

**Republic of Nicaragua  
Ministry of Environment and Natural Resources  
(MARENA)**

**Emission Reductions Program to Combat  
Climate Change and Poverty in the Caribbean  
Coast, the BOSAWAS and the Indio Maiz  
Reserves P167434**

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

**January 6, 2021**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Program Entity, the Republic of Nicaragua, as represented by the Ministry of Environmental and Natural Resources (MARENA) and Ministry of Finance and Public Credit, will implement the Emission Reductions Program to Combat Climate Change and Poverty in the Caribbean Coast, the BOSAWAS and the Indio Maiz Reserves (the **Program**). 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 shall 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 shall 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 Forest Management Plans, c) Guidelines for a Biodiversity Action Plan, and d) Integrated Pest Management Guidelines; e) Process Framework; f) Indigenous Peoples Planning Framework (IPPF); h) the Labor Management Procedures; and (i) the Stakeholder Engagement Plan (SEP). Indigenous Peoples Plans (IPPs) shall 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 shall 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.
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 shall 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 shall 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
<b>MONITORING AND REPORTING</b>			
A	<p><b>REGULAR REPORTING</b></p> <p>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), Labor Management Procedures (LMP), including code of conduct, Guidelines for Forest Management Plans, for both commercial and small-scale activities, and Guideline on Cultural Heritage; Indigenous Peoples Planning Framework (with subsequent IPPs where necessary); Process Framework; and Stakeholder Engagement Plan (SEP)</p>	<p>During Reporting Periods, MARENA shall monitor and report annually to the Trustee.</p> <p>Additionally, within forty-five (45) days following the end of each Reporting Period, ER Monitoring Reports shall be submitted to the Trustee including a section on implementation of the ESCP and the documents referred to therein.</p>	MARENA
B	<p><b>INCIDENTS AND ACCIDENTS</b></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
C	<p><b>THIRD PARTY MONITORING</b></p> <p>Cooperate fully with any third party monitor arranged by the Trustee (of the Carbon Fund) to monitor the implementation of the ESCP, including the environmental and social instruments referred to therein, stakeholder engagement activities (including with indigenous peoples and afrodescendants), the Program's grievance mechanism and/or the Benefit Sharing Plan (BSP), including, inter alia, by providing timely and complete records, data, reports, and facilitating any site visits by the third-party monitor.</p>	<p>Every time the Trustee arranges for third party monitoring.</p>	MARENA

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>		
<p>1.1 <b>ORGANIZATIONAL STRUCTURE</b></p> <p>1.1.1 MARENA shall maintain qualified staff and resources to support management of E&amp;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>	<p>1.1.1. MARENA already hired one (1) Environmental Specialist and one (1) Social Specialist. MARENA shall maintain and expand its capacity, and safeguards functions, throughout Program implementation.</p>	<p>MARENA</p>

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 South 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 ER Program implementation.</p>	<p>MARENA</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.2	<p><b>ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK</b></p> <p>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, inter alia, 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 Program Entity shall screen and exclude from the Program any ER Program Measures that may fall within the exclusion criteria set out in the ESMF and Operational Manual.</p>	<p>The ESMF has already been prepared, and shall be implemented throughout the Program implementation.</p>	<p>MARENA</p> <p>Entities implementing the ER Program Measures and activities under the BSP.</p>
1.3	<p><b>MANAGEMENT TOOLS AND INSTRUMENTS</b></p> <p>1. 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 Measures that would fall within the exclusion list of the ESMF and the Operational Manual shall not be eligible under the ER Program.</p> <p>2. The screening shall 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>1. During Program implementation, and before MARENA approves specific ER Program Measures.</p> <p>2. Prior to initiating the Program Measure activities</p>	<p>MARENA.</p> <p>Entities implementing the ER Program Measures and the BSP.</p>
1.4	<p><b>SUB-ARRANGEMENTS</b></p> <p>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>
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></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 shall be formulated and implemented by the entities implementing ER Program Measures. Particular attention shall be placed on including in sub arrangements specific provisions related to community workers, and Codes of Conduct to prevent, inter alia, Sexual Exploitation, Abuse (SEA) and Sexual Harassment (SH), 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><b>GRIEVANCE MECHANISM FOR PROGRAM WORKERS</b></p> <p>Establish and operate the labor grievance mechanism (Labor GM) described in the LMP and consistent with ESS2, and independent from the overall Program GM. The Labor GM shall also be implemented by those implementing sub arrangement.</p>	Labor GM operational prior engaging Program workers and maintained throughout Program implementation	MARENA & Entities implementing the ER Program Measures and the BSP
2.3	<p><b>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</b></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 Program workers set out in the ESMF.</p>	Throughout Program implementation.	MARENA Entities implementing the ER Program Measures and the BSP
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
3.1	<p><b>WASTE MANAGEMENT PLAN:</b></p> <p>Entities implementing the ER Program Measures and the BSP shall 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><b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT:</b> Resource efficiency and pollution prevention and management measures shall 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
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			

