by forest-dependent IPLCs through an extensive participatory and representative process. The DGM project will be implemented by a National Steering Committee (NSC) composed of three large networks of indigenous and community forestry stakeholders. The three networks are third-level entities that each represent a group of organizations, bringing complementary strengths and experiences. The National Alliance of Community Forest Organizations of Guatemala (ANOFCEG) represents ten organizations managing 427,000 ha of forests throughout the country—including the 400,000 ha of community forest concessions in Petén—and has the strongest experience in business development. The National Network of Beneficiary Communities for PINPEP (RNCBP) represents at least 35,000 individual beneficiaries participating in forestry incentives and managing 118,000 hectares of land; they have a long track record of working with systems of compensation for ecosystem services. The third network is the Indigenous Roundtable on Climate Change in Guatemala (MICCG), representing 36 organizations, with extensive experience in traditional cultural forest management and policy participation on climate change issues and indigenous peoples rights. These three networks will serve as the Bank's primary counterpart during project preparation until the Project Executing Agency is hired, and subsequently will continue to lead the conceptualization of project activities, territories to be supported, indicators, and facilitate all community consultation and participation. During project implementation the Steering Committee will determine eligibility criteria for funding, select eligible sub-project proposals for support, and provide inputs to the Bank for supervision of the National Implementing Agency.

The National Implementing Agency (NIA) to be hired, will be required to apply the Bank's Environmental and Social Framework (ESF). The TORs for the NIA will incorporate the inclusion of environmental and social specialists with the capacity to: screen subprojects, identify and assess potential impacts and opportunities per the ESF requirements, identify and supervise mitigation and enhancement measures and plans as necessary. The TORs for the NIA will also demand that the ESF specialists include the capacity to engage on labor issues and design and manage a culturally appropriate and accessible grievance redress mechanism (GRM). Once the NIA is hired, the Bank team will carry-out in-depth training on the ESF and provide coaching to the NIA and the Steering Committee in the preparation of the proposed instruments (e.g. ESIA, ESMF, IPP, SEP, LMP and ESCP).



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

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The project’s risk rating on the Environment side is Moderate given much of the focus in on technical assistance, governance and community sustainable forestry and natural resources management. Environmental impacts of the DGM project are expected to be positive, given that the activities are small in scale and will complement activities from the ongoing FIP that also seeks to promote sustainable forest management. This project will support eligible IPLCs to develop and implement sub-projects, according to criteria that the steering committee will establish. Component 1 will create enabling conditions for improved governance and participation in sustainable land and natural resource management, focused on land and forest tenure security, governance, and knowledge management. Component 2 will address poverty and promote sustainable livelihoods by designing and piloting financial mechanisms that improve the economic incentives for sustainable forest management and related activities that reduce pressure on forests. This could give rise to a series of adverse impacts of a limited and manageable nature.

Social Risk Rating

Substantial

The social risk classification for the project is considered Substantial. The proposed project is expected to generate mainly positive social impacts through: (i) promoting the inclusion of indigenous and local communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation; (ii) placing IPs and LCs at the center of the decision-making processes, which is expected to increase ownership, build capacity and promote active participation during project design and project implementation; (iii) promote the recovery and protection of traditional and customary mechanisms of land and forest management, and; (iv) potentially providing a platform for dialogue with governmental agencies to further land titling efforts and guarantee land right for IPs and local communities are respected. The main social risks associated with the proposed project include: (i) project activities or financed sub-projects implemented in areas with land tenure issues or under disputes; (ii) possible exclusion of specific vulnerable groups or groups whose interests are traditionally underrepresented, such as women, elders, youth and persons with disabilities within beneficiary communities if targeted strategies to ensure their active engagement are not incorporated into the project design; (iii) possible risks regarding technical capacities of members of the NSC as well as of the NIA to comply with Bank’s policies and procedures; (iv) the lack of capacity of the limited project funds to meet expectations and demands of IPLCs that want to benefit from the project; (v) conflicts within the NSC, between the NSC and the NIA, and/or complaints by organizations that do not form part of the NSC that they fail to represent their communities or interests; and (vi) lack of success or sustainability of subprojects, especially where reimbursable funds have been provided or lack of interest of the GoG to adopt the proposed recommendations and cultural models supported under the project.

