

**Republic of Nicaragua
Ministry of Environment and Natural Resources
(MARENA)
Nicaragua Caribbean Coast Emission Reduction
Program P167434**

**Draft
ENVIRONMENTAL and SOCIAL
COMMITMENT PLAN (ESCP)**

September 18, 2020

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Nicaragua, represented by MARENA as the Program Entity (PE), will implement the Nicaragua Caribbean Coast Emission Reduction Program (the **Program**), through the Ministry of Environmental and Natural Resources (MARENA) and the Ministry of Finance and Public Credit (MHCP). The International Bank for Reconstruction and Development, acting as trustee for the Tranche B of the Carbon Fund of the Forest Carbon Partnership Facility (hereinafter, the Trustee), has agreed to enter into an Emission Reductions Payment Agreement (ERPA) for the Program.
2. The Republic of Nicaragua will implement material measures and actions so that the Program is implemented in accordance with the Environmental and Social Standards (**ESSs**). This Environmental and Social Commitment Plan (**ESCP**) sets out the material measures and actions, any specific documents or plans, as well as the timing for each of these.
3. The Republic of Nicaragua will implement the Program in a manner that is consistent with the E&S documents required under the ESSs and referred to in this ESCP, namely, the Environmental and Social Management Framework (ESMF), which includes, inter alia: a) Guidelines on Cultural Heritage, b) Guidelines for a Forest Management Plans, c) Guidelines for a Biodiversity Action Plan, and d) Integrated Pest Management Guidelines; Process Framework; Indigenous Peoples Planning Framework (IPPF); the Labor Management Procedures; as well as the Stakeholder Engagement Plan (SEP). Indigenous Peoples Plans (IPPs) will be developed as needed in line with the IPPF.
4. The Republic of Nicaragua is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by MARENA.
5. The Republic of Nicaragua will monitor and report to the Trustee on the implementation of the material measures and actions set out in this ESCP, in accordance with the ESCP and relevant conditions of the ERPA. The Trustee will monitor and assess progress to complete the material measures and actions throughout implementation of the Program.
6. As agreed by the Trustee and Republic of Nicaragua, this ESCP may be updated from time to time during Program implementation, to reflect Program changes, any unforeseen circumstances, or in response to assessment of Program performance conducted under the ESCP itself. In such circumstances, the Republic of Nicaragua, through the MARENA, will agree with the Trustee, and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the Trustee and the Minister in charge of MARENA. MARENA will promptly disclose the updated ESCP.
7. Where Program changes, unforeseen circumstances, or Program performance result in changes to the risks and impacts during Program implementation, the Republic of Nicaragua shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>1. Submit to the Trustee regular monitoring reports on the environmental and social performance of the ER Program Measures, including the implementation of the environmental and social documents referred to in the ESCP, which include Environmental and Social Management Framework (ESMF) with its Integrated Pest Management Guidelines (IPM-Guidelines), Guidelines for a Biodiversity Action Plan (BAP-Guidelines), Guidelines for Labor Management Procedures (LMP-Guidelines), including code of conduct, Guidelines for Forest Management Plans, for both commercial and small-scale activities, and Guideline on Cultural Heritage; Indigenous Peoples Framework (with subsequent IPPs where necessary); Process Framework; and Stakeholder Engagement Plan (SEP)</p>	<p>1. During Reporting Periods, MARENA shall monitor and report annually to the Trustee See ERPA Section [7.01].</p> <p>2. ER Monitoring Reports are sent to the Trustee within forth-five (45) days following the end of each Reporting Period. See ERPA General Conditions Section 5.01(a), (b)(i).</p>	MARENA
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the Trustee of any incident or accident related to the ER Program which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including any accident that results in death, serious or multiple injuries, in the ER Program Measure(s) Area (as defined in ERPA General Conditions. Provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. Subsequently, as per the Trustee’s request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p>	<p>Notify the Trustee within 48 hours after learning of the incident or accident. Subsequent report would be provided within a timeframe acceptable to the Trustee, as requested.</p>	MARENA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
C	<p>THIRD PARTY MONITORING</p> <p>Cooperate fully with any third party arranged for by the Trustee to monitor the implementation of the ESCP, including the environmental and social instruments referred to therein, and/or the Benefit Sharing Plan, including, inter alia, through the provision of timely and complete records, data, reports, and collaboration for any site visits by the third-party monitor.</p>	Every time the Trustee arranges for third party monitoring as set out in the ERPA.	MARENA
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>1.1.1 MARENA will maintain qualified staff and resources to support management of E&S risks of the ER Program, including at least one Environmental Specialist and one Social Specialist, with qualifications and experience satisfactory to the Trustee, and adequate resources to ensure the implementation of the commitments of this ESCP, including implementation of the Environmental and Social Management Framework (ESMF) and annexes, Stakeholder Engagement Plan (SEP), Process Framework (PF), Indigenous Peoples Planning Framework (IPPF), Labor Management Procedures, and site specific Environmental and Social Management Plans and other plans prepared in accordance with the above mentioned documents.</p> <p>The Environmental and Social Specialists of MARENA will liaise with implementors of Program measures to this effect, which include: Ministry of Agriculture (MAG), Nicaraguan Institute of Agricultural Technology (INTA), National Forest Institute (INAFOR), National Institute for Territorial Studies (INETER), and Ministry of Family, Communal Cooperative, and Associative Economy (MEFCCA).</p>	1.1.1. MARENA already hired one (1) Environmental Specialist and one (1) Social Specialist. MARENA will maintain and expand its capacity, and safeguards functions, throughout Program implementation.	MARENA