4.1	<b>TRAFFIC AND ROAD SAFETY:</b> Entities implementing the ER Program Measures and the BSP shall 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	<b>COMMUNITY HEALTH AND SAFETY:</b> Entities implementing the ER Program Measures and the BSP shall 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	<b>SECURITY MANAGEMENT:</b> Entities implementing the Program Measures and the BSP shall ensure that any security personnel measures are consistent with ESS4, and as set out in the ESMF. Any employment of security personnel shall 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><b>PROCESS FRAMEWORK:</b> Implement a Process Framework (PF) in accordance with ESS 5, in a manner acceptable to the Bank. Entities implementing the ER Program Measures shall be required to implement the measures in a manner consistent with the PF and ESS5.</p> <p>The ER Program Measures do not include physical infrastructure and are not expected to cause physical and economic displacement. Measures that may involve involuntary land taking shall be excluded from the Program. In both cases, any activities that would lead to involuntary physical and economic displacement shall be screened out under the exclusion criteria in the ESMF in accordance with action 1.3 above.</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><b>BIODIVERSITY RISKS AND IMPACTS:</b> Implement Guidelines for Biodiversity Action Plans and Guidelines for Forest Management Plans, as provided in the ESMF.</p> <p>Each ER Program Measure shall 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 shall be developed and subject to public consultation. MARENA shall approve these plans.</p> <p>Once approved by MARENA plans shall 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>
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	<p><b>INDIGENOUS PEOPLES FRAMEWORK/PLANS:</b> 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, consult, disclose, adopt and implement Indigenous Peoples Plans (IPPs), in accordance with the IPPF and ESS7.</p> <p>The consultation and participation of the BSP shall 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 shall 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>

7.2	<p><b>EXCLUSIONS:</b> Without limitation to other excluded ER Program measures set out in the ESMF and the Operational Manual, the Program shall screen and exclude from being included or financed under the Program any ER Program Measures that include any underlying activities that, in accordance with ESS7:</p> <ol style="list-style-type: none"> <li>1. Have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;</li> <li>2. Cause relocation of indigenous peoples from land and natural resources subject to traditional ownership or under customary use or occupation; or</li> <li>3. Have significant impacts on indigenous peoples cultural heritage that is material to their identity and/or cultural, ceremonial, or spiritual aspects of their lives.</li> </ol>	<p>These exclusions shall be applied at screening throughout the implementation of the ER Program (see action 1.3 above).</p>	<p>MARENA Entities implementing the ER Program Measures and activities under the BSP.</p>
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	<p><b>CHANCE FINDS:</b> 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.  Implemented throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program Measures and the BSP</p>
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
	<p><b>ESS 9 is not relevant</b></p>		
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			

10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p> <p>a) MARENA and entities implementing the ER Program Measures and the BSP shall carry out stakeholder engagement and consultations in accordance with the SEP, which shall include measures to, inter alia, provide all stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. The SEP shall also contain guidelines for implementation of stakeholder engagement processes in the COVID19 context.</p> <p>b) MARENA shall hire a third-party facilitator, in accordance with terms of reference that shall be submitted to the prior review and approval of the Trustee, and found acceptable to affected indigenous peoples and afro-descendants as represented by their respected authorities and traditional institutions, to support the stakeholder engagement and consultation process, including, inter alia, with indigenous peoples and afro-descendants.</p>	<p>a) 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>b) The third-party facilitator shall be hired no later than three months of ERPA signature, and thereafter maintained throughout Program implementation.</p>	<p>MARENA Entities implementing the ER Program Measures and the BSP</p>
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10.2	<p><b>PROGRAM GRIEVANCE MECHANISM:</b></p> <p>a) Establish, maintain and operate the Feedback and Grievance Redress Mechanism, as described in the SEP. The GRM shall receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Program-affected parties, at no cost and without retribution, in a manner consistent with ESS10. This includes concerns and grievances filed anonymously which shall be handled in a safe and confidential manner. Entities implementing the ER Program Measures and the BSP shall be required to address grievances, as set out in the SEP. These entities shall implement and collaborate with the GRM described in the SEP.</p> <p>b) MARENA shall: (i) submit biannual reports to the Trustee on the functioning of the GRM, in form and substance acceptable to the Trustee; (ii) provide any records, logs, data, reports and any other information requested by the Trustee regarding the functioning of the GRM and the handling of grievances upon request.</p>	<p>a) The Grievance Mechanism shall be operational prior to ERPA signing and thereafter operated throughout Program implementation.</p> <p>b) (i) Reports submitted to the Trustee no later than 30 days after the end of each semester starting after ERPA signing; (ii) within a timeframe acceptable to the Trustee, as requested.</p>	<p>MARENA Entities implementing the ER Program Measures and the BSP</p>
<b>CAPACITY SUPPORT (TRAINING)</b>			
CS1	<ol style="list-style-type: none"> <li>1. Risk Management</li> <li>2. New Environmental and Social Standards of the World Bank.</li> <li>3. Emergency preparedness and response</li> <li>4. Community health and safety.</li> <li>5. Formulation, implementation and monitoring of community plans.</li> <li>6. Consultation and participation processes and documentation including outreach to traditionally excluded and disadvantaged groups.</li> </ol>	<p>Once the Program is effective.</p>	<p>MARENA Entities implementing the eligible activities.</p>