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:

Public Disclosure



The project is expected to have a significantly positive environmental outcome as it will promote sustainable management of natural resources, including forests in areas where local communities depend on these resources to sustain their livelihoods. The project may also support the strengthening of small-scale economic activities and/or value chains involving the sustainable use of natural resources or sustainable production by local IPLCs. However, as project activities will be carried out in the vicinity of forested areas or natural habitats certain adverse impacts may be induced if not properly planned, which will in turn require mitigation measures. The associated impacts could pertain to biodiversity, natural habitats and forests, soil erosion, health and safety, and use of pesticides. Possible negative impacts from these small-scale investments are expected to be minor, localized and reversible. From a social perspective, each sub-project should include a clear mapping of stakeholders and identification of social risks, opportunities and adoption of measures to avoid impacts and promote benefits. As such, project preparation will include the development by the NIA, of an Environment and Social Management Framework (ESMF) to ensure that procedures are adopted to assess potential impacts of sub-projects identified during implementation. The Terms of Reference for the NIA establish its responsibility to fully carry out the Project’s required environmental and social assessment. The ESMF will include measures for avoiding, minimizing, preventing or mitigating risks and impacts in accordance with the applicable ESS’s and proportional to their scale and complexity. The ESMF will incorporate IP specific communication strategies and FPIC guidelines. The ESMF will be consistent with the WBG EHS Guidelines and is expected to cover, inter alia: environmental licensing procedures, waster disposal, among others. Furthermore, the ESMF will include a screening tool which will be applicable for sub-projects supported under the DGM. The screening tool included in the ESMF will provide both the eligibility and exclusion criteria for project and sub-project selection, including activities/sectors that will be financed (excluding any High risk activities) and it will also determine the eligibility criteria for beneficiaries to be targeted. The ESMF will include the conditions and requirements for E&S screening, as well as the organizational arrangements necessary for review, approval, monitoring, and reporting requirements, as well as when would FPIC be triggered. Although the Project does not expect to use Financial Intermediaries (FI), the ESMF screening will have explicit exclusion criteria in the event of FI financing whereby no High or Substantial risk activities can be included as FI subprojects.. The associated systems and procedures will be elaborated further in the Operational Manual (OM); An Environmental and Social Commitment Plan to be agreed with the Bank and containing the measures and actions to ensure compliance with the Environmental and Social Standards (ESSs) will also be prepared.

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

The use of Borrower Framework will not be considered for this project. Subprojects will be prepared by IPLC beneficiaries with the technical assistance of the NIA, and the NIA will provide the technical quality, fiduciary and safeguards review of all subprojects prior to submitting to the NSC for review and approval. The project will be fully compliant with both the national legal framework and the World Bank’s ESF.

ESS10 Stakeholder Engagement and Information Disclosure

Even though indigenous peoples represent a significant portion of the population, Guatemala does not have a national governance structure that ensures proper representation of indigenous peoples at the national level, and that provides an organizational structure that allows for coordination and communication at various levels (national, sub-national/regional, local/community). Given the diversity and lack of vertical articulation among IPLC organizations, ensuring continuous and representative stakeholder engagement, effective information disclosure and communication will be an ongoing challenge for the project. To mitigate this risk, the proposed project governance



structure, as well as the project’s implementation arrangements, will ensure accountability and allow for information to flow from one level to then next, reaching all interested parties.

