Appraisal Environmental and Social Review Summary
Appraisal Stage
(ESRS Appraisal Stage)

Date Prepared/Updated: 04/29/2019 | Report No: ESRSA00072
### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honduras</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>P167767</td>
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</tbody>
</table>

| Project Name                                                                 |                                                                 |
| Improving the Livelihoods of Miskito Indigenous Peoples in La Moskitia       |

<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>Urban, Resilience and Land</td>
<td>Investment Project Financing</td>
<td></td>
<td>10/28/2019</td>
</tr>
</tbody>
</table>

| Borrower(s)                                                                 | Implementing Agency(ies)               |                            |                      |
| Coordinating Association of Indigenous and Community Agroforestry in Central America (ACICAFOC) | Coordinating Association of Indigenous and Community Agroforestry in Central America (ACICAFOC) |                            |                      |

### Proposed Development Objective(s)

The development objective is to promote socio-economic productive activities to improve the livelihoods of Miskito indigenous peoples in selected territories.

#### Financing (in USD Million)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>2.72</td>
</tr>
</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 development objective is to promote socio-economic productive activities to improve the livelihoods of Miskito indigenous peoples in selected territories. The primary target beneficiary group is the Miskito indigenous peoples of both genders and of all ages living in the rural and municipal communities of Honduras’s La Moskitia region within the Department of Gracias a Dios. The area of execution will be population of four territories: Katainasta, Auhya, Yari and Finzmos. It is expected to benefit about 2000 people. The project will follow a Community Driven Development (CDD) approach, aiming to provide matching grants to beneficiary communities to promote productive activities, targeting agricultural production (such as beans, rice, tomatoes), livestock rearing (poultry), and production of tools and equipment to improve fishery practices. The Project will contribute to the development and strengthening of the production capacity of the Miskito indigenous communities by (a) financing community-level sub-projects in order to improve the productivity, safety and environmental sustainability of already existing economic activities in agriculture and fisheries along with lesser-developed activities such as agroforestry and poultry farming; (b) improving the capacity of the Miskito communities by providing training and technical assistance; and (c) implementing a local-level Monitoring & Evaluation system to oversee sub-project activities. The Grant components are three: (1) Miskito Community Investments; (2) Capacity Building of Miskito communities and Local Awareness; and (3) Monitoring and Evaluation, and Project Management. Subprojects under Component 1 will be small scale in nature (with an average size grant of US$25,000), and will be subject to eligibility screening in accordance with criteria laid out in the project’s ESMF, which will exclude any activities that may result in significant negative environmental or social impacts.

D. Environmental and Social Overview
D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]
The project will be located in Honduras. The primary target beneficiary group of the project is the Miskito indigenous peoples living in the rural communities of Honduras’s La Moskitia region within the Department of Gracias a Dios. Environmental context: The project is located in a region that is home to around 80% of the species of flora and fauna in Honduras, and includes the country’s largest system of protected areas including the 243,126 hectares of the Tawahka Asangni Biosphere Reserve, Río Plátano Man and the Biosphere Reserve and the Patuca National Park. However, project activities will take place only in villages which are outside of legally designated protected areas. The area is prone to floods and hurricanes that can affect the food security of indigenous communities. Social and poverty context: In the country, two thirds of the population live in poverty and five out of ten suffering from extreme poverty (WB Country Profile 2012). In rural areas, including the project area, 6 out of 10 households live in extreme poverty. Gracias a Dios is an isolated area with high levels of criminal activity and drug trafficking. Infrastructure is weak and government services are limited (USAID, Travel Advisory, 2018).