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
<p>1.1.2 Establishment of the National and Regional Commissions for Safeguards: MARENA will establish, maintain and chair: (a) a National Safeguards Commission, and (b) three regional commissions.</p> <p>(a) The National Commission will be integrated by the Caribbean Coast Development Secretariat (SDCC), the National Forest Institute (INAFOR), the Ministry of Finance and Public Credit (MHCP), Autonomous Regional Governments of the Autonomous Region of the North Caribbean Coast (RACCN), the Autonomous Region of the North Caribbean Coast (RACCS), and indigenous territorial governments (GTI) in the program areas of intervention. The role and function of this commission will be further defined in specific terms of reference agreed with the Trustee prior to ERPA signing. In general terms, the commission will be required to, inter alia: (a) provide oversight on the consultation and stakeholder engagement process, the implementation of the Environmental and Social Commitment Plan (ESCP), the operation of the Grievance Redress Mechanism (GRM) with respect to implementation of ER Program measures, the BSP and any Program related activities; and (b) elaborate proposals for improvements (if necessary) in the implementation of the agreed program environmental and social instruments as outlined under 1.1.1.</p> <p>(b) The three regional commissions (in the North Caribbean Coast Autonomous Region; in the South Caribbean Coast Autonomous Region; and in the Alto Wangki Bocay) will be integrated by the Regional Governments, GTI, INAFOR, MEFCCA, INTA, MAG, Institute of Protection and Agricultural Health (IPSA), and relevant Municipal Governments. The role and function of these commissions will be to facilitate the implementation of activities according to the members' legal mandates as defined in the environmental and social instruments, including consultation processes, the GRM and the BSP, as well as to facilitate all other program activities in the respective regions as needed.</p>	<p>1.1.2. Commissions to be established Prior to ERPA signing, and maintained throughout the life of the ER Program</p>	<p>MARENA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.2	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK Prepare, disclose, consult, adopt and implement an Environmental and Social Management Framework (ESMF) for the ER Program, in a manner acceptable to the Trustee.</p> <p>The ESMF includes a Stakeholder Engagement Plan (SEP), a Process Framework (PF), an Indigenous Peoples Planning Framework (IPPF) Frameworks, Guidelines on Cultural Heritage, Guidelines for Forest Management Plans, Labor Management Procedures, Guidelines for a Biodiversity Action Plan, Integrated Pest Management Guidelines, and requirements for developing site specific Environmental and Social Management Plans.</p>	<p>The ESMF has already been prepared. ESMF will be implemented throughout the Program implementation.</p>	<p>MARENA Entities implementing the ER Program Measures and activities under the BSP.</p>