The project’s draft social assessment has identified potential stakeholder communities and organizations that manage over half of community-managed forests in Guatemala, mapping local organizational patterns, socio-economic relations, situation of land tenure and land governance, as well as interests and current and potential conflicts. Potential stakeholders have been identified by territory, including the Itza-Petenero territory, Xinka de Chiquimulilla territory, Champerico Mangrove multicultural territory, Kaqchikel del Altiplano territory, Mam de Volcan Tajumulco (Chman Witz) territory, and K’iche’ de Totonicapan territory. During project preparation, the NIA will prepare a SEP where these and other key stakeholders will be identified (including public and private partners for implementation of Sub-component 1.3 of the project) and that ensures engagement throughout the life of the project. Strategies for engagement should be culturally-sensitive and take into consideration local and traditional organizational patterns and decision-making processes. The SEP will also identify specific vulnerable groups or groups whose interests are traditionally underrepresented, such as women, elders and youth, within beneficiary communities. The SEP will design targeted strategies to ensure their active engagement throughout the project. Results from continuous engagement through the SEP will also inform the design of a communications strategy and ensure materials produced for dissemination, as well as dissemination mechanisms, are culturally-sensitive and have been agreed and approved by beneficiary communities.

The draft social assessment for the project also identified potential sub-projects eligible for financing. Further consultations will be carried out during project preparation. In the case a sub-project meets the conditions requiring free, prior and informed consent (FPIC), the NIA will ensure that either the ESMF or the Operations Manual outlines clear criteria of when FPIC is needed and procedures to ensure it is attained prior to sub-project start date. The draft SEP will be disclosed as early as possible before appraisal. Other project-related information will be made available to stakeholders in a timely manner and in a form and manner they can understand, including through translation to indigenous languages where necessary. The SEP will also include a culturally appropriate and accessible grievance redress mechanism (GRM). This GRM will be available prior to effectiveness; however, before this benchmark, the NIA and the NSC will establish communication channels for potential beneficiaries to request Project information or any relevant clarifications. Updating of the SEP as needed during project implementation will be a provision in the ESCP.

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 because the project will involve different types of project workers throughout the life of the project. At the national level, the project will be led by a National Steering Committee (NSC) and the National Implementation Agency (NIA), which will carry out safeguards, technical, operational and fiduciary management of the project, under the oversight of the Bank with the advice and inputs of the NSC. Project workers under NIA oversight include consultants and community workers. The NIA will develop written Labor Management Procedures (LMP) for hiring community workers. The LMP should identify procedures and relevant conditions referred under ESS2 that will apply to community workers, including differentiating between paid and unpaid voluntary work by



community workers. As project activities will be small in scale and oriented towards supporting indigenous and local communities, community members have the potential to be employed as community workers. Workers will become involved in the management of forests, planting of trees, and other small-scale natural resources management activities which may include risks such as exposure to pesticides, unfamiliar machinery, and potential accidents among others. For these activities the project will adopt safety measures, which may include proper management of pesticides, use of personal protective equipment (PPEs), wildfires, and proper disposal of solid and liquid wastes.

The participation of women and youth in the implementation of project activities is central to the project objectives. Appropriate measures to protect, assist and address vulnerabilities of these specific sub-group of workers will be considered during project preparation and included in the LMP. Also, during project preparation, the implementing agency will develop a standalone Grievance Redress Mechanisms (GRM) for project-contracted workers, including a specific culturally appropriate GRM for community workers that ensures easy access and is translated to the local language. This GRM will contain measures to protect such workers against any reprisal for its use. Full information on this GRM will be provided to all direct and contracted workers at the time of recruitment.

Other risks include the potential for child or forced labor that must be managed in a culturally appropriate way given the focus on Indigenous Peoples. The social assessment identified a high prevalence of child involvement in most productive activities taking place in indigenous territories and local communities, particularly those related to agriculture. This responds to socio-cultural norms and customs where children are expected to accompany the elders and learn simple tasks at a very young age. Child involvement in agricultural or livestock tasks, then, is only considered as part of customary traditions and pedagogical in nature. However, the project will not support any form of child labor and will comply with all relevant local labor laws; no children under 14 will be directly engaged or contracted in project work as per ESS2. Children between 14 to 18, as permitted by local law, can be engaged in non-harmful child labor in certain traditional and culturally related activities to be defined in the LMP and will have to have authorization to work from the Ministry of Labor and Social Security. The LMP will include a monitoring mechanism to ensure compliance with this aspect of ESS2 and the relevant national laws.