D. 2. Borrower’s Institutional Capacity
The Implementing Agency of the project is the Central American Community Agro-forestry Indigenous and Peasant Co-ordination Association (known as ACICAFOC.) ACICAFOC has significant experience in participatory rural development methodologies with indigenous people in Central America, especially during prior design and implementation of community sub-projects. ACICAFOC also has extensive experience with WBG reporting, management, fiduciary, social and environment procedures and safeguards: They implemented the following: i) El Salvador: TF013124 Agricultural and Energy Risk Management; ii) Guatemala: TF011700 Strengthening the Resilience Capacity of Maya Indigenous Peoples and Peasants to Cope with Food Insecurity and Climate Change in the Guatemalan Dry-Corridor; iii) Honduras, TF011699, Environmentally Sustainable Cacao Production for Small-Scale Indigenous Peoples and Afro-descendant Farmers; iv) Nicaragua: TF093115, Alternative Sustainable Agro-Forestry
Management for the Autonomous North Atlantic Region; and v) Central America: Integrated Ecosystem Management Program PMIIIE. ACICAFOC has permanent environmental and social experts on board, who will be supplemented for this project by the hiring of dedicated environmental, social, and communications consultants to oversee and guide community-level “promoters” -- who will work closely with beneficiaries to design and implement subprojects – on all things related to environmental and social management, labor management including occupational health and safety, and communications and grievance management.

ACICAFOC will sign agreements with community-based groups who are going to manage the sub-projects. The indigenous communities have little experience working with sub-projects and small community grants. Therefore, all the selected groups will be trained in fiduciary procedures, and environmental and social risk management and promotion of environmental sustainability, monitoring and evaluation and sub-projects management and administration by ACICAFOC’s technical team. The WB team and the ACICAFOC will work with the Miskitu Asla Takanka (MASTA) organization, which is the umbrella organization for the Miskito population, in coordination with the Territorial Councils, the Indigenous governing structure, which are the main authority governing the territories. Agreements will clearly specify rules and procedures beneficiaries must follow in areas including procurement, financial and social and environmental management.

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

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The environmental risk classification is considered moderate. Subprojects will be small scale in nature (average size of US$25,000), and will be limited to those which pass eligibility screening against criteria laid out in the project’s ESMF, which are designed to exclude any activities that may result in significant negative environmental or social impacts. This includes, foremost, the exclusion of any subprojects inside of, or which could cause any impact to, any legally designated protected area. The implementing agency, ACICAFOC, also has prior experience with World Bank safeguard policies. Nonetheless, given (a) the low capacity of the beneficiary communities who will implement the subprojects, and (b) the high biodiversity value and ecological and climate change vulnerability of the broader target region, it will be important to ensure strong training and technical assistance to communities to ensure the projects contribute toward enhancing the environmental sustainability and climate resilience of community livelihoods, as well as robust monitoring and evaluation systems on environmental, health and safety aspects of the selected subprojects, in line with the Bank’s ESF.

Social Risk Rating

The Bank classifies the Social risk of the project as “moderate” after considering that there are potential social risks of elite capture, and due to low capacity of the implementers of sub - projects. The assessment of this risk also, recognizes that the situation of the Miskito Communities in Honduras varies from other non – indigenous communities in the country. The national context – discrimination and violence - and how it relates to the history and cultural background of the Miskito people, can pose additional risks to the project.

However, the small-scale nature of community sub-projects in themselves, are not expected to present significant social risks, or which affect large geographical areas. Sub-projects will be identified through a participatory
community selection process and screened by ACICAFOC during their design stage to ensure they do not pose any significant environmental or social risks.

The project will follow the Community-driven development (CDD) approach. It will engage in participatory monitoring, community scorecards and will establish a project-level Grievance Redress Mechanism, a system which allow for the community to ensure accountability of the CDD implementation. The project will ensure that WB standards are properly incorporated in each of the sub-projects and that implementers receive capacity building to strengthen their social risk management capacity. The project will work toward a collaborative approach free of manipulation, interference, coercion, discrimination and intimidation. The E&S specialists of the project will make sure that social inclusion, consultation and participatory approaches are conducted – as the WB policies and ESF indicate.