1.3	<p>MANAGEMENT TOOLS AND INSTRUMENTS Screen ER Program Measures in accordance with the ESMF for the ER Program, and if so, required by the ESMF, prepare the site specific Environmental and Social Management Plans (ESMPs) for the proposed new ER Program Measures.</p> <p>Any proposed ER Program measure that would fall within the exclusion list of the ESMF shall not be eligible under the ER Program.</p> <p>The screening will determine the need for additional assessment and preparation of specific instruments (ESMP, IPP, etc.) to be prepared and consulted by the implementing entities and approved by MARENA.</p>	<p>During Program implementation, and before MARENA approves specific ER Program measures.</p> <p>Prior to initiating the Program Measure activities</p>	<p>MARENA. Entities implementing the ER Program measures and the BSP.</p>
1.4	<p>SUB-ARRANGEMENTS Incorporate relevant environmental and social requirements as set out in the ESMF into sub-arrangements between MARENA and any entities including contractors implementing the ER Program measures.</p>	<p>Include as part of the sub-arrangement documents. Supervise implementing entities throughout Program implementation.</p>	<p>MARENA</p>
ESS 2: LABOR AND WORKING CONDITIONS			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Implement the LMP that has been developed for the Program as part of the ESMF. If required by the LMP, Specific Labor Management Plans will be formulated and implemented by the Entities implementing ER Program measures. Particular attention will be placed on including in sub arrangements specific provisions related to community workers, Codes of Conduct on Sexual Exploitation, Abuse (SEA) and Sexual Harassment (SH) and non-discrimination, and child labor, and the respective monitoring arrangements.</p>	Throughout Program implementation.	MARENA. Entities implementing the ER Program measures and the BSP
2.2	<p>GRIEVANCE MECHANISM FOR PROGRAM WORKERS</p> <p>Establish and operate the labor grievance mechanism (GM) described in the LMP and consistent with ESS2, and independent from the project GM. The GM will also be implemented by those implementing sub arrangement.</p>	Grievance mechanism operational prior engaging Program workers and maintained throughout Program implementation	MARENA & Entities implementing the ER Program measures and the BSP
2.3	<p>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</p> <p>Require Entities and contractors implementing the ER Program measures and the BSP to carry out their activities in accordance with the occupational, health and safety (OHS) measures, and measures to manage the COVID pandemic effects on project workers set out in the ESMF.</p>	Throughout Program implementation.	MARENA Entities implementing the ER Program measures and the BSP
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>WASTE MANAGEMENT PLAN:</p> <p>Entities implementing the ER Program measures and the BSP will be required to manage wastes in accordance with the ESMF, and if required by the ESMF, develop waste management measures in site-specific ESMPs.</p>	Prior to initiating the respective Program Measures. Thereafter implemented and maintained throughout Program implementation	MARENA Entities implementing the ER Program measures and the BSP
3.2	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT: Resource efficiency and pollution prevention and management measures will be required from entities implementing the ER Program measures as part of the site specific ESMPs, if so required by the ESMF.</p>	Same timeframe than for the preparation and implementation of the ESMPs	MARENA Entities implementing the ER Program measures and the BSP
ESS 4: COMMUNITY HEALTH AND SAFETY			