Due to COVID-19 The Project will ensure the application of OHS measures as outlined in WHO guidelines which will be referred to in the ESMF. During implementation, the ESMF will be regularly reviewed and updated to integrate the latest guidance by WHO as it develops over time and experience addressing COVID-19 globally. The LMP's GRM will allow workers to address any health-related concerns that could arise from their participation in the Project's activities. No government civil servants will be working in connection with the project. The project will ensure sub-grantees follow the relevant requirements set under ESS2 and national law when hiring direct or community workers for sub-project implementation. Additionally, the NIA will conduct regular monitoring of health, working conditions, and hours of work, as required by this ESS2. The LMP will be disclosed prior to beginning of appraisal.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant. Although the project will not directly finance the use of pesticides, there is the possibility of herbicides and pesticides being used to eliminate invasive plants and natural vegetation cover, which could impact soil health and associated wildlife, while also polluting nearby streams and water bodies. The project will promote integrated pest management (IPM) approaches and minimize the application of pesticides to reduce risks to human health and the environment, particularly in situations when pesticide and herbicide use may increase as a result of the project. The sub-projects are expected to be small-scale however the ESMF will include provisions for assessing



the need for pest management and apply IPM, thus providing analysis of potential negative impacts resulting from the use of pesticides and herbicides and the risks associated with their inappropriate handling or storing. Appropriate training and equipment will be included as part of the sub-project design.

ESS4 Community Health and Safety

This standard is relevant however, given that project activities will be small in scale and limited direct impacts, adverse impacts on community health and safety as a byproduct of the project are expected to be minimal and focalized. The project will involve IPLCs as community workers in the management of forests, planting of trees, collecting and processing of timber and non-timber forest products among other natural resource-based activities. Some minor community infrastructure might be built that would require consideration of safety, accesibility, and other ESS4 risks. Community health and safety risks including potential impacts to environmental services they depend on will be considered during the design of the project. Subprojects will be screened for potential ESS4 risks and impacts and the management of community health and safety issues will be described in the ESMF.

Due to the COVID-19 pandemic, the project will promote measures that reduce risks related to the viral outbreak. Measures to protect community members or workers living in the vicinity of sub-projects will build upon international good practices and WHO protocols to describe: i) how Project activities which could increase exposure to the COVID-19 pathogen will be carried out in a safe manner in line with Good International Industry Practice (such as WHO guidelines) ii) measures in place to prevent or minimize the spread of infectious diseases, such as adherence to social distancing measures and the use of Personal Protection Equipment, and iii) emergency preparedness measures in case of local outbreaks. Information on preventive health measures to communities surrounding the sub-projects will be provided periodically through continuous stakeholder engagement. The potential E&S issues relevant to ESS4 will be identified through screening, including conditions specific to COVID-19, and will be integrated into activity-specific Environment and Social Management Plans (ESMPs) as applicable.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project will not engage in land acquisition nor is expected to lead to involuntary resettlement or physical displacement. Given the nature of this Project, the Government of Guatemala is neither the recipient of funds nor the implementing party; thus, there is no legal mandate to enforce protected areas or expropriate people. The ESMF will include screening procedures to exclude any project that might lead to involuntary resettlement of formal or informal land holders/occupants. However, project activities might result in community/voluntary enforcement of existing restrictions of access to protected areas and natural resources.

The project will not support initiatives that directly seek changes in land use or impose additional restrictions, other than those already in place. However, potential activities include financing sub-projects that could voluntarily enforce existing restrictions. In case that the project selects to finance a sub-project that results in enforcement of existing restrictions, measures will be taken to ensure it doesn't cause loss of means of livelihood to members of the community. After project effectiveness, the Borrower will include within the ESMF a section for a Process Framework that outlines the procedures the NIA will follow during project implementation in case its identified that a sub-project might lead to enforcing existing restrictions of access to land or resources. The NIA will also provide guidelines for



dispute resolution mechanisms to address disputes on land use or access to resources that result from voluntary/community enforced restrictions.

The project will finance small infrastructure investments under Component 2. The client will prepare a detailed selection process for selecting project-financed investments under sub-component 2.2. The selection guidelines for these investments and small-grants will ensure grantees provide proof of land rights and proper access to right of way, in the case of small community infrastructure investments. The PF section within the MGAS ESMF will also include detailed procedure for any land donation.