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 standard is relevant given potential environmental and social impacts associated with the activities to be financed under the sub-projects. Key issues and considerations as per this standard include: i) The project will be implemented in Miskitos indigenous communities of the Department of Gracias a Dios in Honduras and thus there is a need to apply differentiated measures to ensure the cultural pertinence of the activities, as well as to ensure environmental sustainability considerations are forefront in the selection and implementation of all subprojects. ii) The project activities will be small scale in nature and screened for eligibility against clear criteria to ensure the project avoids any potentially significant negative environmental or social impacts; nonetheless, there may be minor environmental, health and safety impacts and risks which are important to fully assess and manage, in particular due to the ecological sensitivity of the project area. iii) the institutional capacities of the community level co-implementers are weak for the formulation, screening, implementation and monitoring of relevant environmental and social management tools and measures. To identify and assess the project’s potential environmental and social impacts and risks and to propose specific mitigation, management, and monitoring measures and systems, a combined Environmental and Social Assessment (ESA) and Environmental and Social Management Framework (ESMF) has been carried out, consulted and disclosed by ACICAFOC. The ESA-ESMF indicates eligibility criteria as well as objectives of the project in selecting subprojects, and sets out the principles, guidelines and procedures for ongoing screening, assessment, management, monitoring and evaluation of environmental and social risks at the subproject level. The ESMF also specifies requirements for training and capacity building for all selected groups (co-implementers) in environmental and social assessment and management, monitoring and evaluation.

ESS10 Stakeholder Engagement and Information Disclosure

The standard is relevant. The main stakeholders are: i) the Central American Community Agro-forestry Indigenous and Peasant Co-ordination Association (ACICAFOC); ii) population of four indigenous Miskito territories: Katainasta, Auhya, Yari and Finzmos, iii) The Miskitu Asla Takanka (MASTA) Organization, iv) NGOs and v) Public Government Agencies. The project is expected to benefit about 2000 people. ACICAFOC, as the project implementing agency, initiated consultations with the target beneficiary groups starting from the early design stages over a year ago. In
preparation for project financing, ACICAFOC has also prepared a Stakeholder Engagement Plan (SEP) in collaboration with MASTA, in parallel to the ESA-ESMF development process. During implementation, ACICAFOC will work together with MASTA to proactively engage with the indigenous communities to ensure their ownership and participation in project design, implementation, monitoring and evaluation. The SEP outlines details including: a) who the key stakeholders are; b) how they have already been engaged in the project preparation period (and a summary of the outcomes of that engagement); c) how and when they will be engaged throughout the project implementation period; d) how feedback will be solicited, recorded and monitored over the project; e) details of the Grievance Redress Mechanism (GRM) to be established for the project; and e) institutional arrangements and staffing for implementing the SEP.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

The Standard is relevant given that the project will rely on various types of workers to carry out activities under the project. In addition, while works activities will be small scale, there may be minor Occupational Health and Safety (OHS) risks related to project activities, such as those related to handling of heavy equipment in building of artisanal boats, handling of fertilizers for agricultural activities, etc. Categories of workers under the project may include: i) Direct workers; ii) Contracted workers employed or engaged through community-based groups, and; iii) Community workers, including for voluntary labor contributions to the execution of subprojects, as well as the Social Facilitators engaged in facilitating the work in the different indigenous communities. The project will not hire or rely on government civil servants, whether full-time or part-time. ACICAFOC has prepared Labor Management Procedures as part of the project’s ESMF. These procedures provide details in accordance with ESS2 for each category of worker. They require ACICAFOC to follow the WB procurement rules and procedures as well as applicable national labor regulations to engage in any contracting agreement with firms and/or consultants, and to ensure that standards of the ESS2 Labor and Working Conditions are fully taken into account and are incorporated in the contracting agreements. The Labor Management Procedures also specify that community worker contributions are reflected in each of the subproject agreements signed with the beneficiaries, and that all project workers – whether direct, contracted or community workers – follow relevant Occupational Health and Safety (OHS) requirements. OHS risks and example management measures for the various types of subproject activities are outlined in the ESMF, and will be confirmed at the subproject level through each subproject’s detailed planning process, prior to issuing of subproject bid documents or signing of implementing agreements. The procedures also require the project to promote transparency in terms and conditions of employment, and nondiscrimination and equal opportunity, and specify a labor specific grievance mechanism for project workers.