4.1	TRAFFIC AND ROAD SAFETY: Entities implementing the ER Program measures and the BSP will include traffic and road safety management measures in the site specific ESMPs, if so required by the ESMF.	Same timeframe than for the preparation and implementation of the ESMPs.	MARENA Entities implementing ER Program measures and the BSP
4.2	COMMUNITY HEALTH AND SAFETY: Entities implementing the ER Program measures and the BSP will prepare and implement measures, including Codes of Conduct and their enforcement, to manage impacts to the community arising from Program activities, including, behavior of Program workers, response to emergency situations, and, if so required by the ESMF, include these measures in the site specific ESMPs to be prepared in accordance with the ESMF.	Same timeframe than for the preparation and implementation of the site specific ESMPs.	MARENA Entities implementing the ER Program measures and the BSP
4.3	SECURITY MANAGEMENT: Entities implementing the Program measures and the BSP may implement security personnel measures consistent with ESS4, and as set out in the ESMF. Any employment of security personnel will require disclosure, assessment and a commensurate security management plan in accordance with the ESMF.	Prior to engaging security personnel and thereafter implemented throughout Program implementation.	MARENA Entities implementing the ER Program measures and the BSP

ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT

5.1	<p>PROCESS FRAMEWORK: Implement a Process Framework (PF) in accordance with ESS 5, in a manner acceptable to the Bank. Entities implementing the ER Program measures will be required to implement the measures in a manner consistent with the PF.</p> <p>The ER Program measures do not include physical infrastructure and are not expected to cause physical displacement. Measures that may involve involuntary land taking will be excluded from the Program. In both cases, any activities that would lead to these will be screened out under the exclusion criteria in the ESMF in accordance with action 1.3 above. Activities that include “involuntary physical and economic displacement” will be screened out as part of the exclusion criteria in the ESMF.</p>	PF included in the ESMF that has already been prepared. Thereafter implemented throughout Program implementation	MARENA Entities implementing the ER Program measures and the BSP
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ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

6.1	<p>BIODIVERSITY RISKS AND IMPACTS: Implement Guidelines for Biodiversity Action Plans and Guidelines for Forest Management Plans, as provided in the ESMF.</p> <p>Each ER Program Measure will be screened for biodiversity impacts in accordance with the criteria set out in the ESMF.</p> <p>If the Screening indicates that preparation of Specific Biodiversity Action Plans or Forest Management Plans is necessary for such ER Program Measure, such plans will be developed and subject to public consultation. MARENA will approve these plans.</p> <p>Once approved by MARENA plans will be implemented.</p>	<p>Upon presentation of each ER Program measure to MARENA's</p> <p>Prior to approval of ER Program measures</p> <p>Throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program measures and the BSP</p>
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	<p>INDIGENOUS PEOPLES FRAMEWORK/PLANS: Implement the Indigenous Peoples Planning Framework (IPPF) for the Program included as part of the ESMF. The Entities implementing the ER Program measures and the BSP will screen their activities in accordance with the ESMF, and if necessary, prepare and implement Indigenous Peoples Plans (IPPs), in accordance with the IPPF.</p> <p>Where IP and their communities are involved and/or affected, the consultation and participation in the BSP will be carried out in accordance with the IPPF</p>	<p>The IPPF is part of the ESMF that has been prepared for the ER Program. An IPP will be prepared before carrying out any ER Program Measures or activities under the BSP that, in accordance with the IPPF, require an IPP. Once approved by MARENA, implement the IPP throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program measures and the BSP</p>
ESS 8: CULTURAL HERITAGE			
8.1	<p>CHANCE FINDS: Implement the Guidelines on Cultural Heritage, as described in the ESMF developed for the ER Program. The guidelines include chance find procedures</p>	<p>Guidelines on Cultural Heritage are part of the ESMF already prepared.</p> <p>Implemented throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program measures and the BSP</p>
ESS 9: FINANCIAL INTERMEDIARIES			
	ESS 9 is not relevant		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			

10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION MARENA and Entities implementing the ER Program measures and the BSP will carry out stakeholder engagement and consultations in accordance with the SEP. The SEP contains guideline for implementation of stakeholder engagement processes in COVID19 context.</p>	<p>Draft SEP available as part of the ESMF already prepared and disclosed. The SEP will be updated prior to ERPA signing and implemented throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program measures and the BSP</p>
10.2	<p>PROGRAM GRIEVANCE MECHANISM: Maintain and operate the Feedback and Grievance Redress Mechanism, as described in the SEP. Entities implementing the ER Program measures and the BSP will address grievances, as set out in the SEP. These entities will implement the GRM described in the SEP.</p>	<p>The grievance mechanism will be operational prior to ERPA signing [Implemented throughout Program implementation].</p>	<p>MARENA Entities implementing the ER Program measures and the BSP</p>
CAPACITY SUPPORT (TRAINING)			
CS1	<ol style="list-style-type: none"> 1. Risk Management 2. New Environmental and Social Standards of the World Bank. 3. Emergency preparedness and response 4. Community health and safety. 5. Formulation, implementation and monitoring of community plans. 6. Consultation and participation processes and documentation including outreach to traditionally excluded and disadvantaged groups. 	<p>Once Program is effective.</p>	<p>MARENA Entities implementing the eligible activities.</p>