The project will not be acquiring land. However, activities within Component 1 of the project will assist communities in recovering and systematizing historical evidence and customary knowledge of land management. These tools aim to strengthen enabling conditions for indigenous and local communities to secure land and forest tenure. The project acknowledges the risks of working with indigenous and local communities that do not possess communal land titles, given possible future loss of access to the land and resources. Opportunities to create synergies with other Bank financed projects, such as the Guatemala Forest Investment Project (FIP), should be considered given it could provide a platform for dialogue with governmental agencies to further land titling efforts and guarantee land right for IPs are respected. The project will refrain from working with lands under dispute or conflict.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is relevant. Project activities will take place in and around forests, with associated impacts on terrestrial ecosystems however they are expected to be of small-scale with limited impacts to biodiversity and habitats. Potential negative impacts may include Overover-exploitation of natural resources and lack of proper management of timber and non-timber forest products (NTFPs) in modified, natural, and critical habitat, may have a negative impact on biodiversity and natural habitats, including critical habitats if not properly planned, implemented, and monitored. The ESMF will include guidance to evaluate the presence of natural habitat (critical, natural, and modified) and potential impacts on them and include measures to prevent and mitigate the possible small, localized and reversible impacts that may be expected from the necessary activities to achieve project outcomes, as described under ESS 1 above and that natural habitats are not adversely affected by the proposed sub-project activities. The ESMF will provide guidance on avoiding or mitigating impacts on biodiversity/natural habitats following the mitigation hierarchy and a precautionary approach during design and implementation of the project and biodiversity management plans will be prepared as appropriate and proportional to risks and impacts identified. As provided for in the ESMF, ESMPs will be prepared as required while mainstreaming environmental management measures into the selection, design and implementation of sub-projects. Provisions will also be included to incorporate adequate technical advice regarding species and ecosystem management to ensure biodiversity plans or management measures are informed appropriately and included in each ESMP as to ensure application of the mitigation hierarchy and management of any biodiversity impacts in accordance with ESS6.

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

This standard is at the center of the project and the Project is considered an Indigenous Peoples Project as the overwhelming number of beneficiaries are indigenous. Given this, the project's specific provisions for subproject social assessment, consultation, FPIC and the agreement on specific plans and measures will be incorporated into the



broader project design through the Operations Manual, and to some extent the SEP and the ESMF. The DGM’s general objective is to promote the inclusion of indigenous and local communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation. Beyond targeting and benefiting indigenous peoples and rural, local communities, the project will place IPLCs at the center of the decision-making processes. This will ensure ownership and active participation during project design and project implementation, monitoring and evaluation. Possible risks regarding technical capacities of members of the NSC as well as of the NIA will be identified throughout project preparation and support will be provided by the Bank in the form of short-term consultancies and resources to help strengthen its capacity.

The projects governance structure will ensure representation of IPLCs at all levels of implementation arrangements. An NSC and NIA composed by representatives of IPs and local communities will ensure they participate and benefit from development processes and that project implementation is sensitive to cultural and local norms. The client will carry out further consultations during project preparation to ensure local support for the project and identify any additional risks. Consultations will continue to be culturally appropriate and will ensure the participation of specific vulnerable groups or groups whose interests are traditionally underrepresented, such as women, elders, youth and persons with disabilities, within beneficiary communities. Consultation processes will consider traditional systems of community engagement and decision-making. In the case a sub-project meets the conditions requiring free, prior and informed consent (FPIC), the NIA will ensure it takes place with enough time and prior to sub-project start date.

The implementing agency will ensure that the project’s GRM incorporates customary dispute settlement mechanisms among IP, that can be adaptable to local customs, readily accessible, and translated to the local language.

The project does not foresee having adverse impact on land and natural resources subject to traditional ownership or in cultural heritage sites and doesn’t require involuntary resettlement. On the contrary, all project components and activities are directly related to the recovery and protection of traditional and customary mechanisms of land and forest management. Because Indigenous Peoples and Local Communities represent most beneficiaries, neither an IPPF nor Indigenous Peoples Plans are necessary.