ESS3 Resource Efficiency and Pollution Prevention and Management

Sub-project eligibility criteria and screening mechanisms for sub-project selection and planning, as specified in the project’s ESMF, ensure that sub-projects will not be significant sources of pollution or consumers of raw materials and resources. The main relevant issue with respect to this standard is pest management, with respect to sub-projects that aim to intensify agricultural production, and/or introduce new agricultural activities. To manage these risks, the ESMF specifies requirements for all subprojects to be assessed for potential pest management issues, to
minimize to the extent possible the use of any chemical pesticides or fertilizers and promote organic practices, and to
design and implement appropriate integrated pest management measures and related capacity building of
communities as part of the subprojects. The sub-project screening also includes criteria to prevent hazardous
agricultural chemicals, as defined under this Standard and in accordance with the WBG EHS Guidelines, from being
procured as part of the Project. The sub-projects to be supported under the Project are unlikely to be significant
consumers of natural resources and energy, and they are unlikely to lead to the generation of significant amounts
of waste materials. None of the sub-projects are likely to be significant sources of water contamination. Nonetheless,
the ESMF specifies that wastes and effluents from all subprojects must be appropriately managed, treated and
disposed. The sub-projects are not expected to be significant sources of air pollution or Green House Gas (GHG)
emissions. Sub-projects incorporating elements of climate smart agriculture would focus on water use efficiency and
energy conservation. Renewable energy technologies (RET’s) will be evaluated and incorporated into the design of
subprojects where feasible, such as the use of solar panel systems, and clean cook stoves for domiciliary and
productive uses. Because rural areas often lack access to electric grids, small scale solar panels systems could provide
beneficiaries with sufficient energy to establish basic irrigation systems as well as reduce the consumption of
firewood, and will be promoted under the project where feasible. Project beneficiaries will be trained in
environmentally friendly practices such as recycling and use of renewable energy sources. This is not only a
mechanism to protect the environment and the natural resources but also is a mechanism to build environmental
consciousness and to open avenues for alternative activities such as profiting from recycling.

ESS4 Community Health and Safety
The Project will not support any large scale physical infrastructure or activities which are likely to lead to significant
community health or safety risks; nonetheless, some risks do exist, and will be identified, assessed, and managed at
the subproject level, as laid out in the ESMF. In addition, the project will aim to reduce existing baseline health and
safety risks to communities by introducing and building capacity on safer technologies for livelihood activities. This
will include, for example: (a) an emphasis on minimizing pesticide and synthetic fertilizer use – and training and
capacity building whenever they are used – in agricultural practices; (b) a strong safety focus to fisheries related
subprojects, such as by ensuring that fishing boats constructed under the project are designed to be ocean-safe
appropriate safety equipment for fishing is procured, and training activities targeting fishing communities include
training and awareness raising on safety aspects; and (c) the planning of sub-project activities will also use
approaches of local risk management and climate smart agriculture, to aim to minimize community vulnerability to
natural disasters and climate change. The project does not envision construction of permanent physical
infrastructure for public use where universal access considerations will be relevant; however, this will be confirmed
at the subproject level during the screening and design phase, and appropriate universal access measures reflected in
designs where needed. The Project will not include any activities which would require the use of security personnel,
given the small scale and community driven nature of subprojects. While project related risks and issues related to
Gender Based Violence (GBV) are not expected to be significant given the types of project’s activities, the project
includes strong a gender focus. The subproject planning process will look into GBV related risks and issues, and
propose management measures if and where needed.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
The standard is currently not relevant. There will be no land acquisition or land use restrictions imposed by the project. Community investments activities (sub projects) are directed to indigenous smallholder farmers, who have their own lands. Following the Property Law (2004) the lands in the Moskitia were titled as collective lands (2014-2016). The Miskitos have a tradition of communal lands that are internally divided per areas such residential, forestry, agriculture among others. No sub-projects would involve the voluntary donation of lands to support project activities. The ESMF establishes exclusion criteria to ensure that no sub-project that requires involuntary taking of land as per ESS5 is eligible for financing.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The standard is relevant, given that the overall project area includes high biodiversity value and a number of protected areas, even though subprojects inside of protected areas will not be eligible for financing. The project will avoid any impacts to critical habitats, or significant impacts to any natural habitats, by applying strict screening criteria for subproject eligibility, as outlined in the ESMF. The Project will also promote sustainable Climate Smart Agriculture (CSA), resource and land conservation, and protection of natural resources with the purpose of improving the livelihoods of the respective indigenous communities in an environmentally sustainable manner. The ESMF also lays out requirements and good practices for all activities in forestry, agroforestry and animal husbandry in line with the requirements of this standard. Technical assistance and training will be provided to communities to enhance the sustainability of their livelihood activities.