ESS8 Cultural Heritage

This standard is relevant to the project because the project will work with the recovery and protection of intangible and tangible cultural heritage. These traditional ways and sites represent the identity and traditions of beneficiary communities, and thus the project will ensure any risks and impacts to cultural heritage are avoided or mitigated. Adverse impacts on this cultural heritage, which includes potentially sacred trees, religious forests, and temples are not expected.

Regarding intangible cultural heritage, the project will conduct activities directly related to the recovery and protection of traditional and customary mechanisms of land and forest management. Project activities are not expected pose risks or negative impacts on traditional knowledge. On the contrary, the project is expected to add value to these traditional systems by empowering local communities in their use and legitimizing them as valuable and useful tools to reduce land and forest deforestation and degradation vis a vis national institutions and the broader Guatemalan society.



Tangible cultural heritage sites could be potentially affected by the project. Some project activities will be carried out in ancestral territories where altars and archeological sites rest. Ancestral lands and altars are spiritually meaningful sites for beneficiary communities, who reside in them or present collective attachment to them. The ENA will take the necessary measures to avoid or mitigate risks and impacts in the case that specific sub-projects affect these sites. In this case, the project will carry out consultations and a FICP for the specific sub-project to ensure the affected community's consent.

Some project activities and sub-projects will be carried out near Mayan archeological sites. During project preparation, the implementing agency will conduct field surveys to document and map archeological sites that might be affected by project activities. Even though the project does not foresee direct interventions in recognized archeological sites, project activities related to Component 2, identifying and strengthening economic opportunities and livelihoods, might have an impact on archeological tourism. In the case that project activities involving small infrastructure lead to discovery of a new archeological material, the contractor should inform the NIA who should consult with cultural heritage experts in order to manage archaeological material accordingly. Relevant screening, mitigation, management and monitoring procedures for sites of interest from a cultural heritage perspective will be included in the ESMF. The project's ESMF should reinforce the requirement of preventing negative impacts on cultural heritage and the necessary procedures for chance findings and will also consider potential sacred or culturally important marine and coastal sites in management planning.

ESS9 Financial Intermediaries

This standard is not relevant at this moment. The DGM project component 2 may include a focus on enhancing financial inclusion through the establishment of a revolving fund and community banks. The selected Implementing Agency (IA) will retain Environmental and Social responsibilities throughout the Project's implementation. The IA will be may tasked a separate agency with channeling project finances, but the IA will retain full responsibilities for E&S assessment monitoring, reporting and performance of all activities supported through this mechanism. The Any potential changes to the applicability of ESS9 will be considered during preparation and appropriate measures commensurate with the moderate risk on-lending that could occur.

Public Disclosure

B.3 Other Relevant Project Risks

N/A

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	Yes
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

No other financing partners will finance actions planned under the project.

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

Actions to be completed prior to Bank Board Approval:

The following instruments will be prepared and/or disclosed prior to the beginning of appraisal

1. Preparation, consultation and disclosure of the ESMF, including exclusion criteria;
2. Preparation, consultation and disclosure of the SEP, including a finalized Project Grievance Redress Mechanism (GRM), with culturally relevant mechanisms for Indigenous stakeholders;
3. Preparation, consultation and disclosure of the ESCP; and
4. Preparation, consultation and disclosure of the LMP.

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

Institutional capacity of the National Implementing Agency (NIA) and the capacity of the environmental and social specialists they hire may require a specific action to ensure training and quality performance as part of the ESCP. The ESCP will also determinerefect: (i) any required/stipulated exclusions for risk management, and (ii) requirements for capacity building and training, with clear milestones.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

26-Jun-2020

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Recipient to be determined

Implementing Agency(ies)

Implementing Agency: National DGM Committee

Public Disclosure



V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Zenia Salinas Vallecillo, Dianna Pizarro
Practice Manager (ENR/Social)	Maria Gonzalez de Asis Recommended on 21-May-2020 at 09:55:22 EDT