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

The standard is relevant. The primary target beneficiary group of the project is the Miskito indigenous peoples living in the rural and municipal communities of Honduras’s La Moskitia region within the Department of Gracias a Dios. The project will be implemented in four territories: Katanasta, Auhya, Yari and Finzmos. Because the overwhelming majority of project beneficiaries are indigenous peoples, the elements of an Indigenous Peoples Plan will be included in the overall project design. Therefore the preparation of a stand-alone Indigenous Peoples Plan is not necessary. The SEP will describe the overall approach to engaging with Indigenous Communities. The project will not have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation by indigenous people, it will not cause relocation of Indigenous Groups from land and natural resources subject to traditional ownership or under customary use or occupation and will not have significant impacts on cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the lives of indigenous peoples. Therefore, no activities meeting the requirements for Free, Prior and Informed Consent (FPIC) will be part of the Project.” Meaningful consultation with Indigenous Groups has been carried out, and will continue to be carried out during implementation, in assessing the nature and degree of expected direct and indirect impacts, determining how the indigenous group will participate in project design and implementation, and in developing an agreed, time-bound plan including measures for: ongoing consultations during implementation, monitoring implementation and impacts, protecting the livelihoods, assets and rights of project-affected groups, enabling indigenous groups to participate equitably in project benefits, strengthening Borrower capacity, as appropriate among others. Among other requirements, ACICAFOC will: i) Proactively engage with the Indigenous Peoples to ensure their ownership and participation in project and subproject design, implementation, monitoring and evaluation. ii) Consult with the indigenous people as to the cultural appropriateness of proposed activities, and seek
to identify and address any economic or social constraints (including those relating to gender) that may limit opportunities to benefit from, or participate in, the project. iii) Ensure that a grievance mechanism is established for the project, which is culturally appropriate and accessible, and that considers the availability of judicial recourse and customary dispute settlement mechanisms. These requirements are specified in the ESMF and SEP.

ESS8 Cultural Heritage
The standard is relevant. Agricultural activities that will be promoted by the project are likely to only involve superficial movement of earth, and not profound enough to dig up/ or uncover archaeological sites and artefacts hidden from view. However, it is possible that in the existing areas for production purposes of communities, there might be movable or living cultural heritage. The ESMF includes a requirement for subprojects to conduct a pre-screening for any known cultural heritage sites, features and customs/traditions (including intangible cultural heritage values imbued in natural landscape features, above or below land or under water, with archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance) once specific subproject areas are identified. If found, specific measures will be identified to ensure that the project does not negatively impact such cultural heritage. The ESMF also includes a similar requirement in the case of chance finds. The project is not intending to use cultural heritage of indigenous people and communities for commercial purposes.

ESS9 Financial Intermediaries
The standard is not relevant. FI’s are not part of this project

B.3 Other Relevant Project Risks
At this stage no other environmental or social impacts or risks are envisaged.

C. Legal Operational Policies that Apply
OP 7.50 Projects on International Waterways
The project doesn’t include any hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial, or similar activities which would involve the use or potential pollution of any international waterway. The envisaged rural community livelihoods activities to be financed are furthermore existing schemes of a small scale nature, and investments would not adversely change the quality or quantity of water flows to any riparian, nor are they expected to be significantly affected by other riparians’ potential water use. Any potential subproject with any such effect will be screened out and not eligible for financing under the project.

OP 7.60 Projects in Disputed Areas
No disputed areas are part of the intended project area of influence.

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></td>
</tr>
<tr>
<td>ESS 10 Stakeholder Engagement and Information Disclosure</td>
<td>05/2019</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Prepare Environmental and Social Assessment and ESMF</td>
<td>05/2019</td>
</tr>
<tr>
<td>Implement Environmental and Social Management Framework for all subprojects</td>
<td>08/2019</td>
</tr>
<tr>
<td>ACICAFOC to hire dedicated experts to support management of E&amp;S risks</td>
<td>08/2019</td>
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<table>
<thead>
<tr>
<th>ESS 2 Labor and Working Conditions</th>
<th>08/2019</th>
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<tbody>
<tr>
<td>Implement Labor Management Procedures, including worker GRM</td>
<td>08/2019</td>
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<tr>
<td>Ensure full identification and implementation of Occupational Health and Safety (OHS) measures for all subprojects</td>
<td>08/2019</td>
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<thead>
<tr>
<th>ESS 3 Resource Efficiency and Pollution Prevention and Management</th>
<th>08/2019</th>
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<tbody>
<tr>
<td>Ensure agricultural subprojects follow Integrated pest management approaches, as outlined in the ESMF</td>
<td>08/2019</td>
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<thead>
<tr>
<th>ESS 4 Community Health and Safety</th>
<th>08/2019</th>
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<tr>
<td>Develop and implement measures and actions to assess and manage the risks of gender-based violence (GBV), as part of the ESMF.</td>
<td>08/2019</td>
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<tr>
<td>Identify relevant community health and safety risks for all subprojects and ensure design and implementation of appropriate measures and training to minimize and manage these risks, as per the ESMF.</td>
<td>08/2019</td>
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<tr>
<th>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</th>
<th>08/2019</th>
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</thead>
<tbody>
<tr>
<td>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</td>
<td>08/2019</td>
</tr>
<tr>
<td>Apply Sub-project eligibility criteria, as per the ESMF, to ensure that no subprojects would be supported which adversely impact natural or critical natural habitats.</td>
<td>08/2019</td>
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<table>
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<tr>
<th>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</th>
<th>05/2019</th>
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<tbody>
<tr>
<td>Because the overwhelming majority of project beneficiaries are indigenous peoples, the elements of an Indigenous Peoples Plan are included in the overall project design.</td>
<td>05/2019</td>
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<tr>
<th>ESS 8 Cultural Heritage</th>
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Apply ESMF criteria for screening, assessment and avoidance of impacts to cultural heritage, as well as chance find procedures, to all subprojects.  

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:**

As per ESS1, for Community Driven Development (CDD) type projects, low and moderate risk subprojects may follow existing national systems and requirements for E&S management. Such existing systems will be assessed during project preparation as part of the ESA process. Nonetheless, given the ecological and social sensitivities of the project area, as well as the lack of existing capacity and experience of the indigenous community organizations (who will be managing the sub-projects) in working with sub-projects and small community grants and no experience in applying E&S policies, the project’s ESMF specifies in detail the necessary E&S management measures and processes for all types of subprojects to fill gaps in the existing national framework vis a vis the ESF. The technical assistance component of the project will include capacity strengthening activities on environmental and social sustainability aspects, to ensure effective management of all E&S risks as well as to maximize equitable and inclusive social benefits as well as environmental sustainability of all subprojects.

### IV. CONTACT POINTS

**World Bank**

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- **Title:** Senior Social Development Specialist  
- **Telephone No:** 458-8894  
- **Email:** mlgonzalez@worldbank.org

**Borrower/Client/Recipient**

- **Borrower:** Coordinating Association of Indigenous and Community Agroforestry in Central America (ACICAFOC)

**Implementing Agency(ies)**

- **Implementing Agency:** Coordinating Association of Indigenous and Community Agroforestry in Central America (ACICAFOC)

### V. FOR MORE INFORMATION CONTACT
VI. APPROVAL

Task Team Leader(s): Mary Lisbeth Gonzalez